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## **CHINA NEW ECONOMY FUND LIMITED**

### **中國新經濟投資有限公司**

*(an exempted company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 80)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

### **UNAUDITED INTERIM RESULTS**

The board of directors (the “Board” or the “Directors”) of China New Economy Fund Limited (the “Company”) is pleased to announce the unaudited interim results of the Company for the six months ended 30 June 2024 (the “Period”), together with the unaudited figures for the six months ended 30 June 2023.

### **INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<i>Notes</i>	<b>For the six months ended 30 June 2024 (unaudited) HK\$</b>	<b>For the six months ended 30 June 2023 (unaudited) HK\$</b>
<b>REVENUE</b>	4	<b>734,882</b>	1,540
Net change in fair value of financial assets at fair value through profit or loss	5	<b>(6,960,659)</b>	18,162,199
Other operating expenses		<b>(6,427,859)</b>	(9,180,611)
<b>OPERATING (LOSS)/PROFIT</b>		<b>(12,653,636)</b>	8,983,128
Finance costs	6(a)	<b>(74,789)</b>	(64,192)
<b>(LOSS)/PROFIT BEFORE TAX</b>	6(b)	<b>(12,728,425)</b>	8,918,936
Income tax expense	9	—	—

		<b>For the six months ended 30 June 2024 (unaudited) HK\$</b>	For the six months ended 30 June 2023 (unaudited) HK\$
<b>(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>		<b><u>(12,728,425)</u></b>	<b><u>8,918,936</u></b>
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	10		
Basic		<b><u>(0.01)</u></b>	<b><u>0.01</u></b>
Diluted		<b><u>(0.01)</u></b>	<b><u>0.01</u></b>

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

		30 June 2024 (Unaudited) HK\$	31 December 2023 (Audited) HK\$
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Right-of-use asset		727,388	1,419,547
Deposit		–	200,000
		727,388	1,619,547
<b>CURRENT ASSETS</b>			
Prepayments, deposits and other receivables		1,635,682	1,623,057
Amount due from a broker		8,053,256	8,350,713
Financial assets at fair value through profit or loss	11	55,689,556	66,340,464
Cash and cash equivalents		15,881,075	17,309,428
		81,259,569	93,623,662
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		2,932,696	2,847,326
Amount due to a broker		570,118	–
Amount due to a related party		600,000	1,100,000
Lease liabilities		774,615	1,260,032
		4,877,429	5,207,358
<b>NET CURRENT ASSETS</b>			
		76,382,140	88,416,304
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		77,109,528	90,035,851
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities		–	197,898
		–	197,898
<b>NET ASSETS</b>			
		77,109,528	89,837,953
<b>EQUITY</b>			
Issued capital	12	52,788,011	52,788,011
Reserves		24,321,517	37,049,942
		77,109,528	89,837,953
<b>NET ASSET VALUE PER SHARE</b>			
		0.06	0.07

## **NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS**

*30 June 2024*

### **1. CORPORATION INFORMATION**

The Company was incorporated in the Cayman Islands on 1 February 2010 under the Companies Law of the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company was established for the purpose of acting as a closed-ended investment company.

The Company’s registered office is at P.O. Box 309, Uglund House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at Room 1802B, 18/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.

The principal investment objective of the Company is to achieve long-term capital appreciation through investing globally in both private and public enterprises that have demonstrated the ability to manufacture a product or deliver a service that is supported by the economies of Mainland China, Hong Kong, Macau, and Taiwan.

During the Period, the Company’s investment activities are managed by Evergrande Securities (Hong Kong) Limited (the “Investment Manager”).

### **2.1 BASIS OF PREPARATION**

The unaudited interim condensed financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange (the “Listing Rules”). They have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss which have been measured at fair values. The interim condensed financial statements are presented in Hong Kong dollars (“HK\$”) except when otherwise indicated.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023. The accounting policies and methods of computation used in the preparation of the interim condensed financial statements included in this announcement are consistent with those used in the annual financial statements for the year ended 31 December 2023.

