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HARBOUR DIGITAL
Harbour Digital Asset Capital Limited
港灣數字產業資本有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 913)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the “**Board**”) of Harbour Digital Asset Capital Limited (the “**Company**”) herein present their unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”). The interim results for the Period are unaudited, but have been reviewed by the Company’s audit committee (“**Audit Committee**”) of the Board. The Board has approved the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2024.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Unaudited	
		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Gross proceeds from disposal of trading securities		1,466	5,650
Gain/(loss) from the sale of listed equity investments at fair value through profit or loss (“FVPL”)		34	(165)
Revenue	2	600	840
Other income	2	2	–
Changes in fair value of listed equity instruments at FVPL		(43,438)	(30,187)
Other operating expenses		(3,120)	(3,822)
Loss before tax	4	(45,922)	(33,334)
Income tax	5	–	–
Loss and total comprehensive loss for the Period attributable to equity holders of the Company		(45,922)	(33,334)
Loss per share			
– Basic and Diluted	6	HK(16.09 cents)	HK(11.85 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		Unaudited	Audited
		30 June	31 December
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Debt investment at amortised cost	7	<u>18,759</u>	<u>18,159</u>
Current assets			
Equity investments at FVPL	8	70,909	112,441
Deposits and prepayments		430	242
Due from securities brokers	9	56	3,000
Other receivables		35,325	35,325
Bank balances and cash		<u>3,946</u>	<u>1,978</u>
		<u>110,666</u>	<u>152,986</u>
Current liabilities			
Other payables and accruals		460	840
Due to securities brokers	10	<u>–</u>	<u>1</u>
		<u>460</u>	<u>841</u>
Net current assets		<u>110,206</u>	<u>152,145</u>
NET ASSETS		<u>128,965</u>	<u>170,304</u>
Capital and reserves			
Share capital		296	281
Reserves		<u>128,669</u>	<u>170,023</u>
TOTAL EQUITY		<u>128,965</u>	<u>170,304</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

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

The Interim Financial Statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

The Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); HKAS; and Interpretations. The adoption of these new and revised HKFRSs does not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the Period and prior years/periods.

2. REVENUE AND OTHER INCOME

The Group is principally engaged in the investments in listed and unlisted securities. The details of revenue recognised during the six months ended 30 June 2024 are as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$’000	HK\$’000
Revenue		
Interest income from debt investment at amortised cost	600	597
Dividend income from listed equity investments at FVPL	–	243
	<u>600</u>	<u>840</u>
Other Income		
Interest income from amount due from broker	2	–
	<u>2</u>	<u>–</u>
	<u>602</u>	<u>840</u>

3. SEGMENT INFORMATION

For the purpose of internal reporting, the Group only has one business segment, namely, investments in listed and unlisted securities. Business segment information, which is the Group’s primary basis of segment reporting, is not required as the Group’s turnover, contribution to operating profit, assets and liabilities are attributable to this only segment.

Geographical information

The geographical location from which the Group derives revenue is based on the location of the markets of the respective investments; and geographical location of the specified non-current assets (excluding the Group's investments) is based on the physical location of the asset. However, over 90% of the Group's revenue and non-current assets are principally attributable to Hong Kong. Consequently, no geographical information represented.

4. LOSS BEFORE TAX

		Unaudited	
		Six months ended 30 June	
		2024	2023
	Notes	HK\$'000	HK\$'000
This is stated after charging:			
Staff costs, including directors' emoluments			
– salaries		852	848
– pension scheme contributions		19	20
		<u>871</u>	<u>868</u>
Operating lease charges in respect of			
– land and buildings		94	85
		<u>94</u>	<u>85</u>
Disclosures pursuant to Rule 21.12(1)(c) of the Listing Rules			
Realised (gain)/loss on disposal of listed equity investments	(i)	(34)	165
Unrealised loss on listed equity investments	(ii)	43,438	30,187
		<u>43,438</u>	<u>30,187</u>

Notes:

- (i) The amounts are calculated based on the sales proceeds less cost of those investments.
- (ii) The amounts represented changes in fair value of unrealised investments during the period and cumulative change in fair value of realised investments.

5. INCOME TAX

The Group did not derive any taxable profit for the Period and the six months ended 30 June 2023.

6. LOSS PER SHARE

The calculations of basic and diluted losses per share are based on the Group's loss for the Period attributable to the equity holders of the Company of approximately HK\$45,922,000 (2023: HK\$33,334,000).

