

ASIA-PAC FINANCIAL INVESTMENT COMPANY LIMITED

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8193)

2022

INTERIM REPORT



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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This report, in both English and Chinese versions, is available on the Company’s website at www.gca.com.hk.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ip Kwok Kwong (*Managing Director*)

Mr. Wu Di

Independent Non-executive Directors

Mr. Sek Wai Kit

Mr. So Kwok Yun

Mr. Tang Wai Kee

BOARD COMMITTEES

Audit Committee

Mr. Sek Wai Kit (*Chairman*)

Mr. So Kwok Yun

Mr. Tang Wai Kee

Remuneration Committee

Mr. So Kwok Yun (*Chairman*)

Mr. Sek Wai Kit

Mr. Ip Kwok Kwong

Mr. Wu Di

Mr. Tang Wai Kee

Nomination Committee

Mr. Tang Wai Kee (*Chairman*)

Mr. Sek Wai Kit

Mr. Ip Kwok Kwong

Mr. Wu Di

Mr. So Kwok Yun

COMPANY SECRETARY

Ms. Cheng Lucy

COMPLIANCE OFFICER

Mr. Ip Kwok Kwong

AUTHORISED REPRESENTATIVES

Ms. Cheng Lucy

Mr. Ip Kwok Kwong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

OCBC Wing Hang Bank Limited

China Construction Bank (Asia) Corporation Limited

INDEPENDENT AUDITOR

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wanchai

Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
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P. O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE WEBSITE

www.gca.com.hk

STOCK CODE

8193

The board of Directors (the “Board”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together, the “Group”) for the three months and six months ended 30 September 2022, together with the relevant unaudited/audited comparative figures, as follows.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2022

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Loan interest income		1,731	2,191	3,394	4,530
Other revenue		13,660	4,869	17,945	10,917
Total revenue	4 & 5	15,391	7,060	21,339	15,447
Cost of sales		(7,856)	(2,577)	(10,139)	(5,738)
Gross profit		7,535	4,483	11,200	9,709
Other income	5	283	416	1,076	661
Fair value gain on financial assets at fair value through profit or loss (“FVTPL”)		32,544	2,751	24,398	10,638
Marketing and administrative expenses		(9,969)	(4,912)	(13,813)	(16,801)
Finance costs	6	(237)	(182)	(391)	(534)
Profit before tax	7	30,156	2,556	22,470	3,673
Income tax expense	8	(246)	(21)	(480)	(58)
Profit for the period		29,910	2,535	21,990	3,615
Other comprehensive income/(expense) for the period, net of tax					
<i>Item that may be subsequently reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		(1,119)	(478)	(1,251)	377
Profit and total comprehensive income for the period		28,791	2,057	20,739	3,992

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Profit/(loss) for the period attributable to:					
Owners of the Company		30,358	2,169	22,321	4,101
Non-controlling interests		(448)	366	(331)	(486)
		29,910	2,535	21,990	3,615
Profit and total comprehensive income/(expense) for the period attributable to:					
Owners of the Company		29,239	1,691	21,070	4,478
Non-controlling interests		(448)	366	(331)	(486)
		28,791	2,057	20,739	3,992
Earnings per share					
Basic and diluted (HK cents)	10	13.02	(Restated) 0.93	9.57	(Restated) 1.76

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	587	667
Right-of-use assets		468	797
Intangible assets		1,400	1,600
Goodwill		20,055	20,055
Loan receivables	13	8,252	56,323
		30,762	79,442
Current assets			
Trade receivables	12	7,704	6,494
Prepayments, deposits and other receivables		18,925	19,251
Loan receivables	13	84,550	34,025
Financial assets at FVTPL		78,039	53,641
Bank and cash balances	14	3,851	4,495
Tax recoverable		–	62
		193,069	117,968
Current liabilities			
Trade payables	15	2,185	3,493
Accruals and other payables		33,158	30,066
Amount due to a director		7,703	6,363
Contract liabilities		1,467	1,349
Bank and other borrowings		12,878	–
Promissory notes		22,400	–
Lease liabilities		495	691
Tax payables		498	101
		80,784	42,063
Net current assets		112,285	75,905

