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Congyu Intelligent Agricultural Holdings Limited
從玉智農集團有限公司

(formerly known as China Finance Investment Holdings Limited 中國金控投資集團有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 875)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Congyu Intelligent Agricultural Holdings Limited (the “**Company**”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), along with the unaudited comparative figures for the six months ended 30 June 2023 (the “**Corresponding Period**”) and selected explanatory notes as follows:

FINANCIAL HIGHLIGHTS

The financial highlights of the Group for the Reporting Period are summarised as follows:

- The Group recorded a revenue of approximately HK\$299.7 million for the Reporting Period, representing a decrease of approximately HK\$779.5 million or 72.2%, from approximately HK\$1,079.2 million for the Corresponding Period.
- Gross profit of the Group during the Reporting Period was approximately HK\$5.0 million, representing a decrease of approximately HK\$15.6 million or 75.5%, as compared to approximately HK\$20.6 million for the Corresponding Period.
- Net profit of the Group for the Reporting Period was approximately HK\$4.9 million as compared to the net profit of approximately HK\$30.1 million for the Corresponding Period.
- Basic earnings per share was HK2.45 cents for the Reporting Period (Corresponding Period: HK7.99 cents).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	<i>Notes</i>	Six months ended 30 June	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	299,739	1,079,215
Cost of sales		(294,700)	(1,058,623)
		<hr/>	<hr/>
Gross profit		5,039	20,592
Other income	5	5,472	7,875
Selling and distribution expenses		(3,483)	(3,042)
Administrative and other expenses		(21,120)	(13,884)
Finance costs	6	(8,418)	(8,661)
(Impairment losses)/reversal of impairment losses on trade receivables		(4,383)	35,931
Reversal of impairment losses/(impairment losses) on other receivables		8,117	(1,407)
Reversal of impairment losses/(impairment losses) on deposits and prepayments		23,794	(7,081)
		<hr/>	<hr/>
Profit before taxation	7	5,018	30,323
Income tax expense	8	(71)	(180)
		<hr/>	<hr/>
Profit for the period		4,947	30,143
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operations		(12,051)	(20,007)
		<hr/>	<hr/>
Total comprehensive (expense)/income for the period		(7,104)	10,136
		<hr/> <hr/>	<hr/> <hr/>

		Six months ended 30 June	
		2024	2023
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to:			
Owners of the Company		9,281	30,290
Non-controlling interests		(4,334)	(147)
		<u>4,947</u>	<u>30,143</u>
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(2,754)	10,283
Non-controlling interests		(4,350)	(147)
		<u>(7,104)</u>	<u>10,136</u>
Earnings per share (HK cents)			
Basic	9	<u>2.45</u>	<u>7.99</u>
Diluted		<u>2.42</u>	<u>7.80</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At 30 June 2024	At 31 December 2023
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		31,633	30,442
Right-of-use assets		23,930	18,881
Goodwill		1,457	1,457
Interests in associates		289	296
		57,309	51,076
Current assets			
Inventories		127,582	129,610
Trade and other receivables	11	970,183	1,135,753
Pledged bank deposits		354	2,192
Bank balances and cash		11,542	7,654
		1,109,661	1,275,209
Current liabilities			
Trade and other payables	12	256,231	419,042
Promissory notes	13	16,339	16,339
Bank and other borrowings	14	332,057	339,563
Lease liabilities		4,301	2,659
Deferred income		1,259	1,301
Income tax payables		8,757	10,173
		618,944	789,077
Net current assets		490,717	486,132
Total assets less current liabilities		548,026	537,208

		At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
Non-current liabilities			
Bank and other borrowings	14	17,869	8,770
Lease liabilities		23,521	19,180
Deferred income		8,273	9,120
		<u>49,663</u>	<u>37,070</u>
Net assets		<u>498,363</u>	<u>500,138</u>
Capital and reserves			
Share capital	15	3,823	3,823
Reserves		493,279	496,033
		<u>497,102</u>	<u>499,856</u>
Equity attributable to owners of the Company		497,102	499,856
Non-controlling interests		1,261	282
		<u>498,363</u>	<u>500,138</u>
Total equity		<u>498,363</u>	<u>500,138</u>

NOTES

1 GENERAL INFORMATION AND BASIS OF PREPARATION

General information

Congyu Intelligent Agricultural Holdings Limited (從玉智農集團有限公司) (formerly known as China Finance Investment Holdings Limited (中國金控投資集團有限公司)) (the “**Company**”) was incorporated in Bermuda as an exempted Company with limited liability and its 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 Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business in Hong Kong is Unit 32A, 15/F, Star House, No. 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are growing of agricultural produce, trading of agricultural and meat produce, poultry, seafood and prepared food in the People’s Republic of China (the “**PRC**”) (the “**Agricultural and Meat Business**”).

