



Chuanglian Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code : 2371



Interim Report 2023

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. LU Xing (*Chairman of the Board*)
Mr. GAO Yongzhi (*Chief Executive Officer*)
Mr. LI Jia
Mr. XU Dayong
Mr. ZHANG Jie

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG Siu Kee
Mr. WU Yalin
Ms. WANG Shuping

COMPANY SECRETARY

Mr. LAM Man Kit

AUDIT COMMITTEE

Mr. LEUNG Siu Kee
(*Chairman of the Audit Committee*)
Mr. WU Yalin
Ms. WANG Shuping

REMUNERATION COMMITTEE

Ms. WANG Shuping
(*Chairman of the Remuneration Committee*)
Mr. LEUNG Siu Kee
Mr. WU Yalin

NOMINATION COMMITTEE

Mr. WU Yalin
(*Chairman of the Nomination Committee*)
Mr. LEUNG Siu Kee
Ms. WANG Shuping

AUTHORISED REPRESENTATIVES

Mr. LI Jia
Mr. LAM Man Kit

AUDITOR

SHINEWING (HK) CPA Limited
Registered Public Interest Entity Auditor

PRINCIPAL BANKER

Hang Seng Bank Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 2009–18, 20/F.
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6–8 Harbour Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Suite 3204, Unit 2A
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P.O. Box 1586
Gardenia Court
Camana Bay, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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STOCK CODE

2371

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the “Board”) of directors (the “Directors”) of Chuanglian Holdings Limited (the “Company”) hereby presents the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2023 (the “Reporting Period”), together with the comparative figures for the corresponding period in 2022 as follows:

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	3	196,547	149,857
Cost of services		(154,462)	(65,646)
Gross profit		42,085	84,211
Other income, net gains and losses	4	(2,130)	5,069
Selling and marketing expenses		(24,355)	(21,409)
Administrative expenses		(40,665)	(40,881)
Share of results of associates		(59)	(77)
Impairment losses on financial assets		(827)	(1,870)
Finance costs		(2,444)	(2,199)
(Loss) profit before tax		(28,395)	22,844
Income tax credit (expense)	5	253	(4,043)
(Loss) profit for the period	6	(28,142)	18,801
Other comprehensive income (expense)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity investments at fair value through other comprehensive income		–	(5,993)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		3,862	2,610
Other comprehensive income (expense) for the period		3,862	(3,383)
Total comprehensive (expense) income for the period		(24,280)	15,418

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

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
(Loss) profit for the period attributable to:			
– owners of the Company		(26,480)	15,415
– non-controlling interests		(1,662)	3,386
		(28,142)	18,801
Total comprehensive (expense) income for the period attributable to:			
– owners of the Company		(22,618)	12,032
– non-controlling interests		(1,662)	3,386
		(24,280)	15,418
(Loss) earnings per share			
Basic and diluted (RMB cent)	8	(0.39)	0.23

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Non-current assets			
Plant and equipment	9	45,193	50,011
Right-of-use assets		65,855	71,371
Intangible assets		50,627	55,614
Goodwill		38,290	38,290
Financial assets at fair value through other comprehensive income		53,200	53,200
Financial asset at fair value through profit or loss		3,108	3,011
Interests in associates		5,418	5,477
Deposit paid for acquisition of property, plant and equipment		43,368	20,979
Other receivables	10	2,419	2,400
Term deposits		5,030	5,030
		312,508	305,383
Current assets			
Trade and other receivables	10	87,639	69,007
Loan and interest receivables		1,651	4,510
Digital assets		7,589	18,991
Bank balances and cash		158,941	157,806
		255,820	250,314
Current liabilities			
Contract liabilities		27,748	24,022
Trade and other payables	11	59,268	32,174
Bank borrowing		1,353	–
Amount due to a shareholder		57	57
Lease liabilities		7,774	11,949
Income tax payable		9,578	8,736
		105,778	76,938
Net current assets		150,042	173,376
Total assets less current liabilities		462,550	478,759

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION (CONTINUED)**

AS AT 30 JUNE 2023

	<i>Notes</i>	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Capital and reserves			
Share capital	12	56,662	56,662
Reserves		310,535	333,153
Equity attributable to owners of the Company		367,197	389,815
Non-controlling interests		(925)	737
Total equity		366,272	390,552
Non-current liabilities			
Bank borrowing		11,839	–
Deferred tax liabilities	13	8,444	9,403
Lease liabilities		75,995	78,804
		96,278	88,207
		462,550	478,759

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Attributable to owners of the Company										Total RMB'000	
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Translation reserve RMB'000	Capital redemption reserve RMB'000	Share options reserve RMB'000	Contribution from shareholders RMB'000	Other reserve RMB'000	Investment revaluation reserve RMB'000	Accumulated losses RMB'000		Total RMB'000
At 1 January 2022 (Audited)	56,662	1,223,891	15,536	8,536	595	91,387	1,927	133,638	(10,579)	(11,533,696)	367,877	371,253
Profit for the period	-	-	-	-	-	-	-	-	-	15,415	3,386	18,801
Other comprehensive income (expense) for the period	-	-	-	-	-	-	-	-	(5,993)	-	-	(5,993)
- Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences arising on translation of financial statements of foreign operations	-	-	-	2,610	-	-	-	-	-	-	2,610	2,610
Total comprehensive income (expense) for the period	-	-	-	2,610	-	-	-	-	(5,993)	15,415	12,052	15,418
Deregistration of financial asset at fair value through other comprehensive income	-	-	-	-	-	-	-	-	1,972	(1,972)	-	-
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	40
At 30 June 2022 (Unaudited)	56,662	1,223,891	15,536	11,146	595	91,387	1,927	133,638	(14,600)	(11,402,253)	379,909	386,711