	<i>Notes</i>	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Non-current liabilities			
Promissory notes		–	22,400
Bank and other borrowings		–	13,258
Lease liabilities		–	147
		–	35,805
NET ASSETS		143,047	119,542
Capital and reserves			
Share capital	16	23,319	23,319
Reserves		117,112	93,276
Equity attributable to owners of the Company		140,431	116,595
Non-controlling interests		2,616	2,947
TOTAL EQUITY		143,047	119,542

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share options reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2022 (audited)	23,319	608,005	5,359	435	13,219	(533,742)	116,595	2,947	119,542
Recognition of share-based payments (unaudited)	-	-	-	-	2,766	-	2,766	-	2,766
Lapse of share options (unaudited)	-	-	-	-	(8,111)	8,111	-	-	-
Total comprehensive expense for the year (unaudited)	-	-	-	(1,251)	-	22,321	21,070	(331)	20,739
At 30 September 2022 (unaudited)	23,319	608,005	5,359	(816)	7,874	(503,310)	140,431	2,616	143,047
At 1 April 2021 (audited)	23,319	608,005	5,359	(477)	11,720	(488,995)	158,931	5,794	164,725
Recognition of share-based payments (unaudited)	-	-	-	-	1,524	-	1,524	-	1,524
Lapse of share options (unaudited)	-	-	-	-	(25)	25	-	-	-
Total comprehensive expense for the year (unaudited)	-	-	-	377	-	4,101	4,478	(486)	3,992
At 30 September 2021 (unaudited)	23,319	608,005	5,359	(100)	13,219	(484,869)	164,933	5,308	170,241

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September 2022 HK\$'000 (unaudited)	Six months ended 30 September 2021 HK\$'000 (unaudited)
Net cash used in operating activities:	(24)	(17,232)
Net cash generated from investing activities:	–	2,724
Net cash from/used in financing activities:	763	(29,981)
Net increase/(decrease) in cash and cash equivalents	739	(44,489)
Cash and cash equivalents at beginning of the period	4,495	47,345
Effect of foreign exchange rate changes	(1,383)	296
Cash and cash equivalents at end of the period	3,851	3,152
Analysis of cash and cash equivalents		
Bank and cash balances	3,851	3,152
Bank overdrafts	–	–
Bank and cash balance included in assets classified as held for sale	–	–
	3,851	3,152

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The ordinary shares of the Company of HK\$0.1 each (the "Shares") are listed on GEM. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of its principal place of business in Hong Kong is Room 304, 3rd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The Company is an investment holding company.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 (the "Period") have not been audited by the auditors of the Company but have been reviewed by the audit committee of the Board (the "Audit Committee"). They have been approved and authorised for issue by the Board on 7 November 2022.

2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated results for the Period (the "Unaudited Condensed Consolidated Results") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance, Chapter 622 of the laws of Hong Kong.

The Unaudited Condensed Consolidated Results do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2022. The Group has adopted the new standards and amendments to HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the Group's results and financial position for the current or prior periods.

The Group has not early adopted any new and revised HKFRSs that has been issued but are not yet effective.

3. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group's financial assets at FVTPL and derivative financial assets are carried at fair value as at 30 September and 31 March 2022. The following disclosures of fair value measurements use a fair value hierarchy which has three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

Disclosures of level in fair value hierarchy as at 30 September 2022:

Description	Fair value measurement using:			
	Level 1	Level 2	Level 3	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Financial assets at FVTPL:				
– Listed securities in Hong Kong	78,039	–	–	78,039

Disclosures of level in fair value hierarchy as at 31 March 2022:

Description	Fair value measurement using:			Total HK\$'000 (unaudited)
	Level 1	Level 2	Level 3	
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	
Financial assets at FVTPL:				
– Listed securities in Hong Kong	53,641	–	–	53,641

4. SEGMENT INFORMATION

The Group is organised into business units based on their services and has four reportable operating segments as follows:

– Asset advisory and asset appraisal

Provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument valuation and advisory services

– Corporate services and consultancy

Provision of company secretarial services, human resources management, accounting and tax services, corporate communication and marketing services, corporate governance, internal control, enterprise risk management services and management consultancy services

– Media advertising

Provision of media advertising business services through in-elevator poster frames network and liquid-crystal display network inside elevators or lobbies of middle to high-end residential community

– Financial services

Provision of financial credit services such as personal loans, commercial loans to individuals and corporations

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technical requirements and marketing strategies.

Segment profits or losses do not include corporate income and expenses, fair value changes on financial assets at fair value through profit or loss, equity-settled share-based payment and finance costs.