## 2.2 CHANGES IN ACCOUNTING POLICIES

In the current period, the Company has applied the following new and amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2024 for the preparation of the Company's interim condensed financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current period has had no material impact on the Company's financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed financial statements.

## 3. OPERATING SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on the categories of investments. During the six months ended 30 June 2024 and 2023, the Company has two reportable operating segments as follows:

Listed securities	–	Investments in equity securities listed on relevant stock exchange.
Unlisted securities	–	Investments in open-ended fund, limited partnership fund, private equity securities, unlisted bond and promissory notes.

Further details of the Company's investments are included in note 11.

	<b>Listed securities HK\$</b>	<b>Unlisted securities HK\$</b>	<b>Total HK\$</b>
For the six months ended 30 June 2024 (unaudited)			
Segment revenue	–	<b>704,411</b>	<b>704,411</b>
Segment results	<b>(1,505,950)</b>	<b>(5,454,709)</b>	<b>(6,960,659)</b>
Bank interest income			<b>30,471</b>
Unallocated expenses			<b>(5,798,237)</b>
Loss before tax			<b>(12,728,425)</b>

	Listed securities <i>HK\$</i>	Unlisted securities <i>HK\$</i>	Total <i>HK\$</i>
For the six months ended 30 June 2023 (unaudited)			
Segment revenue	–	–	–
Segment results	(3,803,547)	21,965,746	18,162,199
Bank interest income			1,540
Unallocated expenses			(9,244,803)
Profit before tax			8,918,936

For the six months ended 30 June 2024, the operating segments derived revenue from interest income and income from profit guarantee earned from the investments held by the segments. This is in contrast to the six months ended 30 June 2023, where no revenue was noted for the operating segment. Segment results represented the net gains or losses on changes in fair values of listed equity securities, private equity securities, unlisted bond, open-ended fund and limited partnership fund classified as financial assets at fair value through profit or loss and the corresponding interest income, dividend income as well as income from profit guarantee earned by each segment without the allocation of administrative expenses, finance costs, interest income from bank deposits and Investment Manager's fees.

As management considers the Company's nature of business to be investment trading and there are no major customers, accordingly no information regarding revenue derived from major customers is presented.

	Listed securities <i>HK\$</i>	Unlisted securities <i>HK\$</i>	Total <i>HK\$</i>
As at 30 June 2024 (unaudited)			
Segment assets:			
Financial assets at fair value through profit or loss	572,000	55,117,556	55,689,556
Unallocated assets			26,297,401
Total assets			81,986,957
Liabilities:			
Unallocated liabilities			4,877,429
Total liabilities			4,877,429

	Listed securities <i>HK\$</i>	Unlisted securities <i>HK\$</i>	Total <i>HK\$</i>
As at 31 December 2023 (audited)			
Segment assets:			
Financial assets at fair value through profit or loss	<u>3,768,200</u>	<u>62,572,264</u>	66,340,464
Unallocated assets			<u>28,902,745</u>
Total assets			<u>95,243,209</u>
Liabilities:			
Unallocated liabilities			<u>5,405,256</u>
Total liabilities			<u>5,405,256</u>

For the purpose of monitoring segment performance and allocating resources between segments, all financial assets at fair value through profit or loss are allocated to reportable segments. All other assets of the Company, including right-of-use assets, deposits, prepayments and other receivables, amount due from a broker and cash and cash equivalents, and all liabilities are not allocated to the operating segments.

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>For the six months ended 30 June 2024 (Unaudited) <i>HK\$</i></b>	For the six months ended 30 June 2023 (Unaudited) <i>HK\$</i>
Bank interest income	<b>30,471</b>	1,540
Income from profit guarantee ( <i>note</i> )	<u><b>704,411</b></u>	<u>–</u>
	<u><b>734,882</b></u>	<u>1,540</u>

*Note:* Income from profit guarantee relates to amounts received and receivable in respect of a private equity investment in Hong Kong under the profit guarantee terms set out in the relevant agreement.