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Attributable to owners of the Company													
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Transition reserve RMB'000	Capital redemption reserve RMB'000	Share options reserve RMB'000	Contribution from shareholders RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Investment revaluation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023 (Audited)	56,662	1,223,891	15,536	18,733	595	93,206	1,927	1,337	133,638	(11,800)	(1,143,910)	389,815	737	390,552
Loss for the period	-	-	-	-	-	-	-	-	-	-	(26,480)	(26,480)	(1,662)	(28,142)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange differences arising on translation of financial statements of foreign operations	-	-	-	3,862	-	-	-	-	-	-	-	3,862	-	3,862
Total comprehensive income (expense) for the period	-	-	-	3,862	-	-	-	-	-	-	(26,480)	(22,618)	(1,662)	(24,280)
At 30 June 2023 (Unaudited)	56,662	1,223,891	15,536	22,595	595	93,206	1,927	1,337	133,638	(11,800)	(1,170,390)	367,197	(935)	366,272

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
OPERATING ACTIVITIES		
Cash from operations	6,379	61,185
Income tax refunded (paid)	136	(5,607)
NET CASH FROM OPERATING ACTIVITIES	6,515	55,578
INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,158)	(5,098)
Purchase of intangible assets	–	(3,021)
Deposit paid for acquisition of plant and equipment	(13,530)	(4,795)
Proceeds on disposal of plant and equipment	98	50
Proceeds from trading of digital assets	–	(225)
Placement of structured deposit	–	(25,000)
Withdrawal of structured deposit	–	19,000
Interest received	776	912
Capital injection from non-controlling interests	–	40
NET CASH USED IN INVESTING ACTIVITIES	(13,814)	(18,137)
FINANCING ACTIVITIES		
Interest paid	(186)	–
Bank borrowing raised	13,530	–
Repayments of bank borrowing	(338)	–
Repayment of principal element of lease liabilities	(4,726)	(6,549)
Repayment of interest element of lease liabilities	(2,258)	(2,199)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	6,022	(8,748)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,277)	28,693
CASH AND CASH EQUIVALENTS AT 1 JANUARY	157,806	169,358
Effect of foreign exchange rate changes	2,412	1,957
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	158,941	200,008

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares (“Shares”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Rooms 2009–18, 20th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

The Group is principally engaged in the provision of online training and education services and financial services. Other than those major operating subsidiaries established in the People’s Republic of China (the “PRC”) whose functional currency is Renminbi (“RMB”), the functional currency of the remaining subsidiaries is Hong Kong dollars (“HK\$”).

The functional currency of the Company is HK\$, which is different from the presentation currency, RMB. As the Group mainly operates in the PRC, the Directors consider that it is appropriate to present the condensed consolidated financial statements in RMB.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2023 have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as stated below, the accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022.

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRS(s)”)

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning on 1 January 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRS(s)”) (Continued)

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Return – Pillar Two Model Rules

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

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for services rendered net of sales related taxes for the period. An analysis of the Group’s revenue for the period is as follows:

	Six months ended 30 June	
	2023	2022
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Online training and education services	71,628	101,535
On-site training services	7,967	2,789
Educational consultancy services	5,281	3,473
Financial services	111,671	31,197
	196,547	138,994
Revenue from other source		
Finance leasing services	–	10,863
	196,547	149,857

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

3. REVENUE AND SEGMENT INFORMATION (Continued)

Information reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Securities trading – trading of financial assets at fair value through profit or loss;
2. Educational consultancy and online training and education – provision of educational consultancy services and online training and education services and on-site training services; and
3. Financial services – provision of insurance brokerage services, money lending services, investments advisory services and finance leasing services.

Segment revenue and results

The following table presents the Group's revenue and results by reportable and operating segments for the six months ended 30 June 2023 and 2022 respectively:

Six months ended 30 June 2023

	Securities trading <i>RMB'000</i> (Unaudited)	Educational consultancy and online training and education <i>RMB'000</i> (Unaudited)	Financial services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
REVENUE				
External sales	–	84,876	111,671	196,547
Segment loss	–	(14,270)	(3,569)	(17,839)
Unallocated other income, net gains and losses				(5,595)
Unallocated corporate expenses				(4,961)
Loss before tax				(28,395)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2022

	Securities trading <i>RMB'000</i> (Unaudited)	Educational consultancy and online training and education <i>RMB'000</i> (Unaudited)	Financial services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
REVENUE				
External sales	–	107,797	42,060	149,857
Segment profit	–	29,570	10,845	40,415
Unallocated other income, net gains and losses				(4,745)
Unallocated corporate expenses				(12,826)
Profit before tax				22,844

Segment profit (loss) represents the profit earned by and loss from each segment without allocation of central administration costs, Directors' emoluments, certain other income, net gains and losses, depreciation of certain plant and equipment and right-of-use assets and certain finance costs. This is the measure reported to the executive Directors, being the chief operating decision maker, for the purposes of resources allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Segment assets		
Securities trading	–	–
Educational consultancy and online training and education	227,199	231,348
Financial services	71,743	81,385
Total segment assets	298,942	312,733
Unallocated corporate assets	269,386	242,964
Consolidated assets	568,328	555,697
Segment liabilities		
Securities trading	–	–
Educational consultancy and online training and education	131,178	128,830
Financial services	33,031	10,744
Total segment liabilities	164,209	139,574
Unallocated corporate liabilities	37,847	25,571
Consolidated liabilities	202,056	165,145

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment, certain right-of-use assets, certain intangible assets, financial assets at fair value through other comprehensive income (“FVTOCI”), financial asset at fair value through profit or loss (“FVTPL”), deposit paid for acquisition of property, plant and equipment, certain other receivables, term deposits and bank balances and cash; and
- all liabilities are allocated to operating segments other than certain other payables, bank borrowing, certain lease liabilities, amount due to a shareholder, income tax payable and deferred tax liabilities.