Information about reportable segments for the six months ended 30 September 2022 and 2021 are as follows:

	Asset advisory and asset appraisal Six months ended		Corporate services and consultancy Six months ended		Media advertising Six months ended		Financial services Six months ended		Total Six months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Disaggregated by timing of revenue recognition										
Point in time	16,869	9,028	-	-	-	-	-	-	16,869	9,028
Over time	-	-	418	180	658	1,709	3,394	4,530	4,470	6,419
Revenue from external customers	16,869	9,028	418	180	658	1,709	3,394	4,530	21,339	15,447
Segment (loss)/profit before finance costs and income tax credit/(expense)	(210)	(2,448)	(550)	(1,461)	(1,424)	(20)	2,427	340	243	(3,589)
Fair value gain on financial assets at FVTPL									24,398	10,638
Finance costs									(391)	(534)
Unallocated corporate expenses, net									(1,780)	(2,842)
Profit before tax									22,470	3,673

Geographical information:

In presenting the geographical information, revenue is based on the locations of the customers.

	Revenue from external customers	
	30 September 2022 HK\$'000 (unaudited)	30 September 2021 HK\$'000 (unaudited)
Hong Kong	20,604	13,738
The People's Republic of China (the "PRC") except Hong Kong	735	1,709
	21,339	15,447

There was no revenue from customers contributing 10% or more of total revenue for the six months ended 30 September 2022 and 2021.

5. REVENUE AND OTHER INCOME

The Group's revenue and other income are as follows:

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue				
Asset advisory and asset appraisal services income	12,985	4,085	16,869	9,028
Corporate services and consultancy income	311	72	418	180
Media advertising services	364	712	658	1,709
Financial services	1,731	2,191	3,394	4,530
	15,391	7,060	21,339	15,447
Other income				
Bank interest income	1	–	1	1
Sub-leasing income	86	287	172	377
Government subsidy	25	–	29	–
Waiver for loan interest	–	–	451	–
Sundry income	171	129	423	283
	283	416	1,076	661

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interest on bank and other borrowings	83	22	83	126
Interest on promissory notes	150	150	300	398
Interest on lease liabilities	4	10	8	10
	237	182	391	534

7. PROFIT BEFORE TAX

The Group's profit before tax is stated after (crediting)/charging the following:

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Depreciation and amortisation				
– Owned assets	127	16	250	36
– Right-of-use assets	165	135	329	190
Fair value gain on financial assets at FVTPL	32,544	(2,751)	(24,398)	(10,638)
Impairment losses on property, plant and equipment	–	68	–	68
Staff costs, including Directors' remuneration and equity-settled share-based payments	6,367	1,710	8,618	5,124

8. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax Provision for the period	246	21	480	58
Total	246	21	480	58

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of a corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. For the six months ended 30 September 2022, Hong Kong Profits Tax of the nominated Group company is calculated in accordance with the two-tiered profits tax rates regime. The assessable profits of other Group companies in Hong Kong will continue to be taxed at the tax rate of 16.5%.

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

Enterprise Income Tax (“EIT”) in the PRC is provided at the rate of 25% (2021: 25%) applicable to the subsidiaries in the PRC on the income for statutory reporting purpose, adjusted for income and expense items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretations thereof.

No provision for EIT is required as the Group’s PRC subsidiaries did not have assessable profit for the Period (six months ended 30 September 2021: nil).

9. DIVIDEND

The Board does not recommend the payment of a dividend for the Period (six months ended 30 September 2021: nil).

10. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the three months and six months ended 30 September 2022 attributable to owners of the Company of approximately HK\$30,358,000 (2021: approximately HK\$2,169,000) and approximately HK\$22,321,000 (2021: approximately HK\$4,101,000), respectively and the weighted average number of ordinary shares of 233,182,344 (2021 (restated): 233,182,344 ordinary shares). For the purpose of calculation of basic earnings per share for the three months and six months ended 30 September 2021, the weighted average number of ordinary shares has been adjusted to take into effect of the Share Consolidation (as defined in below) which became effective on 31 August 2022.

Diluted earnings per share

Diluted earnings per share for the three months and six months ended 30 September 2022 and 2021 are the same as the respective basic earnings per share as the effects of the Company's potential ordinary Shares in respect of the outstanding share options are anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group has not acquired property, plant and equipment (six months ended 30 September 2021: HK\$260,000) and written off property, plant and equipment (six months ended 30 September 2021: HK\$68,000).

12. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally at 14 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by the senior management.

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

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
0 to 30 days	2,405	3,056
31 to 90 days	1,576	1,018
91 to 180 days	1,005	1,752
181 to 365 days	2,551	310
Over 365 days	167	358
	7,704	6,494

13. LOAN RECEIVABLES

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Current portion	84,550	34,025
Non-current portion	8,252	56,323
	92,802	90,348

The ageing analysis of the loans receivables, based on loan advance date, is as follows:

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
1 to 30 days	–	–
31 to 90 days	–	15,732
91 to 180 days	7,069	–
181 to 365 days	16,709	55,583
Over 365 days	69,024	19,033
	92,802	90,348

14. BANK AND CASH BALANCES

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Cash on hand	193	220
Cash at bank	2,071	1,587
Cash at broker	1,587	2,688
	3,851	4,495

15. TRADE PAYABLES

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

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
0 to 90 days	735	1,682
91 to 180 days	70	195
181 to 365 days	73	54
Over 365 days	1,307	1,562
	2,185	3,493

16. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
At 1 April 2021 and 30 September 2021 (HK\$0.02 each)	50,000,000	1,000,000
Share Consolidation (Note)	(40,000,000)	–
<hr/>		
As at 1 April 2022 and 30 September 2022 (HK\$0.1 each)	10,000,000	1,000,000
<hr/>		
Issued:		
At 1 April 2021 (HK\$0.02 each)	1,165,912	23,319
Share Consolidation (Note)	(932,730)	–
<hr/>		
As at 1 April 2022 and 30 September 2022 (HK\$0.1 each)	233,182	23,319
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Note: Pursuant to the ordinary resolution passed at the annual general meeting of the Company on 29 August 2022, the share consolidation on the basis that every five issued and unissued ordinary shares of HK\$0.02 each be consolidated into one ordinary share of HK\$0.1 each became effective on 31 August 2022. Details of the share consolidation are set out in the announcements of the Company dated 7 July 2022, 29 August 2022 and 31 August 2022 and the circular of the Company dated 28 July 2022.

17. RELATED PARTY TRANSACTIONS

The Group has not entered into any related party transaction during the six months ended 30 September 2022 and 2021.

Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 September 2022 and 2021 were as follows:

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Short-term benefits	444,000	444,000	888,000	888,000
Post-employment benefits	–	–	–	–

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal; (ii) corporate services and consultancy; (iii) media advertising; and (iv) financial services.

Asset Advisory Services and Asset Appraisal

Asset advisory services and asset appraisal are the core business of the Group, which typically involve provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices. Asset advisory services income is primarily success-based and project-based nature.

Corporate Services and Consultancy

The corporate services and consultancy segment mainly focuses on provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects as well as provision of back office administration.

Media Advertising

Media advertising income is generated mainly through its in-elevator poster frames network and liquid-crystal-display network inside the elevators or lift lobbies of middle to high-end residential community.

Financial Services

The financial services segment is provision of money lending services. The services mainly involves provision of financial credit services such as personal loans and commercial loans to individuals and corporations.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately HK\$21.3 million (six months ended 30 September 2021: HK\$15.4 million), representing an increase of approximately 38.3% from that of the corresponding period of 2021 (the "Last Corresponding Period"). The increase was mainly attributable to the increase in revenue arising from the asset advisory and consultancy services.

The Group's cost of sales for the Period was approximately HK\$10.1 million (six months ended 30 September 2021: HK\$5.7 million), representing an increase of approximately 77.2% from that of the Last Corresponding Period. The increase in cost of sales was mainly attributable to the increase in revenue during the Period.

The Group's marketing and administrative expenses for the Period were approximately HK\$13.8 million (six months ended 30 September 2021: HK\$16.8 million), representing a decrease of approximately 17.9% from those of the Last Corresponding Period. The decrease in such expenses was due to the implementation of cost control measures during the Period.

The Group's net fair value gain on financial assets at FVTPL for the Period was approximately HK\$24.4 million (six months ended 30 September 2021: approximately HK\$10.6 million). Details are set out in the section headed "Significant Investments Held".

The Group's finance costs for the Period amounted to approximately HK\$0.4 million (six months ended 30 September 2021: HK\$0.5 million), representing a decrease of approximately 20.0% from that of the Last Corresponding Period. The decrease in finance costs was mainly due to the decrease in interest expenses on bank and other borrowings and promissory notes during the Period.