The basic and diluted losses per share for the Period were based on the weighted average number of 285,324,537 ordinary shares in issue. The Company had no potentially dilutive ordinary shares in the six months ended 30 June 2024. The share options during the six months ended 30 June 2024 were anti-dilutive.

The basic and diluted losses per share for the 30 June 2023 were based on the weighted average number of 281,181,680 ordinary shares in issue for that period.

7. DEBT INVESTMENT AT AMORTISED COST

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 <i>HK\$'000</i>
Unlisted debt investment (<i>Note</i>)	20,000	20,000
Interest receivable	1,524	924
Less: Allowance for credit losses	(2,765)	(2,765)
	<u>18,759</u>	<u>18,159</u>
Analysed as:		
Non-current	<u>18,759</u>	<u>18,159</u>

Note:

The unlisted debt investment represented unlisted bonds with principal amount of HK\$20,000,000 issued by AMCO, which is listed in Hong Kong. It is unsecured, carries interest at 6% per annum and matured in 8 years (i.e. 96 months). The principal activities of AMCO were sale of medical devices products, sale of plastic moulding products, money lending business and securities investment.

The movements in the allowance for credit losses of debt investment measured at amortised cost are as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 <i>HK\$'000</i>
At the beginning of the period/year	2,765	3,824
Impairment losses, net	–	(1,059)
At the end of the period/year	<u>2,765</u>	<u>2,765</u>

8. EQUITY INVESTMENTS AT FVPL

	Unaudited	Audited
	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
Current		
Listed equity investments in Hong Kong	70,909	112,441

As at 30 June 2024, the net fair value loss in respect of the Group's listed equity investments in Hong Kong recognised in profit or loss amounted to approximately HK\$43,438,000, and net gain of approximately HK\$34,000 was recognised upon disposal of the listed equity investments for the Period.

The Group's major investments as at 30 June 2024 were detailed below:

	Notes	Stock code	Fair/ Market value HK\$'000	As at 30 June 2024		For the six month ended 30 June 2024		
				Investment portfolio	Approximate percentage of the Group's total assets	Unrealised gain/(loss) HK\$'000	Realised gain/ (loss) HK\$'000	Dividend received HK\$'000
Listed equity investments in Hong Kong								
SEEC Media Group Limited	(i)	205	6,874	7.7%	5.3%	(7,597)	-	-
China Jicheng Holdings Limited	(ii)	1027	7,390	8.2%	5.7%	(11,676)	-	-
WLS Holdings Limited	(iii)	8021	15,262	17.0%	11.8%	(10,406)	-	-
Asia Grocery Distribution Limited	(iv)	8413	7,167	8.0%	5.5%	2,027	-	-

Notes:

- (i) SEEC Media Group Limited (“SEEC”) is incorporated in the Bermuda as an exempted company and continued in Bermuda with limited liability and its shares are listed on Main Board of the Stock Exchange (Stock code: 205). SEEC is principally engaged in the provision of advertising agency services and distribution of books and magazines in the People's Republic of China and the securities broking business, money lending business and provision of e-commerce platform services and sales of high-tech products in Hong Kong. For the year ended 31 December 2023, the audited consolidated loss attributable to owners of SEEC was approximately HK\$23.3 million with basic and diluted loss per share of HK\$0.032. As at 31 December 2023, its audited consolidated net assets attributable to the owners was approximately HK\$207.2 million.
- (ii) China Jicheng Holdings Limited (“China Jicheng”) is incorporated in the Cayman Islands as an exempted company and continued in Cayman Islands with limited liability and its shares are listed on Main Board of the Stock Exchange (Stock code: 1027). China Jicheng is principally engaged in the manufacturing and sale of POE umbrellas, nylon umbrellas and umbrella parts such as plastic cloth and shaft. For the year ended 31 December 2023, the audited consolidated loss attributable to owners of China Jicheng was approximately RMB92.7 million with basic and diluted loss per share of RMB22.48 cent. As at 31 December 2023, its audited consolidated net assets attributable to the owners was approximately RMB239.6 million.