4. OTHER INCOME, NET GAINS AND LOSSES

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Value-added tax refund	–	146
Compensation income (<i>note a</i>)	2,151	8,667
Government grants (<i>note b</i>)	–	47
Bank interest income	776	912
Change in fair value in digital assets	(5,617)	(4,986)
Loss on deregistration of financial assets at FVTOCI	–	(428)
Others	560	711
	(2,130)	5,069

Notes:

- (a) During the six months ended 30 June 2023, the Group’s leased training center was temporarily used for non-training business and received a compensation of approximately RMB2,151,000 (six months ended 30 June 2022: RMB8,667,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

4. OTHER INCOME, NET GAINS AND LOSSES (Continued)

Notes: (Continued)

- (b) During the six months ended 30 June 2022, the Group recognised government grants of approximately RMB47,000 (six months ended 30 June 2023: nil) in respect of COVID-19-related subsidies which related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund.

5. INCOME TAX (CREDIT) EXPENSE

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
PRC Enterprise Income Tax		
– current period	706	4,571
– Deferred tax	(959)	(528)
	(253)	4,043

6. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Depreciation of plant and equipment	5,753	5,199
Depreciation of right-of-use assets	5,567	6,929
Amortisation of intangible assets	5,032	3,942
Expense relating to short-term leases	1,162	1,036

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

7. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

8. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
(Loss) earnings		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	(26,480)	15,415
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	6,752,211	6,752,211

The denominators used are the same as those detailed above for both basic and diluted (loss) earnings per share.

Diluted (loss) earnings per share is same as basic (loss) earnings per share for both periods.

The computation of diluted (loss) earnings per share does not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price for shares for both six months ended 30 June 2023 and 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

9. PLANT AND EQUIPMENT

During the six months ended 30 June 2023, additions of plant and equipment amounted to approximately RMB1,158,000 (six months ended 30 June 2022: RMB7,498,000).

10. TRADE AND OTHER RECEIVABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade receivables	25,838	17,560
Less: impairment loss recognised	(2,369)	(1,542)
	23,469	16,018
Other receivables	27,640	20,983
Consideration receivables	24,360	26,887
Prepayments	14,337	7,414
Deposits	2,588	2,569
Value added tax recoverables	1,482	1,354
Less: impairment loss recognised	(3,818)	(3,818)
	66,589	55,389
	90,058	71,407
Analysed as		
Current	87,639	69,007
Non-current	2,419	2,400
	90,058	71,407

The Group does not hold any collateral over these receivables.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

10. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables are due according to the terms on the relevant contracts as at 30 June 2023 and 31 December 2022. The following is an aged analysis of trade receivables net of accumulated impairment losses presented based on the invoice date at the end of Reporting Period:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 30 days	21,250	13,574
31 to 60 days	280	1,545
61 to 180 days	1,619	728
181 to 365 days	320	171
	23,469	16,018

11. TRADE AND OTHER PAYABLES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Trade payables	8,451	6,410
Other payables	43,348	14,528
Other tax payables	1,157	1,673
Accruals	6,312	9,563
	59,268	32,174

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

11. TRADE AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade payables presented based on the invoice date at the end of the Reporting Period:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 30 days	7,419	5,659
31 to 60 days	86	143
61 to 90 days	145	–
91 to 150 days	186	80
151 to 365 days	87	–
Over 365 days	528	528
	8,451	6,410

The trade payables were due according to the terms on the relevant contracts. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

12. SHARE CAPITAL

	Number of shares		Share capital		Equivalent nominal value of ordinary shares	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022
	'000	'000	HK\$'000	HK\$'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Ordinary shares of HK\$0.01 each						
Authorised:						
At the beginning and end of the period/year	100,000,000	100,000,000	1,000,000	1,000,000	879,000	879,000
Issued and fully paid:						
At the beginning and end of the period/year	6,752,211	6,752,211	67,522	67,522	56,662	56,662

13. DEFERRED TAX LIABILITIES

The movements in the deferred tax liabilities during the year/period were as follows:

	Intangible assets	Fair value adjustment on intangible assets arising from acquisition	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2022 (audited)	–	8,724	8,724
Charge (credit) to profit or loss	1,806	(1,127)	679
At 31 December 2022 (audited)	1,806	7,597	9,403
Credit to profit or loss	(395)	(564)	(959)
At 30 June 2023 (unaudited)	1,411	7,033	8,444

14. SHARE-BASED PAYMENT TRANSACTIONS

The Company’s share option scheme was adopted pursuant to a resolution passed on 28 May 2014 for the primary purpose of providing incentives to directors, eligible employees and external consultants and will expire from ten years commencing from 28 May 2014.

For six months ended 30 June 2023 and 2022, no share-based payment expenses has recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

15. RELATED PARTY TRANSACTIONS

- (a) Other than disclosed elsewhere in the condensed consolidated financial statements, the Company had not entered into any transactions with related party during both periods.
- (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Short-term benefits	1,771	2,029
Post-employment benefits	107	90
	1,878	2,119

The remuneration of directors and other members of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 30 June 2023 and 31 December 2022:

	30 June 2023	31 December 2022
	Level 3	Level 3
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Financial assets at FVTOCI		
Unlisted equity investments in the PRC	53,200	53,200
Financial asset at FVTPL		
Unlisted fund investment in Hong Kong	3,108	3,011

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	Unlisted fund investment <i>RMB'000</i>	Unlisted equity investments <i>RMB'000</i>
As at 1 January 2022 (audited)	2,260	56,821
Total gains (losses):		
– in profit or loss	523	–
– in other comprehensive income	–	(2,200)
Deregistration of FVTOCI	–	(1,421)
Exchange realignment	228	–
As at 31 December 2022 (audited)	3,011	53,200
Exchange realignment	97	–
As at 30 June 2023 (unaudited)	3,108	53,200

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial assets that are measured at fair value on a recurring basis

The valuation techniques and inputs used in the fair value measurements of the financial instrument on a recurring basis are set out below:

Financial Instruments	Fair value hierarchy	Fair value as at		Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
		30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)			
Digital assets	Level 1	5,347	4,369	Quoted price provided by digital markets that are considered as active markets	N/A	N/A
Digital assets	Level 2	2,242	14,622	Quoted price provided by digital markets that are considered as active markets	N/A	N/A
Unlisted fund investment	Level 3	3,108	3,011	Fair value of underlying assets in the fund	Underlying assets in the fund	The higher the value of the underlying assets, the higher the fair value
Unlisted equity investments	Level 3	53,000	53,000	Market approach by applying market multiples from comparable companies and adjusted by marketability discount	Multiples of comparable companies; Marketability discount	The higher the multiples/ the lower the marketability discount, the higher the fair value
Unlisted equity investments	Level 3	200	200	Asset-based approach adjusted by marketability discount	Marketability discount	The lower the marketability discount, the higher the fair value

Except for the financial assets listed above, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

17. CAPITAL COMMITMENT

Capital expenditure contracted for at the end of the Reporting Period but not recognised as liabilities is as follows:

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Acquisition of property, plant and equipment	12,264	25,794
Capital contribution to associates	13,840	13,840

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of (i) educational consultancy and online training and education (collectively referred to as “education services”) and (ii) financial services.

In respect of the education services, the Group’s vision is to deeply cultivate the continuing education market, expand new vocational education and create a vocation education brand that promotes lifelong learning, employment and personal career development. While in respect of the financial services, the Group has successfully expanded its operations to financial services business through a series of acquisitions transactions in the past few years, the management expected both services can share their resources and integrate with each other’s, thereby establishing a dual development model of “education + financial services”.

Education Services

The Group provides online and offline training services for millions of professional staff in various provinces and cities across the PRC to adapt to job requirements and improve their job skills. The current population of professional staff in the PRC is over 90 million. There are certain requirements under the PRC laws and relevant provisions that professional staff in the PRC are required to undertake an annual required minimum continuing professional training in both public required subjects and relevant professional subjects in order to satisfy their corresponding job requirements and professional development needs.

The Group is now providing comprehensive online training and education services to professional staff, through the Internet and mobile Internet. The Group is operating more than 200 large-scale online training and education service platforms for institutional B-end users and 1 online education platform (Rongxue Cloud) for mobile Internet C-end users. The Group currently has more than 8 million paying users. In the past few years, the Group’s online training platform has provided training for more than 60 million times of attendance.

During the Reporting Period, the Group has provided its online training and education business to different geographical areas in the PRC. The Group’s online training and education business currently covers 20 provinces, autonomous regions and municipalities as well as over 150 cities in the PRC.

Furthermore, the Group has launched a multi-level, multi-dimensional online and offline combination of online training services. By providing a large-scale online training cloud platform (Rongxue Cloud) combined with offline training centres currently established in Guangxi Zhuang Autonomous Region and Sichuan Province, various forms of training are provided to users with a full range of training services to meet the growing training needs for both online and offline services.

Additionally, in order to strengthen the Group’s influence in the education training industry in the PRC, the Group has acquired a comprehensive office in Jinniu District in Chengdu, to offer offline training services in addition to its online training services, and to establish one more comprehensive office venue combining O2O online and offline training and education services.

Financial Services

Leveraging on the continuous development of the PRC market and its own advantage in terms of resources, the Group has accumulated years of experience in the field of education and has achieved relatively good results. With financial services being one of the four pillar industries in Hong Kong, and the Group being a participant in Hong Kong's capital market, the Group was able to expand and develop its business in the financial sector by virtue of its own strengths and the promising growth potential of Hong Kong's financial market.

The Group has completed a series of mergers and acquisitions of licensed financial companies in the PRC and Hong Kong markets in the past few years, which accelerated the Group's expansion into the financial sector.

As at 30 June 2023, Beijing Zhongjin Insurance Brokerage Limited ("Beijing Zhongjin"), a subsidiary of the Group, established branches in nearly 10 provinces and municipalities in China, including Shanghai, Shandong, Jiangxi, Tianjin, and Guangdong. Beijing Zhongjin actively developed its business and worked together with Well Tunes Financial Group Limited ("Well Tunes"), a subsidiary of the Group, with an aim to promote collaborative development between the two markets.

RuiLian Financial Group Company Limited ("RuiLian"), a subsidiary of the Group, is a corporation licensed under the Securities and Futures Ordinance (the "SFO") to conduct Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. As at the end of the Reporting Period, its asset management and advisory businesses contributed to the overall performance of the Group. Under the strategic guidance of and the efforts made by the management team, RuiLian has been managing several funds, including Premier Global Investment Fund SPC, Premier Frontier IPO Fund, CCBT Global Navigation Fund and CCB Frontier Fortune Fund, with the total amount of assets under management reaching approximately HK\$1.3 billion.

As an important contributor to the Group's financial development, Wellstone Credit Finance Limited, a subsidiary of the Group, is a licensed money lender in Hong Kong that primarily develops in line with the Group's overall commitments and provides an absolute guarantee for the development of its business in accordance with external requirements. As such, its operating results have historically contributed to the overall development of the Group.

In August 2021, the Group expanded its financial services segment and tapped into the PRC finance lease business by acquiring Leading Fortune Global Group Limited ("Leading Fortune Global", together with its subsidiaries, "Leading Fortune Global Group") ("Acquisition of Leading Fortune Global"). Leading Fortune Global Group focuses on the provision of finance lease services over high-performance data processing computer units which are specialised in distributed ledger technology, blockchain and cryptocurrencies, and the provision of technology consulting services.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Shortly after the Acquisition of Leading Fortune Global, new rules and regulations in relation to cryptocurrencies were announced and imposed by the PRC authorities and the People's Bank of China unexpectedly in September 2021. Although Leading Fortune Global was not directly affected by such new rules and regulations, Leading Fortune Global suspended its technology consulting services and tried to reform its business model and negotiate with its customers to relocate its place of business operations.