Accordingly, the profit attributable to owners of the Company for the Period was approximately HK\$22.3 million (six months ended 30 September 2021: approximately HK\$4.1 million), which was mainly attributable to net fair value gain on financial assets at FVTPL of approximately HK\$24.4 million for the Period.

REVIEW ON PROVISION OF FINANCIAL ASSISTANCE

During the Period, none of the financial assistance provided by the Group constituted "discloseable transaction" under Chapter 19 of the GEM Listing Rules, "connected transaction" under Chapter 20 of the GEM Listing Rules and "advances to entity" which requires disclosure pursuant to Chapter 17 of the GEM Listing Rules.

OUTLOOK

Looking ahead, the revenue from each of the sectors of asset advisory and corporate consultancy services remains promising with a steady demand for professional commercial services in the PRC, Taiwan, Hong Kong and Macau (together, the “Greater China”). As companies in the Greater China, especially in the PRC, continue to expand in corporate size, operational complexity and geographical diversification as well as undergo restructuring, listing and mergers and acquisitions, the demand for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain high. In view of the Group’s existing competitive advantages and market position in its core business segments, the Group is confident that its experienced professional teams and provision of convenient one-stop professional services will keep it well-positioned to capture the surging business opportunities.

Due to the prolonged zero-covid policy and strict anti-epidemic measures which significantly reduced the demand from freezing of marketing spend and lockdown and testing also disturbed advertising service delivery, the Group will dedicate even more efforts to implement cost control and actively adjust the business strategy in respond to COVID-19 and latest market changes.

The financial services segment is expected to be stable in coming year. The Group will continue its effort to enhance our competitiveness within the ever changing industry and economy. The Group will closely monitor its cash position, and will continue to seek investment and business opportunities, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the shareholders of the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have other plans for material investments and capital assets as of 30 September 2022.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no other material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

SIGNIFICANT INVESTMENTS HELD

As at 30 September 2022, the Group had financial assets at FVTPL, representing equity securities listed in Hong Kong, with a total market value of approximately HK\$78.0 million (31 March 2022: HK\$53.6 million).

Details of the Group's top held-for-trading investments, in terms of fair value as at 30 September 2022, are set out as follows:

Name of securities	Investment cost HK\$'000	Number of shares held	As at 30 September 2022				For the six months ended 30 September 2022	As at 31 March 2022
			Percentage of shareholding interest	Fair value HK\$'000	Percentage to the financial assets at FVTPL	Percentage to the net assets	Unrealised gain/(loss) HK\$'000	Fair value/ carrying value HK\$'000
WLS Holdings Limited ("WLS") (Stock code: 8021) (Note 1)	17,197	250,310,000	1.74%	22,778	28.4%	15.9%	10,513	12,265
SEEC Media Group Limited ("SEEC Media") (Stock code: 205) (Note 2)	4,662	15,190,000	2.06%	16,861	21.0%	11.8%	12,000	4,861
China Investment and Finance Group Limited ("China Investment") (Stock code: 1226) (Note 3)	1,507	10,050,000	2.44%	10,251	12.8%	7.2%	5,427	4,824
Hao Wen Holdings Limited ("Hao Wen") (Stock code: 8019) (Note 4)	2,139	10,240,000	2.88%	8,294	10.3%	5.8%	5,734	2,560
Other investments (Note 5)	27,566	101,750,525	25.36%	19,855	27.5%	15.4%	(9,276)	29,131
	53,071			78,039	100%	56.1%	24,398	53,641

Notes:

1. WLS is principally engaged in the provision of scaffolding and fitting-out services, management contracting services, other services for construction and buildings work, money lending business and trading of securities in Hong Kong.
2. SEEC Media is principally engaged in the business of advertising and sales of books and magazines and marketing related services and money lending business and securities broking in Hong Kong.
3. China Investment is principally engaged in securities trading and investment holding.
4. Hao Wen principally engaged in the business of the money lending business and beauty treatment services business in Hong Kong and trading of electronic parts business in PRC.
5. The fair value of each of these investments represented less than 5% of the net assets of the Group as at 30 September 2022.

During the Period, the Group recorded an unrealised gain of approximately HK\$24.4 million (six months ended 30 September 2021: unrealised gain of approximately HK\$10.6 million).