- (iii) WLS Holdings Limited (“WLS”) is incorporated in the Bermuda as an exempted company and continued in Bermuda with limited liability and its shares are listed on GEM of the Stock Exchange (Stock code: 8021). WLS is principally engaged in the scaffolding and fitting out services and other auxiliary services for construction and buildings work and money lending business. For the year ended 30 April 2024, the audited consolidated loss attributable to owners of WLS was approximately HK\$11.1 million with basic and diluted loss per share of HK0.078 cent. As at 30 April 2024, its audited consolidated net assets attributable to the owners was approximately HK\$383.9 million.
- (iv) Asia Grocery Distribution Limited (“Asia Grocery”) is incorporated in the Cayman Islands as an exempted company and continued in Cayman Islands with limited liability and its shares are listed on GEM of the Stock Exchange (Stock code: 8413). Asia Grocery is principally engaged in the provision of food and beverage grocery distribution and provision of food catering services through restaurants in Hong Kong. For the year ended 31 March 2024, the audited consolidated profit attributable to owners of Asia Grocery was approximately HK\$1.9 million with basic and diluted earnings per share of HK0.160 cent. As at 31 March 2024, its audited consolidated net assets attributable to the owners was approximately HK\$98.9 million.

9. DUE FROM SECURITIES BROKERS

Amounts due from securities brokers represent deposits placed with securities brokers for the trading of listed investments which are repayable on demand and interest-free.

10. DUE TO SECURITIES BROKERS

Amounts due to securities brokers represent margin loans arising from the trading of listed investments which are repayable on demand. No ageing analysis is disclosed in respect of due to securities brokers. In the opinion of the directors of the Company, an ageing analysis does not give additional value in view of the Group’s business nature.

11. CHARGE OF ASSETS AND MARGIN FACILITIES

As at 30 June 2024 and 31 December 2023, margin facilities from several regulated securities brokers were granted to the Group which were secured by the Group’s equity instruments and investments held for trading. As at 30 June 2024 and 31 December 2023, the Group had not utilised against these facilities.

12. CONTINGENT LIABILITIES

Financial guarantee issued

The Company had corporate guarantee for securities trading account maintained by one of its subsidiaries with a broker, which was unutilised at 30 June 2024 and 31 December 2023.

The directors of the Company do not consider probable that a claim will be made against the Company under any of the guarantee at 30 June 2024 and 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for six months 30 June 2024 (the “**Period**”) (*six months ended 30 June 2023 Nil*).

RESULTS

The Group recorded a net loss of approximately HK\$45.9 million for the Period, as compared to approximately HK\$33.3 million in the corresponding period of last year. The net loss generated by the Group for the Period was mainly attributable to fair value loss of listed equity instruments at fair value through profit or loss (“**Listed Investments**”) of approximately HK\$43.4 million during the Period (six months ended 30 June 2023: HK\$30.2 million). Basic and diluted losses per share of the Company for the Period of HK16.09 cents were recorded as compared to basic and diluted earnings per share, being of HK11.85 cents for the same period in 2023.

BUSINESS REVIEW

The Company is an investment company and its shares are listed on the Main Board of the Stock Exchange since 27 October 1999, pursuant to Chapter 21 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). During the period under review, the Group remains principally engaged in listed investments in Hong Kong, other major stock markets around the world, and in unlisted companies to achieve medium-term or long-term capital appreciation.

Given the deteriorating market condition, the listed equity investments classified under investments held for trading has posted net realised gain of approximately HK\$34,000 (*2023: loss of HK\$0.2 million*) and unrealised loss of approximately HK\$43.4 million (*2023: HK\$30.2 million*). During the Period, the Board remains focus on listed equity investments in Hong Kong. The Company continues to be cautious in identifying any investment opportunities to achieve medium-term or long-term capital appreciation.

In order to keep reasonable spread of the Group’s investments, the Board will maintain a diversified investment portfolio to cover a wide range of business sectors, including, but not limited to, companies engaged in sectors such as finance, consumer goods and consumer services, media, manufacturing etc.

The investment portfolio of the Group as at 30 June 2024 mainly comprises of a portfolio of listed shares in 34 companies of HK\$70.9 million and 1 direct unlisted debt investment of HK\$18.8 million which represent approximately 55.0% and 14.5% of the Group’s consolidated net asset value respectively.

Significant Investments

Significant investments of the Group are the debt investment and the major listed equity investment as detailed in notes 7 and 8 to the condensed consolidated financial statements. Save for these investments, the Group has not held any investment, the value of which was over 5% of the value of the Group's total assets as at 30 June 2024. Set out below are further information of these significant investments:

The Group held an unlisted bond Investment in AMCO United Holding Limited (“**AMCO**”). AMCO is a company incorporated in Bermuda with limited liability and principally engaged in medical device businesses. The company operates through four business segments, namely Medical Devices Business, Plastic Molding Business, Money Lending Businesses and Securities Investment. It is listed on main board of the Stock Exchange (stock code: 630). Based on AMCO's annual report for the year ended 31 December 2023, its net asset value was approximately HK\$61.4 million, its net current assets were approximately HK\$92.3 million. Accordingly, the Company considers that AMCO has sufficient working capital to meet the ongoing business, there is no signal of default of bonds issued by AMCO.