Having considered, among others, the introduction of such new rules and regulations had limited the growth and prospects of Leading Fortune Global Group which is contrary to the Company's expectation when the Acquisition of Leading Fortune Global was conducted, in August 2022, the Group entered into a sale and purchase agreement ("Disposal SPA") with Mr. Pan Ruixin ("Mr. Pan"), a connected person of the Company at the subsidiary level and the vendor of Acquisition of Leading Fortune Global, for disposal of Leading Fortune Global ("Disposal of Leading Fortune Global"). The consideration of Disposal of Leading Fortune Global is HK\$43,000,000 (the "Consideration") and shall be settled by Mr. Pan to the Group by four instalments, and Mr. Pan has the right to choose to settle any instalment in HK\$ cash or in the form of Eligible Cryptocurrency (as defined in the Disposal SPA).

Disposal of Leading Fortune Global was completed on 23 December 2022. Following the completion of Disposal of Leading Fortune Global, the Group has ceased the business of finance lease services and technology consulting services. Details of the Disposal of Leading Fortune Global were set out in the announcements of the Company dated 4 August 2022, 1 September 2022, 30 September 2022, 1 December 2022, 23 December 2022, 3 January 2023, 31 March 2023, 24 April 2023, 29 May 2023 and 26 July 2023.

Besides, the Company has been tapping into the blockchain and cryptocurrency industries since 2021 by investing in cryptocurrencies such as Bitcoin (BTC) and Ethereum (ETH). Furthermore, since late 2021, RuiLian has also commenced providing asset management services to its clients where a certain portion of the fund assets is used to invest in cryptocurrency investment products.

PROSPECTS

Education Services

In recent years, the Group has continuously invested to increase the coverage of the Group's online training and education services business in China. The Group plans to continue to deepen the Group's combination of online and offline service solutions in the field of continuing education of professional staff and continue to increase the market share.

Therefore, based on the strong foundation and growth of the continuing education for professional staff, the Group will widen the scope of vocational skills training for professional staff. The Group will also do its best to continuously expand its business in the foreseeable future in accordance with changes in government policies and new market coverage, and promote online training education penetration in existing business areas.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In addition to the business-to-business model, the Group will continue to allocate more resources to develop the business-to-consumer model in order to increase the consumer adherence and loyalty to the Group's training and education platforms. With the success of launching of online to offline training model by opening the training centers geographically, the Group will seek more suitable areas to set up more training centers for better improvement of its post-sales services and increase the average revenue per user in the future.

As most professional staff would be required to pass certain examinations before admission as civil servants and achievement of corresponding professional qualifications, the Group believes that the market potential of pre-examination preparation courses is still huge. In view of this, the Group has continued to develop this business line by providing more pre-examination preparation courses in the future.

Financial Services

Due to Hong Kong's position as an international financial center and the southern-most strategic location in the Greater Bay Area ("GBA"), in addition to the full support provided by the Central Government to the GBA Economic Zone, financial services are of paramount importance.

The Group has achieved preliminary results in relation to its active strategic planning in the financial sector. However, the increasingly competitive nature of the market is a constant reminder to the Group to step up its expansion plans.

Beijing Zhongjin will continue to set up offices in major cities in China, in order to satisfy domestic demands for insurance products, and lay a solid foundation for market expansion and business improvement. On the basis of the existing life insurance business, Well Tunes will actively expand its financial insurance business starting from inner circles and gradually expanding to outer circles. Besides, group medical insurance, MPF, employee benefits and other group insurance plans will be launched. At present, both companies are actively accommodating differences between the insurance products of Hong Kong and the Mainland and utilizing the respective strengths thereof. Once intraregional business activities become commonplace, both companies can expand their operations for them to reach the next milestone through resources sharing and create real synergy.

In 2022, RuiLian has completed the upgrading of its license for Type 1 (Dealing in Securities) regulated activity, enabling the Group to realize the business connections among licenses for Type 1, Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Furthermore, RuiLian is actively developing its Type 9 business, the total amount and the types of assets under management have been on the increase and are targeted to exceed HK\$3 billion. The management believes that the financial services will promote the growth of the Group's overall revenue in foreseeable future.

FINANCIAL REVIEW

For the Reporting Period, the Group recorded a revenue of approximately RMB196,547,000 (six months ended 30 June 2022: approximately RMB149,857,000), representing an increase of approximately 31.2% as compared to the last corresponding period.

Out of the total revenue, approximately RMB84,876,000 (six months ended 30 June 2022: approximately RMB107,797,000) was generated from education services business, and approximately RMB111,671,000 (six months ended 30 June 2022: approximately RMB42,060,000) was generated from the financial services business for the Reporting Period.

For the Reporting Period, both segments have equal weight in the Group's business, where education services business accounted for approximately 43.2% and financial services business accounted for approximately 56.8%. There was a decrease in the Group's revenue from the education services business for the Reporting Period as a result of the decrement in the demand for online training courses.

In view of the huge market potential of the online training and education as well as the PRC government launched several action plans for promoting high-quality development of modern vocational education, the management expects that there will be a revenue rebound in the Group's education services business in the second half of 2023. The revenue derived from education services business is usually subject to certain seasonality as more users would prefer to undertake the trainings closer to the end of the year.

The significant increase in revenue from the financial services business was mainly due to the expansion of the insurance brokerage business in more PRC cities. Since the education services business has been on a steady growth track, the Group has begun to expand the financial services business, especially for the insurance brokerage business in mainland China. The Group has invested more resources to increase the market share and regional coverage of the insurance brokerage business, providing life insurance, property insurance and reinsurance solutions through different promotion channels. Therefore, the revenue from the insurance brokerage business was significantly increase in the first half year of 2023 and the management expects that there will be sustainable growth in the Group's financial services business in the second half year of 2023.

Cost of services for the Reporting Period was approximately RMB154,462,000 (six months ended 30 June 2022: approximately RMB65,646,000), representing an increase of approximately 135.3% as compared to the last corresponding period. The increase in cost of services was mainly due to the increase in revenue of the financial services business.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Gross profit margin for the Reporting Period was dropped to approximately 21.4% (six months ended 30 June 2022: approximately 56.2%), mainly due to the significant increase in revenue of the financial services business, which has a much lower gross profit margin compared to the education services business. Moreover, the Group has devoted more staff costs and other operating expenses to online and offline training services in order to increase the market coverage in different geographical areas in the PRC, which resulted in a lower gross profit margin in the education services business during the Reporting Period.