**5. NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>Listed securities HK\$</b>	<b>Unlisted securities HK\$</b>	<b>Total HK\$</b>
For the six months ended 30 June 2024 (unaudited)			
Net realised loss on financial assets at fair value through profit or loss	(500,500)	(215,993)	(716,493)
Net unrealised loss on financial assets at fair value through profit or loss	<u>(1,005,450)</u>	<u>(5,238,716)</u>	<u>(6,244,166)</u>
Total of net realised and unrealised loss included in profit or loss	<u><u>(1,505,950)</u></u>	<u><u>(5,454,709)</u></u>	<u><u>(6,960,659)</u></u>
	<b>Listed securities HK\$</b>	<b>Unlisted securities HK\$</b>	<b>Total HK\$</b>
For the six months ended 30 June 2023 (unaudited)			
Net realised loss on financial assets at fair value through profit or loss	(12,813,547)	(2,566,027)	(15,379,574)
Net unrealised gain on financial assets at fair value through profit or loss	<u>9,010,000</u>	<u>24,531,773</u>	<u>33,541,773</u>
Total of net realised and unrealised (loss)/gain included in profit or loss	<u><u>(3,803,547)</u></u>	<u><u>21,965,746</u></u>	<u><u>18,162,199</u></u>



## 6. (LOSS)/PROFIT BEFORE TAX

The Company's (loss)/profit before tax is arrived at after charging:

	<b>For the six months ended 30 June 2024 (Unaudited) HK\$</b>	For the six months ended 30 June 2023 (Unaudited) HK\$
(a) Finance costs		
Interest on other borrowings	<b>26,392</b>	–
Interest on lease liabilities	<b>48,397</b>	64,192
	<b>74,789</b>	64,192
(b) Other operating expenses		
Directors' remuneration		
– Fees	<b>1,164,000</b>	963,112
– Other emoluments	–	–
	<b>1,164,000</b>	963,112
Staff cost (excluding directors' remuneration)	<b>1,079,587</b>	2,027,170
Investment management fee	<b>300,000</b>	300,000
Auditors' remuneration	<b>285,000</b>	275,000
Short-term lease in respect of properties	<b>25,010</b>	41,604
Consultancy fees	–	100,000
Legal and professional fees	<b>1,095,148</b>	1,717,840
Depreciation of right-of-use asset	<b>692,159</b>	754,691

## 7. INTERIM DIVIDEND

The Board has resolved not to pay any interim dividend in respect of the current reporting period (30 June 2023: Nil).

## 8. FEES

### Administration fee

Amicorp Fund Services Asia Limited (the "Administrator") is entitled to receive an administration fee which is calculated based on the net asset value of the Company at valuation day equal to the rate of 0.11% per annum.

The administration fee is subject to a monthly minimum fee of USD4,100 plus 7.5% disbursement charge (30 June 2023: USD4,000 plus 7% disbursement charge for the period from 1 January 2023 to 31 January 2023 and USD4,100 plus 7.5% disbursement charge from 1 February 2023) and is payable monthly in arrears.

The administration fee for the Period is HK\$206,815 (30 June 2023: HK\$206,397). As at 30 June 2024, an administration fee of HK\$68,880 (31 December 2023: HK\$137,851) was payable to the Administrator.

### **Custodian fee**

Bank of Communications Trustee Limited (the “Custodian”) is entitled to a custodian fee which is calculated based on the net asset value of the Company at valuation day equal to the rate of 0.04% per annum. The custodian fee is subject to a monthly minimum fee of HK\$12,500 (30 June 2023: HK\$12,500 and is payable monthly in arrears.

The custodian fee for the Period is HK\$75,000 (30 June 2023: HK\$75,000). As at 30 June 2024, a custodian fee of HK\$100,000 (31 December 2023: HK\$50,000) was payable to the Custodian.