The Group held certain significant listed equity investments, which are SEEC Media Group Limited (“**SEEC**”) (HKSE stock code: 205), China Jicheng Holdings Limited (“**China Jicheng**”) (HKSE stock code: 1027), WLS Holdings Limited (“**WLS**”) (HKSE stock code: 8021) and Asia Grocery Distribution Limited (“**Asia Grocery**”) (HKSE stock code: 8413) as at 30 June 2024.

SEEC is principally engaged in the provision of advertising agency services and distribution of books and magazines and the securities broking business, money lending business and provision of e-commerce platform services and sales of high-tech products. For the year ended 31 December 2023, the audited consolidated loss attributable to owners of SEEC was HK\$23.3 million. The percentage of fair value of the Group's investment in SEEC to the Group's total assets as at 30 June 2024 was approximately 5.3%. The unrealised loss on the Group investments in SEEC during the Period was approximately HK\$7.6 million. Based on SEEC Media's 2023 annual report, SEEC will actively develop its advertising business, especially the digital media marketing and the MCN business which their Board considers that the market is growing rapidly in recent years. The Company believes the SEEC's will maintain its cautiously optimistic outlook and explore other suitable investment opportunities which are able to bring satisfactory and sustainable returns to itself and maximize its shareholders' value.

China Jicheng is principally engaged in the manufacturing and sale of POE umbrellas, nylon umbrellas and umbrella parts such as plastic cloth and shaft. For the year ended 31 December 2023, the audited consolidated loss attributable to owners of China Jicheng was approximately HK\$92.8 million. The percentage of fair value of the Group's investment in China Jicheng to the Group's total assets as at 30 June 2024 was approximately 5.7%. The unrealised loss on the Group investments in China Jicheng during the Period was approximately HK\$11.8 million. China Jicheng will shift business focus from developing upstream manufacturing to downstream distribution network and brand building so as to facilitate promotion of its branded umbrellas which command higher margins and create higher values as well as bringing better return to its shareholders. To diversify its business and explore potential business opportunities, its exploring and developing business opportunities and projects. The Company believes the China Jicheng will continue to explore the potential of this business opportunities and utilize its resource with prudence in the future.

WLS is principally engaged in the scaffolding and fitting out services, management contracting services and other services for construction and buildings work, money lending business and securities investment business. For the year ended 30 April 2024, the audited consolidated loss attributable to owners of WLS was HK\$11.1 million. The percentage of fair value of the Group's investment in WLS to the Group's total assets as at 30 June 2024 was approximately 11.8%. The unrealised loss on the Group investments in WLS during the Period was approximately HK\$10.4 million. In view of present economic uncertainty and difficulties, WLS is reviewing its existing assets structure and business strategies and may make adjustment to our existing assets structure, with the aim to consolidate our resources, so as to be flexibly prepared for uncertainties in the future. Meanwhile, in order to enhance its competitiveness, WLS will look for opportunities to revitalise the scaffolding business to keep up with the recent development and trend in the industry, in particular the declining use of bamboo scaffolds. At the same time, WLS will continue focusing on those business segments that generate higher profit margins and show ample growth potential such as money lending operations. WLS will strictly adhere to its cost control policy, and swiftly adjust business strategies of its scaffolding business in response to ever-changing market dynamics in order to generate better financial returns for shareholders. The Company agrees the WLS's business strategy and believes that profit will be generated in long run.

Asia Grocery is principally engaged in the provision of food and beverage grocery distribution and provision of food catering services in Hong Kong. For the financial year ended 31 March 2024, the audited consolidated profit attributable to owners of Asia Grocery was HK\$1.9 million. The percentage of fair value of the Group's investment in Asia Grocery to the Group's total assets as at 31 December 2023 was approximately 5.5%. The unrealised gain on the Group investments in Asia Grocery during the Year was approximately HK\$2.0 million. Asia Grocery supplied over 300 brands of products originated from different areas, with customers covering restaurants, non-commercial dining establishments, hotels and private clubs, food processing operators and wholesalers in Hong Kong. The Company believes the Asia Grocery will continue to explore the potential of this business opportunities and utilize its resource with prudence in the future, and Asia Grocery will bring positive return to its shareholders.