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Sino Richest Investment Holdings Limited, a company incorporated in the British Virgin Islands, while the ultimate controlling party of the Company is Mr. Lin Yuhao (“**Mr. Lin**”), the executive director of the Company.

Pursuant to a special resolution passed at the annual general meeting of the Company on 31 May 2024, the name of the Company has been changed from China Finance Investment Holdings Limited (中國金控投資集團有限公司) to Congyu Intelligent Agricultural Holdings Limited (從玉智農集團有限公司) with effect from 19 June 2024.

Basis of preparation

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of an unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The unaudited condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in consolidated financial position and consolidated financial performance of the Group since the consolidated financial statements for the year ended 31 December 2023. These condensed consolidated interim financial information and notes thereon do not include all of the information required for the preparation of full set of consolidated financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

The accounting policies and method of computation adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023, except as described note 2.

2 ADOPTION OF THE AMENDMENTS TO HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and Interpretation which are effective for the Group's financial year beginning 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

3 SEGMENT INFORMATION

Information reported to the most senior executive management, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses only on nature of revenue and geographical location of customers.

Since this is the only one operating and reporting segment of the Group, which is the growing, processing and trading of agricultural produce and trading of seafood and meat produce, no segment information is presented other than entity-wide disclosures.

(i) Geographical information

Over 90% (2023: 90%) of the Group's non-current assets and revenue are located and generated in the People's Republic of China (the "PRC"). Accordingly, no further geographical information of non-current assets and revenue were disclosed.

(ii) Information about major customers

The Group's customer base included one (2023: one) customer with whom transactions have exceed 10% (2023: 10%) of the Group's revenue during the six months ended 30 June 2024, which is set out below:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Customer A	N/A*	556,006
Customer B	<u>58,298</u>	<u>N/A*</u>

* The revenue of the corresponding customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the corresponding period.

4 REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15 and recognised at a point in time		
Sales of agricultural, seafood and meat produce	<u>299,739</u>	<u>1,079,215</u>

5 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Government grants	3,160	1,311
Bank interest income	19	219
Other interest income	1,453	5,629
Service income	575	551
Sundry income	265	165
	<u>5,472</u>	<u>7,875</u>

6 FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest expense on bank and other borrowings	7,596	7,765
Interest expense on lease liabilities	822	896
	<u>8,418</u>	<u>8,661</u>

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Staff costs (including directors' emoluments):		
– Salaries and allowances	4,258	4,894
– Retirement benefit scheme contributions	428	355
	<hr/>	<hr/>
Total staff costs	4,686	5,249
Cost of inventories recognised as an expense	291,793	1,054,166
Depreciation expense on:		
– property, plant and equipment	3,245	3,781
– right-of-use assets	2,189	2,308
	<hr/> <hr/>	<hr/> <hr/>

8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Enterprise Income Tax of the PRC		
– Charge for the year	–	180
– Under-provision in prior years	71	–
	<hr/>	<hr/>
	71	180
	<hr/> <hr/>	<hr/> <hr/>

9 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is as follows:

The calculation of basic earnings per share is based on the Group's profit for the period attributable to owners of the Company of approximately HK\$9,281,000 (2023: HK\$30,290,000) for the six months ended 30 June 2024.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share is adjusted as follows:

Number of shares	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	379,257,038	379,257,038
Effect of dilutive potential ordinary shares arising from conversion of preference shares	15,150	15,150
Effect of dilutive potential ordinary shares arising from share options issued by the Company	3,546,725	8,995,115
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	382,818,913	388,267,303
	<hr/>	<hr/>

10 DIVIDEND

No dividend was paid, declared or proposed during the six months ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
Trade receivables arising from sales of agricultural, seafood and meat produce, gross	233,447	438,676
Less: accumulated impairment	<u>(45,180)</u>	<u>(41,835)</u>
Trade receivables, net (<i>note</i>)	<u>188,267</u>	<u>396,841</u>
Other receivables, gross	324,092	278,776
Less: accumulated impairment	<u>(6,106)</u>	<u>(14,223)</u>
Other receivables, net	<u>317,986</u>	<u>264,553</u>
Deposits and prepayments, gross	471,962	506,185
Less: accumulated impairment	<u>(8,032)</u>	<u>(31,826)</u>
Deposits and prepayments, net	<u>463,930</u>	<u>474,359</u>
Total trade and other receivables	<u><u>970,183</u></u>	<u><u>1,135,753</u></u>