Selling and marketing expenses for the Reporting Period was approximately RMB24,355,000 (six months ended 30 June 2022: approximately RMB21,409,000), representing an increase of approximately 13.8% as compared to the last corresponding period. The increase in selling and marketing expenses was mainly due to the increase in staff costs and advertising fee.

Administrative expenses for the Reporting Period was approximately RMB40,665,000 (six months ended 30 June 2022: approximately RMB40,881,000), representing a decrease of approximately 0.5% as compared to the last corresponding period. The decrease in administrative expenses was mainly due to the decrease in depreciation.

As a result of the above, the Group recorded a turnaround from profit to loss in the current period. The loss attributable to owners of the Company for the six months ended 30 June 2023 was approximately RMB26,480,000 (profit for the six months ended 30 June 2022: approximately RMB15,415,000). The basic loss per share for the Reporting Period was approximately RMB0.39 cent compared to a basic earnings per share of approximately RMB0.23 cent for the six months ended 30 June 2022.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group finances its operations by cash flow from operating activities and interest-bearing bank borrowings.

As at 30 June 2023, the Group had bank balances and cash of approximately RMB158,941,000 (31 December 2022: approximately RMB157,806,000) and had bank borrowing of approximately RMB13,192,000 (31 December 2022: no bank borrowing).

As at 30 June 2023, the Group's net current assets totalled approximately RMB150,042,000 (31 December 2022: approximately RMB173,376,000). Current ratio was approximately 2.42 times as at 30 June 2023 (31 December 2022: approximately 3.25 times).

GEARING RATIO

As at 30 June 2023, the gearing ratio of the Group (measured as total liabilities to total assets) was approximately 35.6% (31 December 2022: approximately 29.7%).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CAPITAL STRUCTURE

As at 30 June 2023, the Company has 6,752,210,578 shares in issue. There has been no change in the capital structure of the Company during the Reporting Period.

FOREIGN EXCHANGE EXPOSURE

Substantially all of the business transactions of the Group are denominated in Renminbi and Hong Kong dollars. The Group adopts a conservative financial policy. As at 30 June 2023, the Group did not have any bank liabilities, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group is not exposed to any material interest and exchange risks.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities (31 December 2022: nil).

CHARGE ON GROUP ASSETS

As at 30 June 2023, the Group did not have any charges on its assets.

CAPITAL COMMITMENT

As at 30 June 2023, the Group had outstanding capital commitment in respect of acquisition of property, plant and equipment, and capital contribution to associates of approximately RMB12,264,000 and RMB13,840,000 respectively (31 December 2022: approximately RMB25,794,000 and RMB13,840,000).

EMPLOYEE INFORMATION AND REMUNERATION POLICY

As at 30 June 2023, the Group had 488 employees (31 December 2022: 484 employees) in Hong Kong and the PRC, and the total staff costs (including all Directors' remuneration and fees) are approximately RMB29,149,000 for the Reporting Period (six months ended 30 June 2022: approximately RMB23,214,000).

The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Staff remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group. Remuneration to staff will be reviewed from time to time when warranted considering the performances of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also adopted a share option scheme whereby qualified participants may be granted options to acquire shares of the Company. There has been no major change in staff remuneration policies during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

USE OF PROCEEDS

Share Placing and CB Placing

On 28 April 2021, the Company and ASA Securities Limited (the “Placing Agent”) entered into a share placing agreement (the “Share Placing Agreement”) and a convertible bond placing agreement (the “CB Placing Agreement”) respectively, pursuant to which the Placing Agent conditionally agreed to place, on a best effort basis, for up to 470,000,000 new shares of the Company (the “Placing Shares”) at a price of HK\$0.102 per Placing Share (the “Placing of Shares”) and for convertible bonds (the “Convertible Bonds”) in the principal amount of up to HK\$90,000,000 (the “Placing of CB”).

The Placing of Shares and Placing of CB were both completed on 28 May 2021 in accordance with the terms and conditions of the Share Placing Agreement and CB Placing Agreement. A total of 470,000,000 Placing Shares had been successfully placed to not less than six (6) placees, who and whose ultimate beneficial owners were independent third parties, at the placing price of HK\$0.102 per Placing Share, and the Convertible Bonds in the aggregate principal amount of HK\$40,000,000 have been placed to one placee, namely Mr. Song Bo (“Mr. Song”), being a PRC resident and a general investor. Mr. Song was appointed as an executive Director on 25 June 2021 and resigned as an executive Director on 6 February 2023.

On 15 September 2021, 320,000,000 Shares were issued upon conversion of the HK\$40,000,000 principal amount of Convertible Bonds, and thus the Convertible Bonds was fully converted and no remaining outstanding balance.

The net proceeds from the Placing of Shares and Placing of CB, after deduction of the relevant fees paid by the Company in connection therewith, were approximately HK\$47,790,000 and HK\$39,760,000 respectively. The Company intends to apply the net proceeds from Placing of Shares and Placing of CB in the same proportion and manner as shown in the announcement of the Company dated 28 May 2021. An analysis of the utilisation of the net proceeds up to 30 June 2023 is set out below:

Intended use of net proceeds	Original allocation of net proceeds <i>HK\$'000</i> <i>(approximately)</i>	Utilised net proceeds as at 30 June 2023 <i>HK\$'000</i> <i>(approximately)</i>	Unutilised net proceeds as at 30 June 2023 <i>HK\$'000</i> <i>(approximately)</i>	Expected timeline for unused net proceeds
Possible investment in the education and finance market	60,050	42,000	18,050	2023
General working capital	27,500	27,500	–	–
Total	87,550	69,500	18,050	

OTHER INFORMATION

SHARE OPTION SCHEMES

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 May 2014, a share option scheme (the “Share Option Scheme 2014”) was adopted by the Company. The Share Option Scheme 2014, subject to earlier termination by the Company in general meeting, will remain in force of a period of ten years. The scheme limit in respect of the grant of options to subscribe for Shares under the Share Option Scheme 2014 has been refreshed by a resolution passed at the annual general meeting of the Company held on 14 June 2018.