Segment Information

There is no material change in the Group's investment segment, principally investment in listed and unlisted securities, during the Period.

Performance of the Group's Listed Securities

The net loss on listed securities of approximately HK\$43.4 million for the Period represented net realised gain on disposal of listed securities of approximately HK\$34,000 and net unrealised loss of listed securities of approximately HK\$43.4 million. Set out below are further information of these net realised gain and unrealised losses:

Net Realised Gain on Disposal of Listed Securities

The amount represented realised gain on disposal of listed securities of approximately HK\$34,000 and no realised loss on disposal of listed securities was recognised during the Period.

Net Unrealised Loss of Listed Securities

The net unrealised loss of approximately HK\$43.4 million represented the unrealised gain of approximately HK\$4.3 million net of unrealised loss of approximately HK\$47.7 million.

The unrealised gain of approximately HK\$4.3 million principally represented:

Company name	Stock code	Unrealised gain <i>HK\$ million</i>
Asia Grocery Distribution Limited	8413	2.0

In addition to above stock, there is no stock which brought unrealised gain over HK\$2 million to the Group during the Period.

The unrealised loss of approximately HK\$47.7 million principally represented:

Company name	Stock code	Unrealised loss <i>HK\$ million</i>
China Jicheng Holdings Limited	1027	11.7
WLS Holdings Limited	8021	10.4
SEEC Media Group Limited	205	7.8
Milan Station Holdings Limited	1150	3.5
AMCO United Holding Limited	630	3.1
Tai Kam Holdings Limited	8321	2.6

In addition to above six stocks, there is no stock which incurred unrealised loss over HK\$2 million to the Group during the Period.

PROSPECTS

The general expectation of decrease in the rate of US Dollars is the main theme of the global investment market in the first half of 2024. Both Dow Jones Industrial Average Index (“**DJI**”) and Hang Seng Index (“**HSI**”) recorded increases in this half year. DJI rose by 3.8% from 37,689 points as at the last trading day of 2023 to 39,118 points as at the last trading day of the Period. HSI’s performance was similar to that of DJI. HSI rose by 3.9% from 17,047 points as at the last trading day of 2023 to 17,718 points as at the last trading day of the Period.

Although DJI recorded increase in the Period, the outlook of US economy may not be such positive. The US economy is considered decelerating moderately as we pass the midyear point. Nothing alarming, but labor market momentum is cooling with initial claims for unemployment on a gentle uptrend, the unemployment rate creeping up past 4%, payrolls gently slowing, hours worked moderating and wage growth easing. With real disposable income growth having slowed to a modest pace, consumers are favoring prudence over exuberance. Lower- and median-income household with higher debt burdens and weaker savings buffers are showing more price sensitivity and discretion in their purchases while higher-income families are still spending relatively freely. Businesses are also being more judicious with their hiring and investment decisions while offering discounts and incentives to draw more price-discriminating customers. The housing market remains largely frozen with limited supply and depressed affordability constraining demand. Looking ahead, cost fatigue and general macroeconomic uncertainty around the elections, policy and geopolitical developments have kept expectations in check.

China, the largest economy in the East, has been in a different economic cycle to the West. Over the last few years its economy has been under pressure from a historic housing downturn, but coming into 2024 some promising signs have started to emerge. In particular, outperformance in the manufacturing sector has contributed to economic stability and improved the growth outlook. High-end manufacturing such as electric vehicles, industrial automation, digitalization, together with supply chains are all growing at a fast pace. While these higher value-add sectors are a decade in the making, they are now having a bigger impact on the macro cycle.

Elsewhere, after two years of deceleration, a range of indicators are looking more mixed. This could be a sign of a bottoming out from a cyclical perspective (retail sales surprised a bit on the upside in May of this year). While the overall state of consumption is weak, and “consumption downgrade” is still a clear theme, volume growth is staying resilient. Purchasing Managers’ Indexes (PMI) are still diverging – but with more cyclical components bottoming out. Exports have started to do better. In the housing market, some analysts consider policymakers are now more focused on preventing further slowdown. While structurally slower growth in the housing sector is still our base case, stability and marginal improvement are good news for the rest of the economy.