Note: The average credit period on sales of agricultural, seafood and meat produce is 60 days (31 December 2023: 60 days). As at 30 June 2024 and 31 December 2023, the ageing analysis of trade receivables, based on the invoice date, which approximates the respective revenue recognition dates, and net of accumulated impairment, is as follows:

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
0 – 60 days	28,973	264,388
61 – 120 days	84,366	46,023
Over 120 days	<u>74,928</u>	<u>86,430</u>
	<u><u>188,267</u></u>	<u><u>396,841</u></u>

12 TRADE AND OTHER PAYABLES

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
Trade payables arising from trading of agricultural, seafood and meat produce (<i>note</i>)	154,681	279,956
Bills payables	–	4,385
Accruals and other payables	101,550	121,231
Contract liabilities	–	13,470
	<u>256,231</u>	<u>419,042</u>

Note: Trade payables arising from trading of agricultural, seafood and meat produce principally comprise amounts outstanding for trade purchases and have an average credit period of 30 days (31 December 2023: 30 days). The ageing analysis of trade payables, based on the invoice date, as at 30 June 2024 and 31 December 2023 is as follows:

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
0 – 60 days	58,855	242,476
61 – 120 days	25,030	5
Over 120 days	70,796	37,475
	<u>154,681</u>	<u>279,956</u>

13 PROMISSORY NOTES

On 24 September 2015, the Company issued unsecured promissory notes with aggregate principal amount of HK\$100,000,000, comprising (i) promissory note with principal amount of HK\$99,990,000 to Mr. Lin (“PN1”); and (ii) promissory note with principal amount of HK\$10,000 to Mr. Lin Yupa (“PN2”), a former director of the Company who was appointed on 18 April 2019 and retired on 22 June 2021. Both PN1 and PN2 bear interest at 3% per annum and matured on 23 September 2018.

On 31 March 2016, the Company early redeemed PN1 with the principal amount of HK\$75,000,000 by way of issuing 719,696,958 ordinary shares of the Company and all interest accrued was agreed to be waived. Subsequently, Mr. Lin transferred a portion of PN1 with principal amount of HK\$10,000,000 to Mr. Lin Yupa (“PN3”).

The Company entered into several extension agreements with Mr. Lin Yupa to extend the maturity date of PN2 and PN3 with aggregate carrying amount of approximately HK\$10,911,000 from 23 September 2018 to 31 July 2020, free of interest during the extension period. No further extension has been negotiated between the Company and Mr. Lin Yupa since 31 July 2020. The aggregate carrying amount of PN2 and PN3 has been reclassified to other borrowings since 31 July 2020. As at 30 June 2024 and 31 December 2023, the aggregate carrying amount of PN2 and PN3 included in bank and other borrowings was approximately HK\$10,911,000.

The Company also entered into several extension agreements with Mr. Lin to extend the maturity date of PN1 from 23 September 2018 to 31 July 2024, free of interest during the extension period. As at 30 June 2024, the carrying amount of PN1 was approximately HK\$16,339,000 (31 December 2023: HK\$16,339,000), including the principal amount of approximately HK\$14,990,000 (31 December 2023: HK\$14,990,000) and accrued interest of approximately HK\$1,349,000 (31 December 2023: HK\$1,349,000).

The movements of the promissory notes are as follows:

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
At the beginning and end of the reporting period	<u>16,339</u>	<u>16,339</u>

14 BANK AND OTHER BORROWINGS

	<i>Notes</i>	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
Secured bank loans	<i>(a)</i>	321,107	305,621
Unsecured other loans	<i>(b)</i>	28,819	42,712
		<u>349,926</u>	<u>348,333</u>
Repayable:			
Within one year		332,057	339,563
In the second to fifth years		17,869	8,770
		<u>349,926</u>	<u>348,333</u>

The bank and other borrowings bear effective interest rates ranging from 3% – 8% per annum (31 December 2023: 4% – 8% per annum), except for PN2 and PN3 as detailed in note (b).