On 4 January 2022, 100,000,000 share options were granted to two grantees, both are business associates of the Company. Details of this grant of 100,000,000 share options and the grantees were set out in the announcements of the Company dated 4 January 2022 and 10 January 2022.

Accordingly, 100,000,000 new shares of the Company may be issued in respect of the 100,000,000 share options granted during the Reporting Period, representing approximately 1.48% of the total number of issued shares of the Company as at 30 June 2023. As at 30 June 2023, a total of 496,851,057 shares of the Company are available for issue under the Share Option Scheme 2014 (assuming (a) all outstanding options as at 30 June 2023 are exercised in full; and (b) all options available for grant as at 30 June 2023 are granted and exercised in full), representing approximately 7.36% of the total number of issued shares of the Company. There has been no change in the total number of issued shares of the Company during the Reporting Period.

During the Reporting Period, no share options had been granted under the Share Option Scheme 2014.

Movements of share options granted under the Share Option Scheme 2014 during the Reporting Period are summarised as follows:

List of Grantees	Balance as at 1 January 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Balance as at 30 June 2023	Exercise Price HK\$	Date of Grant	Exercise Period
Consultants									
In aggregate	100,000,000	-	-	-	-	100,000,000	0.103	04/01/2022	04/01/2022-03/01/2025 (Note)
Total	100,000,000	-	-	-	-	100,000,000			

Note: In accordance with the terms of the Share Option Scheme 2014, these share option vested at the date of grant.

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

As at 30 June 2023, the interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company (the "Chief Executives") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in the Company:

Name of Directors	Nature of interests	Number of issued ordinary shares held	Aggregate number of shares held	Approximate aggregate percentage of the issued share capital
Lu Xing ("Mr. Lu")	Beneficial owner	605,200,000	1,394,828,323	20.66%
	Interest in controlled corporation	789,628,323 (Note 1)		
Gao Yongzhi ("Mr. Gao")	Beneficial owner	6,148,000	611,064,000	9.05%
	Interest in controlled corporation	604,916,000 (Note 2)		
Li Jia	Beneficial owner	7,936,000	7,936,000	0.12%
Zhang Jie ("Mr. Zhang")	Beneficial owner	198,658,000	273,830,000	4.06%
	Interest of spouse	75,172,000 (Note 3)		

OTHER INFORMATION (CONTINUED)

Notes:

1. Of these 789,628,323 Shares, 109,628,323 Shares are held by Ascher Group Limited; and 680,000,000 Shares are held by Headwind Holdings Limited. Ascher Group Limited and Headwind Holdings Limited are companies incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Lu. Therefore, Mr. Lu is deemed to be interested in the 109,628,323 Shares held by Ascher Group Limited and the 680,000,000 Shares held by Headwind Holdings Limited by virtue of the SFO.
2. These 604,916,000 Shares are held by Easy Team Investment Limited, which is incorporated in Hong Kong with limited liability and ultimately wholly owned by Mr. Gao through Prime Goal Developments Limited. Therefore, Mr. Gao is deemed to be interested in the 604,916,000 Shares held by Easy Team Investment Limited by virtue of the SFO.
3. These 75,172,000 Shares are held by Ms. Yuan Xiaoling (“Ms. Yuan”) who is the spouse of Mr. Zhang. Therefore, Mr. Zhang is deemed to be interested in the 75,172,000 Shares held by Ms. Yuan by virtue of the SFO.

Save as disclosed above, as at 30 June 2023, none of the Directors or Chief Executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTOR’S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable any of the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the Directors, their spouse or their children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the Reporting Period.

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

So far as the Directors and the Chief Executives were aware, as at 30 June 2023, other than the Directors and the Chief Executives, the following persons/corporations had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register of the Company required to be kept under section 336 of the SFO, or were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long positions in the Company:

Name of substantial shareholders of the Company	Nature of interests	Number of issued ordinary shares/ underlying shares held	Aggregate number of shares held	Approximate aggregate percentage of the issued share capital
Headwind Holdings Limited	Beneficial owner	680,000,000 <i>(Note 1)</i>	680,000,000	10.07%
Easy Team Investment Limited	Beneficial owner	604,916,000 <i>(Note 2)</i>	604,916,000	8.96%
Prime Goal Developments Limited	Interest in controlled corporation	604,916,000 <i>(Note 2)</i>	604,916,000	8.96%
Guo Zhen Bao ("Mr. Guo")	Beneficial owner Interest of spouse	184,622,032 196,408,000 <i>(Note 3)</i>	381,030,032	5.64%
Choi Chung Lam ("Mr. Choi")	Beneficial owner Interest in controlled corporations	3,500,000 536,052,000 <i>(Note 4)</i>	539,552,000	7.99%
HTHTIMES Limited	Beneficial owner	434,724,000 <i>(Note 4)</i>	434,724,000	6.44%

Notes:

- These 680,000,000 Shares are held by Headwind Holdings Limited, which is incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Lu.
- These 604,916,000 Shares are held by Easy Team Investment Limited, which is incorporated in Hong Kong with limited liability and ultimately wholly owned by Mr. Gao through Prime Goal Developments Limited.