### **Management fee**

The Investment Manager is entitled to a monthly management fee of HK\$50,000 (30 June 2023: HK\$50,000) and payable monthly in advance.

The management fee for the Period is HK\$300,000 (30 June 2023: HK\$300,000). As at 30 June 2024, a management fee of HK\$100,000 (31 December 2023: HK\$200,000) was payable to the Investment Manager.

## **9. TAXATION**

The Company calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings.

### **Cayman Islands**

Under the current Cayman Islands law, there are no income tax, corporation tax, capital gains tax or any other kinds of tax on profits or gains or tax in the nature of estate duty or inheritance tax currently in effect.

Effective from the date of incorporation of the Company, and for a period of twenty years, no law that is hereafter enacted in the Cayman Islands imposing any tax on income will be levied on the Company.

### **Hong Kong**

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the Company will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company did not generate any assessable profit for both six months ended 30 June 2024 and 2023.

No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

## **10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY**

The calculation of basic and diluted (loss)/earnings per share amount is based on the Company’s loss of HK\$12,728,425 (30 June 2023: earnings of HK\$8,918,936) for the Period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the Period of 1,319,700,274 (30 June 2023: 1,319,700,274 ordinary shares).

No diluted earnings per share for both six months ended 30 June 2024 and 2023 were presented as there were no potential ordinary shares in issue for both periods.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2024 (Unaudited) HK\$</b>	31 December 2023 (Audited) HK\$
Listed equity securities – Hong Kong	572,000	3,768,200
Investment in private equity – British Virgin Islands	9,724,000	9,724,000
Investments in private equity – Hong Kong	25,705,000	25,705,000
Investments in fund – Hong Kong	19,688,556	27,143,264
	<u>55,689,556</u>	<u>66,340,464</u>

The fair values of the listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchanges at the end of the reporting period.

The fair values of the private equities are determined based on valuation techniques for which inputs that have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

The fair values of the funds are determined based on valuation techniques (i.e. net asset value) for which the lowest level input that have a significant effect on the recorded fair value is directly or indirectly observable.

Net unrealised loss on financial asset at fair value through profit or loss of HK\$6,244,166 (2023: net unrealised gain of HK\$33,541,773) has been recognised in profit or loss.

## 12. ISSUED CAPITAL

	<b>Number of shares</b>	<b>Nominal amount HK\$</b>
Authorised		
Ordinary Shares of nominal amount HK\$0.04 each at 30 June 2024 and 31 December 2023	<u>25,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid		
Ordinary Shares of nominal amount HK\$0.04 each at 30 June 2024 and 31 December 2023	<u>1,319,700,274</u>	<u>52,788,011</u>

A summary of movements in the Company's share capital is as follows:

	<b>Number of shares in issue</b>	<b>Issued capital HK\$</b>	<b>Share premium account HK\$</b>	<b>Total HK\$</b>
At 1 January 2023, 31 December 2023 and 30 June 2024	<u>1,319,700,274</u>	<u>52,788,011</u>	<u>256,798,043</u>	<u>309,586,054</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Board is pleased to present the Company's interim results for the six months ended 30 June 2024.

The Company is a closed-ended investment company established on 1 February 2010. By investing in both private and public enterprises supported by the new economies of Greater China, the Company is devoted to achieving long term capital appreciation for professional investors.

## **FINANCIAL HIGHLIGHTS**

During the Period, the Company maintained a medium to long-term investment strategy in both public and private equities. The Company held one investment in Hong Kong-listed company, three private equity securities investments, one limited partnership fund and one open-ended fund as of 30 June 2024. One of our major investments is in the financial printing sector focusing on the Hong Kong IPO market. The Company reported net loss attributable to shareholders of HK\$12,728,425 during the Period, which consisted of the net change in fair value loss of HK\$6,960,659 taken on the investment positions in the portfolio.