Notes:

- (a) As at 30 June 2024 and 31 December 2023, the Group's bank loans are secured by (i) a fully depreciated building of the Group; (ii) the properties owned by Mr. Lin; and (iii) corporate guarantee provided by related companies.
- (b) As at 30 June 2024 and 31 December 2023, included in unsecured other loans was the aggregate carrying amount of PN2 and PN3 of approximately HK\$10,911,000, which were payable to Mr. Lin Yupa with maturity date on 31 July 2020, interest-free and repayable on demand. Details are set out in note 13.

15 SHARE CAPITAL

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Authorised:		
150,000,000,000 (31 December 2023: 150,000,000,000) ordinary shares of HK\$0.01 each	<u>1,500,000</u>	<u>1,500,000</u>
10,000,000,000 (31 December 2023: 10,000,000,000) preference shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
379,257,038 (31 December 2023: 379,257,038) ordinary shares of HK\$0.01 each	3,793	3,793
3,030,000 (31 December 2023: 3,030,000) preference shares of HK\$0.01 each (<i>note</i>)	<u>30</u>	<u>30</u>
Total amount	<u>3,823</u>	<u>3,823</u>

Note: The preference shares, which are non-redeemable with par value of HK\$0.01 each credited as fully paid up, were issued and allotted to vendors as part of the considerations for the acquisitions occurred during the year ended 31 December 2012. According to the terms of the preference share policy, one preference share is eligible to convert into one new ordinary share (adjusted from 3,030,000 ordinary shares to 15,150 ordinary shares as a result of capital reorganisation effective on 25 June 2018 and 25 April 2019) any time no earlier than one year from the date of issue. The preference shares have no right to share in any surplus assets or profit and no voting rights.

16 POTENTIAL LITIGATION

During the six months ended 30 June 2024, two wholly-owned subsidiaries of the Company were named as defendants (each a “**Defendant**” and collectively the “**Defendants**”) in a civil complaint* (民事起訴狀) (the “**Civil Complaint**”) filed with the District People’s Court of Shunde District, Foshan City by an independent third party (the “**Independent Third Party**”) in respect of a dispute arising from the failure of delivering agricultural produce in accordance with a procurement agreement (the “**Agreement**”) entered into between one of the Defendants (“**D1**”) and the Independent Third Party in January 2023. In accordance with the Agreement, agricultural produce with a consideration of approximately RMB25,084,000 (the “**Consideration**”) shall be delivered by D1 to the Independent Third Party within five days after signing of the Agreement. The Independent Third Party claimed in the Civil Complaint that D1 failed to deliver the agricultural produce after the Independent Third Party made full payment of the Consideration and requested an aggregate amount of approximately RMB45,845,000 from D1. The other Defendant, as the sole shareholder of D1, shall assume joint liabilities according to the Civil Complaint. As at 30 June 2024 and up to the date of this announcement, the legal proceeding is still in progress.

The Group has sought legal advice from its legal advisers and submitted a statement of defense for full defense against the claims raised by the Independent Third Party. The legal proceeding is still in progress and there is still uncertainty about the result of the legal proceeding, therefore the impact on the Group’s profit for the six months ended 30 June 2024 or the subsequent periods cannot be ascertained at the present stage. As such, no provision was considered necessary to be made in the condensed consolidated interim financial information for the six months ended 30 June 2024.

17 CAPITAL COMMITMENTS

As at 30 June 2024, the Group had the following capital commitments for acquisition of property, plant and equipment:

	At 30 June 2024 <i>HK\$’000</i> (Unaudited)	At 31 December 2023 <i>HK\$’000</i> (Audited)
Contracted but not provided for:		
Capital expenditure in respect of the construction of the property, plant and equipment	<u>435</u>	<u>2,060</u>

18 RELATED PARTY TRANSACTIONS

In addition to the balances and transactions detailed elsewhere in these unaudited condensed consolidated interim financial information, the Group had the following material transactions with related parties:

The remuneration of key management personnel, who were the directors of the Company, was as follow:

	Six months ended 30 June 2024 <i>HK\$’000</i> (Unaudited)	2023 <i>HK\$’000</i> (Unaudited)
Short-term employee benefits	<u>1,071</u>	<u>1,080</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group was principally engaged in growing of agricultural produce, trading of agricultural and meat produce, poultry, seafood and prepared food in the People's Republic of China (the "PRC") (the "Agricultural and Meat Business") during the Reporting Period.