OTHER INFORMATION (CONTINUED)

3. These 196,408,000 Shares are held by Ms. Ren Jiying who is the spouse of Mr. Guo. Therefore, Mr. Guo is deemed to be interested in the 196,408,000 Shares held by Ms. Ren Jiying by virtue of the SFO.
4. Of these 536,052,000 Shares, 434,724,000 Shares are held by HTHTIMES Limited and 101,328,000 Shares are held by Team Effort Investments Limited. HTHTIMES Limited and Team Effort Investments Limited are companies incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Choi. Therefore, Mr. Choi is deemed to be interested in the 434,724,000 Shares held by HTHTIMES Limited and 101,328,000 Shares held by Team Effort Investments Limited by virtue of the SFO.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE

Throughout the Reporting Period, the Company has applied and complied with the code provisions in the Corporate Governance Code set out in Appendix 14 of the Listing Rules, save for the following deviation:

Code provision	Reasons for the non-compliance and improvement actions took or to be taken
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F.2.2	Due to other business engagement, Mr. Lu Xing, the Chairman, was not able to present at the annual general meeting (“AGM”) held on 23 May 2023. However, Mr. Zhang Jie, an executive director present at that AGM took the chair of that AGM to ensure an effective communication with the shareholders of the Company thereat.
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COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding securities transactions by its Directors. The Company had made specific enquiries of all Directors, and the Company was not aware of any non-compliance with the required standard in the Model Code during the Reporting Period.

DIRECTORS’ INTEREST IN COMPETING INTEREST

None of the Directors nor their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the Reporting Period.

OTHER INFORMATION (CONTINUED)

DISCLOSURE OF INFORMATION ON DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of information on the Director is as follows:

The term of Mr. Zhang Jie as an executive Director has been renewed for the period from 25 June 2023 to 24 June 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently does not have any future plans for material investments or capital assets.

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the Reporting Period.

SIGNIFICANT INVESTMENTS

The investment objective of the Group is to achieve earnings and enhance the corporate value to the shareholders of the Company. The Group has no specific industry focus on potential investment.

As at 30 June 2023, the Group has three financial assets at fair value through other comprehensive income and one financial asset at fair value through profit or loss with details as follows:

		Number of shares held	Investment cost	Percentage of interest held	Measured at fair value as at 1 January 2023	Fair value change	Exchange realignment	Measured at fair value as at 30 June 2023
	Notes		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Investment A	(a)(e)	N/A	38,000	19.8%	26,000	–	–	26,000
Investment B	(b)(e)	N/A	25,000	2.5%	27,000	–	–	27,000
Investment C	(c)(e)	N/A	2,000	4%	200	–	–	200
Investment D	(d)	50,000	3,243	12.35%	3,011	–	97	3,108
Total			68,243		56,211	–	97	56,308

OTHER INFORMATION (CONTINUED)

Notes:

- (a) Investment A is a private company namely 北京國亞通寶科技有限公司 (“Guoya Tongbao”) incorporated in the PRC and is principally engaged in the operation of a technology platform and offering online payment solutions. During the Reporting Period, Guoya Tongbao was profit-making according to the management accounts. The management decided to hold the investment for medium or long-term strategic purpose.
- (b) Investment B is an investment in a mutual insurance agency namely Xinmei Mutual incorporated in the PRC and is principally engaged in the provision of life insurance products in the PRC. During the Reporting Period, Xinmei Mutual was profit-making according to the management accounts. The management decided to hold the investment for medium or long-term strategic purpose.
- (c) Investment C is a private company namely 北京亞格斯科技發展有限公司 (“Yagus”) incorporated in the PRC and is principally engaged in the operation of a technology platform and offering online payment solutions. During the Reporting Period, Yagus was profit-making according to the management accounts. The management decided to hold the investment for medium or long-term strategic purpose.
- (d) Investment D is a private company namely Flying Global Limited (“Flying Global”) incorporated in Hong Kong and is principally engaged in investing in cultural innovation industry in the Greater China region. The financial performances of Flying Global as at 31 December 2022 and 30 June 2023 were referenced to the respective reports from the manager of Flyover HK. The management will continue to hold the investment and expect a high yield in the near future.
- (e) Investment A, Investment B and Investment C are collectively referred to as the “Investments”. As at 31 December 2022 and 30 June 2023, the Investments were measured at fair values. The fair values of the Investments were determined using the market approach by applying market multiples from comparable companies and adjusted by marketability discount.

To mitigate relevant risks, the Group will optimise its investment strategies in response to market conditions.

Save as disclosed above, the Group had no significant investments held during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

DIVIDEND

The Directors do not declare the payment of an interim dividend for the six months ended 30 June 2023.

EVENT AFTER THE REPORTING PERIOD

On 21 July 2023, Mr. Pan (the purchaser of Disposal of Leading Fortune Global) failed to settle his payment obligations under the Disposal SPA (as supplemented and amended by the first supplemental agreement dated 1 September 2022, the second supplemental agreement dated 30 September 2022 and the third supplemental agreement dated 1 December 2022) in full. An aggregate sum of approximately HK\$26,420,000, comprising (i) the overdue sum (i.e. approximately HK\$9,220,000) of the second instalment; (ii) the third Instalment (i.e. HK\$8,600,000); and (iii) the fourth Instalment (i.e. HK\$8,600,000) (collectively, the “Overdue Debt”) remain overdue by Mr. Pan. The Group is in the process of seeking advice from its legal advisers and is considering taking appropriate legal actions against Mr. Pan to recover the Overdue Debt. Details of the Disposal of Leading Fortune Global were set out in the announcements of the Company dated 4 August 2022, 1 September 2022, 30 September 2022, 1 December 2022, 23 December 2022, 3 January 2023, 31 March 2023, 24 April 2023, 29 May 2023 and 26 July 2023.

Save as disclosed above, no significant events affecting the Group have occurred since the end of the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) currently consists of three independent non-executive Directors, namely, Mr. Leung Siu Kee, Mr. Wu Yalin and Ms. Wang Shuping. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the Reporting Period, and was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

By Order of the Board
Chuanglian Holdings Limited
Gao Yongzhi
Chief Executive Officer and executive Director

Hong Kong, 30 August 2023

As at the date of this report, the Board comprises Mr. Lu Xing (Chairman), Mr. Gao Yongzhi, Mr. Li Jia, Mr. Xu Dayong and Mr. Zhang Jie as executive Directors and Mr. Leung Siu Kee, Mr. Wu Yalin and Ms. Wang Shuping as independent non-executive Directors.