The investment performance of the Company during the Period is affected by the slow recovery of the Chinese economy and the rising volatility of the Greater China stock markets. As at 30 June 2024, the Company reported an unaudited net asset value of approximately HK\$0.06 per share. The net loss is mainly attributable to net realised loss of HK\$716,493 and net unrealised loss of HK\$6,244,166 on financial assets at fair value through profit or loss mainly as a result of recent Hong Kong stock market volatility. The Company will continue to monitor its investments cautiously in view of the recent uncertain Greater China stock market conditions.

## **BUSINESS REVIEW AND PROSPECT**

During the first half of 2024 ("2024-1H"), several serious issues continue to challenge the investment market. The ongoing concerns in the Chinese property market have significantly impacted the pace of China's economic recovery. Moreover, the prolonged period of high interest rates in the United States (the "U.S.") presents further economic challenges. The market is particularly awaiting the United States Federal Reserve Board (the "U.S. Federal Reserve") to announce potential interest rate cuts. Additionally, the U.S. presidential election at the end of the year, which will determine who takes office in the White House, significantly impacts U.S.-China relations, directly influencing the performance of the Hong Kong stock market and the broader investment market.

During the Period, China's national economy showed steady growth despite challenges in the real estate sector. The ongoing issues within the property market have created significant concerns, dragging down the pace of China's economic rebound. According to data from the National Bureau of Statistics of China, the gross domestic product ("GDP") in 2024-1H increased to RMB61,683.6 billion, representing a 5.0% increase compared to the first half of 2023. In the second quarter of 2024, GDP grew by 4.7% year-over-year. As the pandemic has come to an end, the Company believes China's national economy will continue to rebound.

The Hang Seng Index declined by 3.9% in 2024-1H, while the Hang Seng China Enterprises Index increased by 9.8%, outperforming the Hang Seng Index. Meanwhile, the U.S. Federal Reserve has maintained its interest rate at 5.25% to 5.50% since increasing it in July 2023. After U.S. inflation reached a more than 40-year high, the inflation growth rate has slowed in 2024-1H. The market is anticipating potential rate cuts, with the first reduction possibly occurring in September 2024.

The focus of the Company is to invest in listed securities in the short to medium term and will continue to seek opportunities to invest in listed companies with high potential. Another focus of the Company is to invest in private equity securities and other unlisted investments in the long term. During the Period, the Company held two funds and three private equities. The Company believes that funds and private equity shall diversify the risk of investments and will potentially bring greater returns in the long term alongside listed investment in the portfolio. The Company will continue to look for further investment opportunities or even unlisted investments to benefit our investors and shareholders.

The Company will persist with its investment strategy, concentrating on Greater China and China related investments in other key global markets. By leveraging the expertise of our skilled investment and risk management team, we are confident in our capability to identify and capitalize on valuable investment opportunities, with the goal of maximizing returns for our esteemed shareholders.

## INVESTMENT REVIEW

To provide the shareholders of the Company with an interim update of the investments held by the Company, the Company discloses its ten largest investments and all individual investments with value exceeding 5% of the Company's gross assets with brief description of the investee companies and particulars of the investments in accordance with Rule 21.12 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") as follows:

### At 30 June 2024

#### Listed Equity Security – Hong Kong

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised	Net asset attributable to the Company	Dividend received/receivable during the Period	% of gross assets of the Company
				HK\$'000	HK\$'000	(Note 1) HK\$'000	(Note 2) HK\$'000	HK\$'000	
(a) Tasty Concepts Holding Limited	The Cayman Islands	5,200,000 Ordinary shares of HK\$0.1 each	2.70%	1,040	572	(468)	HK\$0.60 million	–	0.70

#### Private Equity Security – British Virgin Islands

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised	Net asset attributable to the Company	Dividend received/receivable during the Period	% of gross assets of the Company
				HK\$'000	HK\$'000	(Note 1) HK\$'000	(Note 3) HK\$'000	HK\$'000	
(b) Gransing Financial Group Limited	British Virgin Islands	64 shares of USD1 each	18.08%	46,377	9,724	(36,653)	HK\$20.90 million	–	11.94