BUSINESS REVIEW

Agricultural and Meat Business

The Group's Agricultural and Meat Business has been suffered from the economic recession in the PRC during the Reporting Period. Although the Group has been actively developing its trading of poultry and seafood business, and has strengthened its revenue stream and enlarged its customer base by commencing to supply produce, including agricultural and meat produce, poultry and seafood, to supermarkets and other customers in the PRC and commencing online sales during the Reporting Period, revenue from the Agricultural and Meat Business decreased by approximately 72.2%, from approximately HK\$1,079.2 million for the Corresponding Period to approximately HK\$299.7 million for the Reporting Period, and the Group recorded a gross profit of approximately HK\$5.0 million for the Reporting Period (2023: HK\$20.6 million).

Looking ahead, the Group will continue to control its costs, utilise its existing resources and collaborate with its business partners to further strengthen the cultivation of agricultural produce, trading of agricultural and meat produce, poultry, seafood and prepared food with high potential for development, or pursue acquisitions when opportunities arise.

Interests in associates

The Group held 40% equity interests in Shenzhen Congyu Wanxing Technology Agriculture Co. Ltd.* (深圳市從玉萬興科技農業有限公司) ("Congyu Wanxing") and Jiamusi Congyu Modern Agriculture Co. Ltd.* (佳木斯從玉現代農業有限公司) ("Jiamusi Congyu"), respectively.

During the Reporting Period, no revenue was recorded (2023: nil) as no business operation was conducted by Congyu Wanxing and Jiamusi Congyu (2023: nil).

FINANCIAL REVIEW

During the Reporting Period, the Group's revenue amounted to approximately HK\$299.7 million, representing a decrease of approximately HK\$779.5 million or 72.2%, from approximately HK\$1,079.2 million for the Corresponding Period. Please refer to the paragraph headed "Business Review" for further details on the reason for the decrease in revenue.

Gross profit of the Group during the Reporting Period was approximately HK\$5.0 million, representing a decrease of approximately HK\$15.6 million or 75.5%, as compared to approximately HK\$20.6 million for the Corresponding Period. The decrease in gross profit aligned with the decrease in revenue during the Reporting Period.

The Group recorded other income of approximately HK\$5.5 million during the Reporting Period, representing a decrease of approximately HK\$2.4 million or 30.5%, as compared to approximately HK\$7.9 million for the Corresponding Period. Such decrease was mainly attributable to (i) a decrease in other interest income of approximately HK\$4.2 million; and (ii) an increase in government grants of approximately HK\$1.8 million during the Reporting Period.

During the Reporting Period, selling and distribution expenses increased by approximately HK\$0.5 million or 14.5% to approximately HK\$3.5 million (2023: HK\$3.0 million). Such increase was mainly due to an increase in marketing and promotional activities for the Agricultural and Meat Business during the Reporting Period.

Administrative and other expenses increased by approximately HK\$7.2 million or 52.1% to approximately HK\$21.1 million during the Reporting Period (2023: HK\$13.9 million). Such increase was mainly attributable to an increase in consultancy fees of approximately HK\$7.7 million for the business development strategy design services provided to the Agricultural and Meat Business during the Reporting Period.

Impairment losses on trade receivables of approximately HK\$4.4 million (2023: reversal of impairment losses of approximately HK\$35.9 million) have been made for the Reporting Period. The impairment losses was due to an increase in long-aged trade receivables as a result of the economic recession in the PRC during the Reporting Period. A reversal of impairment losses on deposits and prepayments of approximately HK\$23.8 million (2023: impairment losses of approximately HK\$7.1 million) has been made during the Reporting Period. A reversal of impairment losses on other receivables of approximately HK\$8.1 million (2023: impairment losses of approximately HK\$1.4 million) has been made during the Reporting Period.

No impairment losses on goodwill and allowance for inventories were made during the Reporting Period (2023: nil).

Net profit of the Group for the Reporting Period was approximately HK\$4.9 million, as compared to the net profit of approximately HK\$30.1 million for the Corresponding Period.

The decrease in net profit of the Group is mainly attributable to (i) a decrease in revenue due to the economic recession in the PRC during the Reporting Period; (ii) an increase in administrative and other expenses due to an increase in consultancy fees for the business development strategy design services provided to the Group's food trading sector during the Reporting Period; and (iii) impairment losses on trade receivables recognised for the Reporting Period as compared to a reversal of impairment losses on trade receivables recognised for the Corresponding Period in 2023 as a result of the recovery of impaired trade receivables for the Corresponding Period in 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly finances its business operations with internally generated cash flows and general banking facilities.