The future performance of the equity securities held by the Group may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above, there were no other significant investments held by the Group as at 30 September 2022.

CHARGE ON GROUP ASSETS

At 30 September 2022, none of the assets of the Group has been pledged to secure any loan granted to the Group (31 March 2022: nil).

CAPITAL REORGANIZATION

An annual general meeting of the Company was convened on 29 August 2022 to approve the share consolidation on the basis that every five (5) issued and unissued Shares of par value of HK\$0.02 each in the share capital of the Company be consolidated into one (1) consolidated Share of par value of HK\$0.10 each (the "Share Consolidation").

The Share Consolidation became effective on 31 August 2022. For further details, please refer to the announcements of the Company dated 7 July 2022 and 29 August 2022 and the circular of the Company dated 28 July 2022.

CAPITAL STRUCTURE

Details of the Company's share capital are set out in note 16 to the consolidated financial statements in this interim report.

FOREIGN CURRENCY RISK

The majority of the Group's businesses is operated in Hong Kong and is denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and United States dollars. The Group currently does not have a foreign currency hedging policy. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. However, the management monitors closely foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2022, the Group had bank and cash balances of approximately HK\$3.9 million (31 March 2022: approximately HK\$4.5 million). The bank and cash balances were denominated in HK\$ and RMB. As at 30 September 2022, the Group had net current assets of approximately HK\$112.3 million (31 March 2022: approximately HK\$75.9 million). Current ratio (calculated based on dividing current assets by current liabilities) as at 30 September 2022 was 2.4 (31 March 2022: 2.8).

As at 30 September 2022, the Group had total borrowings (comprising borrowings and promissory notes) of approximately HK\$35.3 million (31 March 2022: approximately HK\$35.7 million) and a net gearing ratio, which is defined as net debt (total borrowings net of bank and cash balances) over total equity of 0.22 (31 March 2022: 0.26). All borrowings and promissory notes were denominated in HK\$, while the other loan repayable was charged at 12% (31 March 2022: 12%) per annum. The promissory notes were interest-bearing at 3% (31 March 2022: 3%) per annum.

CAPITAL COMMITMENTS

As at 30 September 2022, the Group did not have any significant capital commitments (31 March 2022: nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities at 30 September 2022 and 31 March 2022.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 September 2022, the Group employed 20 (31 March 2022: 21) employees. Total staff costs (including Director's emoluments and equity-settled share-based payments) for the Period were approximately HK\$8.6 million (six months ended 30 September 2021: HK\$5.1 million). Employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance and individual's professional and working experience and by reference to prevailing market practice and standards. As the share option scheme adopted on 18 May 2011 (the "Old Scheme") was expired on 17 May 2021, the Company adopted a new share option scheme on 30 September 2021 (the "New Scheme") for the grant of share options to eligible participants. The Group also provides and arranges on-the-job training for the employees. The Group regards quality staff as one of the key factors to corporate success.

EVENT AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the Period.

OTHER INFORMATION

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

As at 30 September 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in the shares of the Company (the "Shares")

Name of Directors	Capacity/ nature of interests	Number of issued Shares held	Number of underlying Shares held	Total	Approximate percentage to the issued Shares (Note 1)
Mr. Ip Kwok Kwong ("Mr. Ip")	Interest in controlled corporation and beneficial owner/ Corporate interest and personal interest	3,108,500 (Note 2)	2,331,823 (Note 3)	5,440,323	2.33%
Mr. Wu Di ("Mr. Wu")	Beneficial owner/Personal interest	–	2,331,823 (Note 3)	2,331,823	1.0%
Mr. So Kwok Yun ("Mr. So")	Beneficial owner/Personal interest	–	880,488 (Note 4)	880,488	0.38%
Mr. Tang Wai Kee ("Mr. Tang")	Beneficial owner/Personal interest	–	880,488 (Note 4)	880,488	0.38%
Mr. Sek Wai Kit ("Mr. Sek")	Beneficial owner/Personal interest	–	2,331,823 (Note 3)	2,331,823	1.0%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2022 (i.e. 233,182,344 Shares).
2. 3,108,500 Shares were held by Brilliant One Holdings Limited (“Brilliant One”) which was wholly owned by GC Holdings Limited (“GC Holdings”). GC Holdings was wholly owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip was deemed to have interests in all the Shares held by Brilliant One.
3. Mr. Ip and Mr. Wu, executive Directors and Mr. Sek, independent non-executive Director were granted the options under the New Scheme of the Company on 7 July 2022 at an exercise price of HK\$0.275 (adjusted) per Share with the exercisable period from 7 July 2022 to 6 July 2024 (both dates inclusive).
4. Mr. So and Mr. Tang, independent non-executive Directors were granted the options under the Old Scheme of the Company on 31 March 2020 at an exercise price of HK\$0.755 (adjusted) per Share with the exercisable period from 31 March 2020 to 30 March 2023 (both dates inclusive).