#### Private Equity Securities – Hong Kong

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised	Net asset attributable to the Company	Dividend received/receivable during the Period	% of gross assets of the Company
				HK\$'000	HK\$'000	(Note 1) HK\$'000	(Note 3) HK\$'000	HK\$'000	
(c) iPro Financial Press Limited	Hong Kong	17,493 shares	19.97%	34,999	17,602	(17,397)	HK\$25.60 million	–	21.62
(d) Gransing Finance Limited	Hong Kong	2,779,570 shares	19.90%	16,876	8,103	(8,773)	HK\$12.90 million	–	9.95

## ***Funds – Hong Kong***

Name of investee	Place of incorporation	Proportion of investee's capital owned	Cost	Market Value	Unrealised gain/(loss) recognised (Note 1)	Net asset attributable to the Company (Note 3)	Dividend received/receivable during the Period	% of gross assets of the Company
			HK\$'000	HK\$'000	HK\$'000		HK\$'000	
(e) Goldstone 1 LPF	Hong Kong	59.32%	23,748	11,032	(12,716)	HK\$11.03 million	–	13.55
(f) SWK Dynamic OFC	Hong Kong	10.55%	9,947	8,657	(1,290)	HK\$8.66 million	–	10.63

## **At 31 December 2023**

### ***Listed Equity Securities – Hong Kong***

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 4)	Net asset/(liability) attributable to the Company (Note 2)	Dividend received/receivable during the year	% of gross assets of the Company
				HK\$'000	HK\$'000	HK\$'000		HK\$'000	
Tasty Concepts Holding Limited	The Cayman Islands	6,600,000 Ordinary shares of HK\$0.1 each	3.43%	1,320	1,848	528	HK\$(0.66) million	–	1.94
Hanvey Group Holdings Limited	The Cayman Islands	2,310,000 Ordinary shares of HK\$0.1 each	1.40%	627	739	112	HK\$0.52 million	–	0.78
Lerado Financial Group Company Limited	Bermuda	3,100,000 Ordinary shares of HK\$0.01 each	1.35%	779	657	(122)	HK\$8.98 million	–	0.69
China New Consumption Group Limited	The Cayman Islands	2,700,000 Ordinary shares of HK\$0.01 each	0.67%	505	524	19	HK\$0.70 million	–	0.55

### **Private Equity Security – British Virgin Islands**

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 4)	Net asset attributable to the Company (Note 3)	Dividend received/receivable during the year	% of gross assets of the Company
				HK\$'000	HK\$'000	HK\$'000		HK\$'000	
Gransing Financial Group Limited	British Virgin Islands	64 shares of USD1 each	18.08%	46,377	9,724	(36,653)	HK\$20.90 million	–	10.21

### **Private Equity Securities – Hong Kong**

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 4)	Net asset attributable to the Company (Note 3)	Dividend received/receivable during the year	% of gross assets of the Company
				HK\$'000	HK\$'000	HK\$'000		HK\$'000	
iPro Financial Press Limited	Hong Kong	17,493 shares	19.97%	34,999	17,602	(17,397)	HK\$25.60 million	–	18.48
Gransing Finance Limited	Hong Kong	2,779,570 shares	19.90%	16,876	8,103	(8,773)	HK\$12.90 million	–	8.51

### **Funds – Hong Kong**

Name of investee	Place of incorporation	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 4)	Net asset attributable to the Company (Note 3)	Dividend received/receivable during the year	% of gross assets of the Company
			HK\$'000	HK\$'000	HK\$'000		HK\$'000	
Goldstone 1 LPF	Hong Kong	59.32%	23,748	16,858	(6,890)	HK\$16.86 million	–	17.70
SWK Dynamic OFC	Hong Kong	12.21%	12,163	10,285	(1,878)	HK\$10.28 million	–	10.80

#### **Notes:**

- (1) The unrealised gain/(loss) represented the changes in fair value of the respective investments during the Period.
- (2) The calculation of net assets/(liability) attributable to the Company is based on the latest published interim/annual report of the respective investments available as at the latest practicable date at the end of each reporting period.