As at 30 June 2024, the Group had bank balances (including pledged bank deposits) and cash of approximately HK\$11.9 million (31 December 2023: HK\$9.8 million), mainly denominated in Hong Kong dollars (“**HK\$**”) and Renminbi (“**RMB**”). The Group’s quick ratio (measured by total current assets less inventories, deposits and prepayments divided by total current liabilities) was approximately 0.84 times (31 December 2023: 0.85 times).

As at 30 June 2024, the total borrowings of the Group, which comprised of promissory notes and bank and other borrowings, amounted to approximately HK\$366.3 million (31 December 2023: HK\$364.7 million). As at 30 June 2024, borrowings of approximately HK\$348.4 million (31 December 2023: HK\$355.9 million) were repayable within one year. As at 30 June 2024, borrowings of approximately HK\$36.6 million (31 December 2023: HK\$27.2 million) and HK\$329.7 million (31 December 2023: HK\$337.5 million) were denominated in HK\$ and RMB respectively. As at 30 June 2024, borrowings of approximately HK\$321.1 million (31 December 2023: HK\$305.6 million) were charged at fixed interest rates.

As at 30 June 2024, the Group had capital expenditure commitments of approximately HK\$0.4 million (31 December 2023: HK\$2.1 million). Operating lease payments represented rental payable by the Group for office premises and farmlands. Leases were negotiated for fixed terms ranging from 2 to 26 years.

The Group will continue adopting a positive yet prudent approach in managing its financial resources. Should other opportunities arise, thus prompting the need for additional funding, the management believes that the Group is well-positioned to obtain financing on favourable terms.

CAPITAL STRUCTURE AND GEARING RATIO

The Group assumes management of its capital so as to ensure that it will continue as a going concern whilst maximising the return to shareholders of the Company (the “**Shareholders**”) through the optimisation of its debt and equity balance. The Group’s overall strategy remains unchanged from the prior year.

The Group reviews its capital structure on a regular basis. As part of such review, the Group monitors capital on the basis of net debt to adjusted equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as “adjusted equity”, as shown in the condensed consolidated statement of financial position, plus net debt. The Group considers the cost of capital and the risks associated with issued share capital. To maintain or adjust the capital structure, the Group may adjust the ratio through dividend payments, issuing new shares, raising new debt financing or selling assets to reduce existing debts.

The Group had no equity fund raising activity during the Reporting Period and no ordinary shares of the Company were issued and allotted upon the exercise of share options granted by the Company.

The Company has 379,257,038 (31 December 2023: 379,257,038) issued ordinary shares as at 30 June 2024.

As at 30 June 2024, the net debt to adjusted equity ratio was 0.42 (31 December 2023: 0.42). The Group’s gearing ratio as at 30 June 2024 was 0.73 (31 December 2023: 0.73), which was measured as total debt to total shareholders’ equity.

As at 30 June 2024, the outstanding balances of unsecured promissory notes issued by the Company to Mr. Lin Yuhao, an executive Director and Mr. Lin Yupa, a former Director, were HK\$16.3 million and HK\$10.9 million (classified as other borrowings) (31 December 2023: HK\$16.3 million and HK\$10.9 million), respectively.

SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not have any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

CHARGES ON GROUP'S ASSETS

As at 30 June 2024, bank deposits of approximately HK\$0.4 million (31 December 2023: HK\$2.2 million) were pledged to secure bills payables of the Group and a fully depreciated building was pledged to secure banking facilities granted to the Group.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs with the functional currency of the respective subsidiaries of the Company, i.e. either HK\$ or RMB, and considers that the foreign exchange exposure is not significant. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of RMB and will closely monitor its impact on the performance of the Group to determine if any hedging policy is necessary.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2024, the Group had a total of 51 (31 December 2023: 60) full time employees in Hong Kong and the PRC. Total staff costs (including Directors' remuneration) for the Reporting Period amounted to HK\$4.7 million (2023: HK\$5.2 million). The employees are remunerated with reference to each individual's qualification, experience, responsibility and performance, the performance of the Group and market practices. Apart from the basic remuneration package, staff benefits offered by the Group to its employees include contribution to discretionary bonus, the mandatory provident fund scheme (the "**MPF Scheme**") in Hong Kong and the central provident fund scheme (the "**Retirement Benefit Scheme**") in the PRC. The Group operates the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to

the MPF Scheme vest immediately. Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in the Retirement Benefit Scheme organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the Reporting Period. Contributions to the Retirement Benefit Scheme vest immediately. As at 30 June 2024, there was no forfeited contribution under the MPF Scheme and the Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years. The Company adopted a share option scheme on 6 June 2013 (the “**Scheme**”) with a valid period of 10 years. Pursuant to the Scheme, the Board may, at its discretion, grant options to eligible employees, executive and non-executive Directors (including independent non-executive Directors) of the Group. The Scheme expired on 6 June 2023 and no further options should be offered or granted under the Scheme on or after 6 June 2023.