Save as disclosed above, as at 30 September 2022, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 September 2022, the following corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of shareholders	Capacity/nature of interests	Number of issued Shares held	Approximate percentage to the issued Shares ^(Note 1)
Laberie Holdings Limited ("Laberie") ^(Note 2)	Beneficial owner/Personal interest	56,000,000	24.02%
SEEC Media Group Limited ("SEEC Media") ^(Note 2)	Interest in a controlled corporation/Corporate interest	56,000,000	24.02%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2022 (i.e. 233,182,344 Shares).
2. Laberie was wholly owned by SEEC Media. By virtue of the SFO, SEEC Media was deemed to be interested in all the Shares held by Laberie.

Save as disclosed above, as at 30 September 2022, the Company had not been notified by any corporations which or persons who (other than a Director or the chief executive of the Company) had interests or short positions in the Shares or the underlying Shares, which were notified to the Company and the Stock Exchange pursuant of Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

To attract and retain the eligible persons, provide additional incentive to them and promote the success of the business of the Group, the Company conditionally approved and adopted the Old Scheme by a resolution in writing on 18 May 2011 whereby the Board was authorised to grant options (the “Options”) to subscribe for the Shares to the eligible participants as defined in the Old Scheme, including the Directors and employees. The Old Scheme is valid for a period of ten years commencing on the adoption date as defined in the Old Scheme, i.e. 18 May 2011.

The Old Scheme expired on 17 May 2021. Upon expiry of the Old Scheme, no further options were granted thereunder, and the options granted prior to and remaining outstanding at the expiry shall continue to be valid and exercisable in accordance with the terms of the Old Scheme.

The New Scheme was adopted pursuant to an ordinary resolution duly passed by the shareholders of the Company on 30 September 2021 for a period of 10 years commencing on the adoption date.

A summary of the movements of the outstanding Options under the Old Scheme and the New Scheme during the Period is as follows:

Eligible participants	Number of underlying Shares comprised in Options					Outstanding as at 30 September 2022 (Note 1)	Exercise price per Share HK\$	Date of grant	Exercised period
	Outstanding as at 1 April 2022	Granted during the Period (Note 2)	Exercised during the Period	Lapsed during the Period	Cancelled during the Period				
Directors									
Mr. Ip Kwok Kwong	-	11,659,117	-	-	(9,327,294)	2,331,823	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
	4,402,438	-	-	(4,402,438)	-	-	1.845	18.4.2019	18.4.2019-17.4.2022 (both dates inclusive)
Mr. Wu Di	-	11,659,117	-	-	(9,327,294)	2,331,823	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
	4,402,438	-	-	(4,402,438)	-	-	1.845	18.4.2019	18.4.2019-17.4.2022 (both dates inclusive)
Mr. So Kwok Yun	4,402,438	-	-	-	(3,521,950)	880,488	0.755	31.3.2020	31.3.2020-30.3.2023 (both dates inclusive)
Mr. Tang Wai Kee	4,402,438	-	-	-	(3,521,950)	880,488	0.755	31.3.2020	31.3.2020-30.3.2023 (both dates inclusive)
Mr. Sek Wai Kit	-	11,659,117	-	-	(9,327,294)	2,331,823	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
Employees	13,207,314	-	-	(13,207,314)	-	-	1.845	18.4.2019	18.4.2019-17.4.2022 (both dates inclusive)
	30,817,066	-	-	-	(24,653,653)	6,163,413	0.755	31.3.2020	31.3.2020-30.3.2023 (both dates inclusive)
	29,147,000	-	-	-	(23,317,600)	5,829,400	0.585	10.5.2021	10.5.2021-9.5.2023 (both dates inclusive)
	-	81,613,819	-	-	(65,291,054)	16,322,765	0.275	7.7.2022	7.7.2022-6.7.2024 (both dates inclusive)
Other eligible participants	17,609,752 (Note 3)	-	-	(17,609,752)	-	-	1.845	18.4.2019	18.4.2019-17.4.2022 (both dates inclusive)
	108,390,884	116,591,170	-	(99,621,943)	-	(148,288,089)			