- (3) The calculation of net assets/(liability) attributable to the Company is based on the latest financial information/statements of the respective investments available as at the latest practicable date at the end of each reporting period.
- (4) The unrealised gain/(loss) represented the changes in fair value of the respective investments during the year ended 31 December 2023.

A brief description of the business and financial information of the investments is as follows:

- (a) Tasty Concepts Holding Limited (“Tasty Concepts”) is an investment holding company mainly engaged in the operation of Japanese ramen restaurants. The audited loss attributable to shareholders of Tasty Concepts for the financial year ended 31 March 2024 was approximately HK\$8,133,000 and the audited net assets attributable to shareholders of Tasty Concepts as at 31 March 2024 was approximately HK\$20,161,000. Tasty Concepts will proactively seek potential business opportunities or cooperation with different potential parties to broaden the sources of income and bringing better return on investment for the shareholders. The fair value of the investment in Tasty Concepts is based on quoted market bid prices.
- (b) Gransing Financial Group Limited (“Gransing Financial”) is principally engaged in provision of quality brokerage, corporate finance, asset management, money lending and financial adviser services to institutional and individual investors in Hong Kong and Mainland China through its subsidiaries. With the enhancement of artificial intelligence (“A.I.”) technology, Gransing Financial launched several new services including the online account opening services for new customers in Hong Kong and China. Moreover, by the help of advanced intelligent technology, Gransing Financial’s A.I. analyst would serve their clients with stock monitoring, investment strategies and stock scoring services. All the above would improve Gransing Financial’s operational efficiency and earn more new potential clients. The fair value of the investment in Gransing Financial is based on valuation by independent valuer.
- (c) iPro Financial Press Limited (“iPro”) is principally engaged in financial printing services, production of announcements such as IPO prospectus and financial reports, and provision of venues for financial related forums. The fair value of the investment in iPro is based on valuation by independent valuer.
- (d) Gransing Finance Limited (“Gransing Finance”) is engaged in the provision of money lending. Gransing Finance is held by Gransing Financial which is the largest shareholder of Gransing Finance. The fair value of the investment in Gransing Finance is based on valuation by independent valuer.
- (e) Goldstone 1 LPF (“Goldstone 1”), is a limited partnership fund. Goldstone 1 seeks to achieve maximum capital appreciation over the life of the limited partnership fund through equity investments, specifically, investments in IPOs on securities to be listed on the Stock Exchange and in private placements by companies listed on the Stock Exchange. The fair value of the investment in Goldstone 1 is based on net asset value.

- (f) SWK Dynamic OFC (“SWK”) is private open-ended fund company with variable capital. The strategy of SWK is long-biased focusing on Hong Kong and China equity market. The fair value of the investment in SWK is based on net asset value.

The top investments with realised gain and loss for the Period are summarised as below:

#### **Top two realised gain for the Period**

<b>Name of investment</b>	<b>Realised gain</b> <i>HK\$'000</i>
China New Consumption Group Limited	105
Tasty Concepts Holding Limited	22

#### **Top three realised loss for the Period**

<b>Name of investment</b>	<b>Realised loss</b> <i>HK\$'000</i>
Hanvey Group Holdings Limited	373
Lerado Financial Group Company Limited	255
SWK Dynamic OFC	216

### **LIQUIDITY, FINANCIAL RESOURCES AND GEARING**

The Company has maintained a sufficient cash position which will allow it to capture opportunities with promising returns in both listed and private equities.

As at 30 June 2024, the gearing ratio, defined as total borrowings divided by shareholders' equities, was 0.74% (31 December 2023: Nil). As at 30 June 2024, the Company has margin payables to the brokers totalling HK\$570,118 with an interest rate of 9.625% per annum (31 December 2023: Nil).