LITIGATION

Two wholly-owned subsidiaries of the Company were named as defendants (each a “**Defendant**” and collectively the “**Defendants**”) in a civil complaint * (民事起訴狀) (the “**Civil Complaint**”) filed with the District People’s Court of Shunde District, Foshan City by an independent third party (the “**Independent Third Party**”) in respect of a dispute arising from the failure of delivering agricultural produce in accordance with a procurement agreement (the “**Agreement**”) entered into between one of the Defendants (“**D1**”) and the Independent Third Party in January 2023. In accordance with the Agreement, agricultural produce with a consideration of approximately RMB25,084,000 (the “**Consideration**”) shall be delivered by D1 to the Independent Third Party within five days after signing of the Agreement. The Independent Third Party claimed in the Civil Complaint that D1 failed to deliver the agricultural produce after the Independent Third Party made full payment of the Consideration and requested an aggregate amount of approximately RMB45,845,000 from D1. The other Defendant, as the sole shareholder of D1, shall assume joint liabilities according to the Civil Complaint. As at 30 June 2024 and up to the date of this announcement, the legal proceeding is still in progress.

The Group has sought legal advice from its legal advisers and submitted a statement of defense for full defense against the claims raised by the Independent Third Party. The legal proceeding is still in progress and there is still uncertainty about the result of the legal proceeding, therefore the impact on the Group’s profit for the Reporting Period or the subsequent periods cannot be ascertained at the present stage. As such, no provision was considered necessary to be made in the condensed consolidated interim financial information for the Reporting Period. The Company will make further announcement(s) to inform Shareholders of any further development of the legal proceeding as and when appropriate.

PROSPECTS

The Group will seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in new lines of business with growth potential. The Group will pursue diversification in its business and income streams by exploring opportunities with exciting prospects which could complement or create potential synergies to its existing core operations.

To diversify its income streams and counter balance the cyclical nature of the Group's Agricultural and Meat Business, the Group has been actively developing its trading of agricultural and meat produce, poultry, seafood, prepared food and sale of tea leaves business and commencing supplying produce to supermarkets and online platforms in the PRC.

In order to expand its agricultural bases, the Group has established stable and long-term cooperation with various neighborhood farms and agricultural companies as well as agricultural companies in other provinces of the PRC, under which the Group is responsible for brand promotion, quality assurance, sales empowerment for these farms, agricultural companies and farmers. The Group implements "Farmers-Companies-Governments" model to achieve common prosperity and provide traceable green food from farm-to-table. The Group strives to build a food supply base in Guangdong-Hong Kong-Macau Greater Bay Area (the "Greater Bay Area") to ensure safety and adequate food supply for the 120 million people in the Greater Bay Area. Meanwhile, the Group procures, processes and packs the agricultural produce supplied by farms and agricultural companies and then sells them to its customers through its established network of customers.

In order to broaden the sales channels of its agricultural produce, the Group has been exploring different cooperation models with various e-commerce operators and online sales platforms. Through such cooperation, the Group is expected to enhance the online sales of its agricultural and meat produce, poultry, seafood and prepared food, thus diversifying the revenue stream of the Group.

Oriented by the national agricultural and environmental protection policies and regulations of the PRC, the Group has adopted the eco-farming mode of "combination of farming and planting" during the Reporting Period, which minimised the impact of large-scale farming projects on environment, realised the utilisation of excrement resources and led farming industry to healthy and green development. The green low-carbon circular development pathway of crop cultivation combined with animal husbandry will bring multifaceted environmental, social and economic advantages to the stakeholders of the Group.

The Group has been collaborating with state-owned enterprises to broaden the Group's sales channel and diversify the Group's business offerings under its Agricultural and Meat Business, and strive to increase the Group's profitability and bring more considerable returns to its Shareholders.

Meanwhile, the Group is seeking any vertical integration business opportunity to enhance its revenue stream, including but not limited to provisions of door-to-door delivery services for its agricultural, seafood and meat produce in the PRC.