The China economy looks better than that in US, and we would continue to focus on our investment in China and Hong Kong markets. However, no sign to end the Ukraine war and Israel Gaza war, and the potential appreciation of Japanese Yen may have significant impact of the investment markets. We believe the risks and chances co-exist in the worldwide investment environment in the second half of 2024. We will continue to monitor the market dynamics, and adopt a conservative approach on investments, so as to enhance value to our Shareholders.

Future Plans for Material Investments or Capital Assets and Their Expected of Funding in Twelve Months

As at 30 June 2024 and up to the date of this announcement, the Company does not have any concrete plan for material investments or capital assets.

FINANCIAL REVIEW

Liquidity, Financial Resources, Capital Structure and Gearing Ratio

The Group's asset portfolio was mainly financed by internally generated cash resources. As at 30 June 2024, net current assets of the Group amounted to approximately HK\$110.2 million (As at 31 December 2023: approximately HK\$152.1 million) with cash and bank balances of approximately HK\$3.9 million (As at 31 December 2023: approximately HK\$2.0 million).

As the Group held current assets of approximately HK\$110.7 million as at 30 June 2024 (31 December 2023: HK\$153.0 million) and it only has non-interest bearing current liabilities of approximately HK\$0.5 million (31 December 2023: HK\$0.8 million), which is denominated in Hong Kong Dollars, the Company considers its liquidity is healthy and there is no currency and interest rate risks exposure of its debt and obligation.

The unaudited consolidated net asset value per share of the Company as at 30 June 2024 was HK\$0.436 (As at 31 December 2023: audited HK\$0.606). The consolidated net asset value per share is calculated based on the net assets of the Group as at 30 June 2024 of approximately HK\$129.0 million (As at 31 December 2023: approximately HK\$170.3 million) and the total number of 295,681,680 ordinary shares of the Company (As at 31 December 2023: 281,181,680 ordinary shares of the Company) in issue as at that date. The increase in the total number of issued ordinary shares of the Company is because 14,500,000 ordinary shares of the Company were issued and allotted for exercise of share options during the Period.

There was no material change in available credit facilities when compared to the financial year ended 31 December 2023. The gearing ratio of the Group was 0.4% as at 30 June 2024 (As at 31 December 2023: 0.5%), which is calculated based on the Group's total liabilities divided by its total assets. Considering the amount of liquid assets on hand and available short-term or margin loan facilities, the Group has sufficient working capital to meet its ongoing operational requirements.

Capital Commitments

As at 30 June 2024, the Group had no material capital commitment.

Foreign Exchange Exposure

As at 30 June 2024, the majority of the Group's investments were either denominated in Hong Kong dollars. The Board considers its exposure to foreign exchange risk was not significant, therefore, no financial instruments was made to hedge such exposures.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company. Upon specific enquiry by the Company, all directors of the Company have confirmed that they complied with the required standards as set out in the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") stipulated in Appendix C1 of the Listing Rules throughout the Period, save and except for code provision C.2.1, details of which are summarised and explained below.

Based on Code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company has not appointed the Chief Executive Officer since the resignation of Mr. NG Chi Hoi on 1 August 2016. The Board's current significant decisions are made in Board meetings. Every Board member has the rights and responsibility to propose Board meetings to discuss significant issues he/she concerns, and has the power to make the decisions among other Board members.

The practice of the corporate governance of the Company will be reviewed and updated from time to time in order to comply with Listing Rules requirements.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 16 employees, including directors of the Company. They are remunerated based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, a defined contribution Mandatory Provident Fund retirement benefits scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance and share option scheme. There was no significant change in the Group's remuneration policy during the Period.

AUDIT COMMITTEE

The Audit Committee and management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters, including a review of the unaudited interim accounts for the Period.

As at the date of this announcement, the Audit Committee of the Company is comprised of all independent non-executive directors, namely, Mr. YU Tat Chi Michael, Mr. HUNG Cho Sing and Ms. CHUNG Fai Chun. Mr. YU Tat Chi Michael is the chairman of the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the Group's management team and staff for their contribution during the Period. I would also like to give our sincere gratitude to all our shareholders for their continuous support.

By order of the Board
Harbour Digital Asset Capital Limited
港灣數字產業資本有限公司
SHUM Kit Lan Anita
Executive Director

Hong Kong, 29 August 2024

As at the date of this announcement, the Board comprises:

Executive director:

Ms. SHUM Kit Lan Anita

Non-executive director:

Ms. YE Ying (*Chairman*)

Independent non-executive directors:

Mr. HUNG Cho Sing

Ms. CHUNG Fai Chun

Mr. YU Tat Chi Michael