### **INTERIM DIVIDEND**

The Directors do not recommend the payment of any interim dividend during the Period (30 June 2023: Nil).

### **CHARGES ON COMPANY'S ASSET AND CONTINGENT LIABILITIES**

As at 30 June 2024, the Company had pledged its investment in Hong Kong listed securities in the amount of HK\$572,000 to secure the margin payables to the brokers (31 December 2023: Nil).

There were no significant contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

## **CAPITAL STRUCTURE**

On the listing date on 6 January 2011, the Company completed a share placement and a total of 303,000,000 ordinary shares of HK\$0.1 each were placed at a price of HK\$1.03 per share for a total cash consideration, excluding the related issue expenses, of approximately HK\$312.1 million. Subsequent to the listing, the Company had acquired additional capital by completion of rights issue and placing of new shares under general mandate. As at 30 June 2024, the capital of the Company comprises of 1,319,700,274 ordinary shares of HK\$0.04 each.

## **CAPITAL EXPENDITURE AND COMMITMENT**

As at 30 June 2024, the Company made no capital expenditure or any other commitments (31 December 2023: Nil).

## **MATERIAL ACQUISITION AND DISPOSAL**

During the Period, the Company did not acquire or dispose of any subsidiaries, associates or joint ventures (31 December 2023: Nil).

## **USE OF PROCEEDS**

The Company has six investments as of 30 June 2024, comprising of equity security listed in Hong Kong, private equities, limited partnership fund and open-ended fund. The largest one held by the Company is in the financial printing sector focusing on the Hong Kong IPO market.

The available cash proceeds will be applied by the Board and the Investment Manager in making investments according to the investment objective, policies and restrictions of the Company and the requirements of the articles of association of the Company, the Listing Rules and the investment management agreement. Any cash proceeds not deployed are placed in bank deposits or invested in money market instruments or money market funds.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2024, the Company had nine full-time employees (31 December 2023: eight). All of the Company's employees were based in Hong Kong.

The Company establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system and the policy is periodically reviewed. Apart from mandatory provident fund, salaries increment, share options and discretionary bonuses may be awarded to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Company for the Period was approximately HK\$1,079,587 (30 June 2023: HK\$2,027,170).

## **FOREIGN CURRENCY FLUCTUATION**

The Board believes that foreign exchange risks are minimal as the Company mainly uses the Hong Kong dollars to carry out its business transactions.

## **EVENTS AFTER REPORTING PERIOD**

There is no significant event after the reporting period.

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

The Company has not purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Period. As at 30 June 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has applied the principles set out in Part 2 of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. The Board is of the view that throughout the Period, the Company was in compliance with the code provisions as set out in the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the Period.

## **AUDIT COMMITTEE**

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Sze Tak Chi (being the chairman with professional qualifications in accountancy), Mr. Tong Yun Lung and Mr. Sui Fuxiang.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, risk management systems, internal control or other matters of the Company.

The unaudited interim financial statements of the Company for the Period have been reviewed by the Audit Committee.

## **PUBLICATION OF INTERIM REPORT**

The interim report of the Company for the Period containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and made available for review on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaneweconomyfund.com](http://www.chinaneweconomyfund.com)) in due course.

By Order of the Board  
**China New Economy Fund Limited**  
**Chan Cheong Yee**  
*Executive Director*

Hong Kong, 29 August 2024

*As at the date of this announcement, the Board comprises Mr. CHAN Cheong Yee as executive Director; Mr. HUANG Bin (Co-Chairman), Mr. CHOI Chit Sze Jackson (Co-Chairman), Mr. CHOI Koon Ming and Ms. XIAO Ruimei as non-executive Directors; Mr. SZE Tak Chi, Mr. SUI Fuxiang and Mr. TONG Yun Lung as independent non-executive Directors.*