Apart from the aforesaid, the Group will also consider other potential profitable businesses which could boost profitability in the future, including but not limited to, the Agricultural and Meat Business in the PRC and Hong Kong.

INTERIM DIVIDEND

No dividend was paid, declared or proposed during the Reporting Period. The Directors do not recommend the payment of an interim dividend for the Reporting Period (2023: nil).

OTHER INFORMATION

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

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including treasury shares (as defined under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**))). As at 30 June 2024, the Company did not hold any treasury shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with the Directors, all the Directors confirmed that they had complied with the required standards of the said code during the Reporting Period.

CORPORATE GOVERNANCE CODE

The Company’s corporate governance practices are based on the principles and the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. During the Reporting Period, the Company has complied with the Code Provisions and mandatory disclosure requirements as set out in the CG Code except the deviations from Code Provisions C.1.6 and C.2.1 of Part 2 of the CG Code.

Code Provision C.1.6 of Part 2 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. The independent non-executive Director, Ms. Zhu Rouxiang, did not attend the annual general meeting of the Company held on 31 May 2024 due to other commitments.

As Mr. Lin Yuhao is the chairman of the Board and has served as the chief executive officer of the Company since 15 October 2021, such practice deviates from Code Provision C.2.1 of Part 2 of the CG Code. The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from Code Provision C.2.1 of Part 2 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which comprises one executive Director, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Mr. Lin Yuhao and Mr. Wu Ya Jointly serving as the co-chief executive officers of the Company can also share the responsibilities of the Group’s overall business development, operation and management work.

The Company periodically reviewed its corporate governance practices to ensure that the requirements of the CG Code are continuously satisfied.

EVENTS AFTER THE REPORTING PERIOD

Change of Company Name, Secondary Name, Logo and Stock Short Names

Reference is made to the announcements of the Company dated 11 January 2024 and 24 July 2024 and the circular of the Company dated 29 April 2024 in relation to, among other things, the proposed change of company name.

The certificate of change of name and the certificate of secondary name were issued by the Registrar of Companies in Bermuda certifying that the English name of the Company has been changed from “China Finance Investment Holdings Limited” to “Congyu Intelligent Agricultural Holdings Limited” and the secondary name in Chinese has been changed from “中國金控投資集團有限公司” to “從玉智農集團有限公司” with effect from 19 June 2024. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 15 July 2024 confirming that the Company has altered its name and is now registered under the English and Chinese names of “Congyu Intelligent Agricultural Holdings Limited” and “從玉智農集團有限公司” in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Accordingly, the logo of the Company has been changed to  with effect from 31 July 2024. With effect from 9:00 a.m. on 31 July 2024, the English stock short name of the Company has been changed from “CHINA FIN INV” to “CONGYU INTE AGR”, while the Chinese stock short name of the Company has been changed from “中國金控” to “從玉智農” for trading in the Shares on the Stock Exchange.

Save as disclosed in this announcement, there were no significant events after the Reporting Period and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Base on the information that is publicly available to the Company, and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules and at least 25% of the Company’s total number of issued shares were held by the public as at the date of this announcement.

REVIEW BY AUDIT COMMITTEE

The condensed consolidated interim financial information of the Group for the Reporting Period has not been reviewed nor audited by the Company’s auditor, McMillan Woods (Hong Kong) CPA Limited. The audit committee of the Company (the “**Audit Committee**”) and the management have reviewed the accounting principles and practices adopted by the Group and have discussed internal controls and financial reporting matters including reviewing the unaudited condensed consolidated interim financial information of the Group for the Reporting Period. The Audit Committee is of the opinion that such financial information complies with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

As at the date of this announcement, the Audit Committee comprises all independent non-executive Directors, namely Ms. Li Yang (Committee Chairlady), Mr. Li Shaohua and Ms. Zhu Rouxiang.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Company (www.cfi.hk) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2024 will be despatched to the Shareholders who have chosen to receive printed version and will be available at the above websites in due course.

By order of the Board
Congyu Intelligent Agricultural Holdings Limited
Lin Yuhao
Chairman and Co-Chief Executive Officer

Hong Kong, 30 August 2024

As at the date of this announcement, the Board comprises five Directors, including one executive Director, namely Mr. Lin Yuhao, one non-executive Director, namely Ms. Han Xiuhong, and three independent non-executive Directors, namely Mr. Li Shaohua, Ms. Zhu Rouxiang and Ms. Li Yang.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

* *For identification purpose only*