Notes:

- Pursuant to the Company's announcement dated 29 August 2022, the exercise price and the number of underlying shares comprised in the outstanding Options have been adjusted as a result of the completion of the Share Consolidation with effect from 31 August 2022.
- Share options comprising a total of 116,591,170 Options under the New Scheme were granted to certain Directors and employees on 7 July 2022. The closing price of the Shares immediately before the date on which the Options were grant was HK\$0.275. The estimate of the fair value of the share options granted during the Period is measured based on a binomial option pricing model on the date which the options were granted, i.e. 7 July 2022. Fair value of share options granted and assumptions are as follows:

	Mr. Ip Kwok Kwong	Mr. Wu Di	Mr. Sek Wai Kit	Employees
Fair value of each share option at grant date	330,308	330,308	330,308	1,775,467
Share price of each share at grant date	HK\$0.055	HK\$0.055	HK\$0.055	HK\$0.055
Exercise price per share	HK\$0.055	HK\$0.055	HK\$0.055	HK\$0.055
Expected volatility	107.843%	107.843%	107.843%	107.843%
Option life	2 years	2 years	2 years	2 years
Expected dividend yield	0%	0%	0%	0%
Risk-free interest rate	2.368%	2.368%	2.368%	2.368%

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. The assumptions used in computing the fair value of the share options are based on management's best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

Based on the fair values derived from the above pricing model, the fair value of the share options granted on 7 July 2022 was approximately HK\$2,766,000, such amount has been charged as share-based compensation expenses to profit or loss for the Period.

There was no market vesting condition or non-market performance condition associated with the options granted.

- 4,402,438 Options were granted to each of the four business advisory service providers who provide advisory services on sales, operation and business development to the Group, granting the Options to them provided incentive for their commitment to continue to serve the Group by aligning their interest with the Company. Also, the grant of non-cash based Options was more suitable as it did not affect the cash flow of the Group.
- All Option granted were fully vested immediately on the respective dates of grant.

Save as disclosed above, no share options under the Old Scheme and the New Scheme were granted or exercised or cancelled or lapsed during the Period.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors (the “Required Standard of Dealings”). The Company had made a specific enquiry with each of the Directors and all the Directors confirmed that they had complied with the Required Standard of Dealings during the Period.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

To the best of the Directors’ knowledge, none of the Directors or the substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete or is likely to compete, either directly or indirectly, with the business of the Group during the Period.

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

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Period.

CHANGES IN INFORMATION OF DIRECTORS

In accordance with Rule 17.50A(1) of the GEM Listing Rules, changes of the information of the Directors, subsequent to the date of the annual report of the Company for the year ended 31 March 2022, required to be disclosed, are set out below:

The monthly remuneration of each of the following independent non-executive Directors has been adjusted for the period from 1 April 2022 to 30 September 2022 due to the outbreak of the COVID-19 pandemic:

Name of Directors	Adjustment
Mr. Tang Wai Kee	HK\$12,000 to HK\$6,000
Mr. So Kwok Yun	HK\$12,000 to HK\$6,000
Mr. Sek Wai Kit	HK\$12,000 to HK\$6,000

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Part 2 of Appendix 15 to the GEM Listing Rules (the “CG Code”) during the Period save for code provision C.2.1 of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Company currently does not have any officer who carries the title of the chairman of the Board (the “Chairman”) or chief executive officer of the Company (the “CEO”) but instead, the roles of both the Chairman and the CEO are performed by Mr. Ip Kwok Kwong, an executive Director and the Managing Director. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

AUDIT COMMITTEE

The unaudited condensed consolidated results and this report have been reviewed by the Audit Committee, which was of the opinion that such results had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board

Asia-Pac Financial Investment Company Limited

Ip Kwok Kwong

Executive Director and Managing Director

Hong Kong, 7 November 2022

As at the date of this report, the Board comprises Mr. Ip Kwok Kwong (Managing Director) and Mr. Wu Di as executive Directors; and Mr. Sek Wai Kit, Mr. So Kwok Yun and Mr. Tang Wai Kee as independent non-executive Directors.