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## **China Vered Financial Holding Corporation Limited**

**中微金融控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 245)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The board (the “Board”) of directors (the “Directors”) of China Vered Financial Holding Corporation Limited (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (hereinafter together referred as the “Group”) for the six months ended 30 June 2023, together with comparative figures for the six months ended 30 June 2022, as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**

*FOR THE SIX MONTHS ENDED 30 JUNE 2023*

|                           |             | <b>Six months ended 30 June</b> |                 |
|---------------------------|-------------|---------------------------------|-----------------|
|                           |             | <b>2023</b>                     | <b>2022</b>     |
|                           | <i>Note</i> | <i>HK\$'000</i>                 | <i>HK\$'000</i> |
| Interest income           |             | <b>41,147</b>                   | 130,025         |
| Commission and fee income |             | <b>15,499</b>                   | 16,196          |
| Investment income         |             | <b>2,614</b>                    | 3,752           |
| <b>Total revenue</b>      | <b>5</b>    | <b>59,260</b>                   | 149,973         |

|   | <i>Note</i> | <b>Six months ended 30 June</b> |                         |
|---|-------------|---------------------------------|-------------------------|
|   |             | <b>2023</b>                     | <b>2022</b>             |
|   |             | <b><i>HK\$'000</i></b>          | <b><i>HK\$'000</i></b>  |
| Net gain/(loss) on financial assets/liabilities             |             | <b>33,534</b>                   | (241,584)               |
| Other (loss)/income   |             | <b>(3,356)</b>                  | 1,673                   |
| Trading costs   |             | <b>(1,569)</b>                  | (8,020)                 |
| Staff costs and related expenses                            |             | <b>(39,540)</b>                 | (43,891)                |
| Premises expenses   |             | <b>(6,259)</b>                  | (10,088)                |
| Legal and professional fees                                 |             | <b>(9,313)</b>                  | (8,520)                 |
| Depreciation  |             | <b>(898)</b>                    | (3,659)                 |
| Information technology expenses                             |             | <b>(3,355)</b>                  | (2,508)                 |
| Expected credit losses (“ECL”)                              | 7           | <b>(32,093)</b>                 | (119,462)               |
| Write-off of other intangible assets                        |             | <b>(902)</b>                    | –                       |
| Other operating expenses                                    |             | <b>(9,934)</b>                  | (12,744)                |
| Share of post-tax loss of associates                        |             | <b>(5,733)</b>                  | (17,604)                |
| Finance costs   | 8           | <b>(531)</b>                    | (1,632)                 |
| <b>Loss before income tax</b>                               | 4           | <b>(20,689)</b>                 | (318,066)               |
| Income tax (expense)/credit                                 | 6           | <b>(15,710)</b>                 | 17,994                  |
| <b>Loss for the period</b>                                  |             | <b>(36,399)</b>                 | (300,072)               |
| <b>(Loss)/profit attributable to:</b>                       |             |                                 |                         |
| — Owners of the Company                                     |             | <b>(37,582)</b>                 | (300,010)               |
| — Non-controlling interests                                 |             | <b>1,183</b>                    | (62)                    |
|   |             | <b>(36,399)</b>                 | (300,072)               |
|   |             | <b><i>HK Cents</i></b>          | <b><i>HK Cents</i></b>  |
|   |             | <b><i>per share</i></b>         | <b><i>per share</i></b> |
| <b>Loss per share attributable to owners of the Company</b> |             |                                 |                         |
| <b>Basic loss per share</b>                                 | 10          | <b>(0.11)</b>                   | (0.91)                  |
| <b>Diluted loss per share</b>                               | 10          | <b>(0.11)</b>                   | (0.91)                  |

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(UNAUDITED)**

*FOR THE SIX MONTHS ENDED 30 JUNE 2023*

|   | <b>Six months ended 30 June</b> |                 |
|---|---------------------------------|-----------------|
|   | <b>2023</b>                     | 2022            |
|   | <i>HK\$'000</i>                 | <i>HK\$'000</i> |
| <b>Loss for the period</b>  | <b>(36,399)</b>                 | (300,072)       |
| <b>Other comprehensive (loss)/income</b>  |                                 |                 |
| <i>Items that will not be reclassified subsequently to profit or loss</i>                                       |                                 |                 |
| Net change in fair value on equity instruments at fair value through other comprehensive income, net of tax     | <b>(92,806)</b>                 | (264,663)       |
| <i>Items that may be reclassified subsequently to profit or loss</i>  |                                 |                 |
| Net change in fair value on debt instruments at fair value through other comprehensive income, net of tax       | <b>(39,646)</b>                 | (98,124)        |
| Net change in ECL allowances on debt instruments at fair value through other comprehensive income               | <b>25,796</b>                   | 87,986          |
| Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income | <b>(77)</b>                     | 7,729           |
| Exchange differences on translation of foreign operations   | <b>(19,469)</b>                 | (28,718)        |
| <b>Other comprehensive loss for the period, net of tax</b>  | <b>(126,202)</b>                | (295,790)       |
| <b>Total comprehensive loss for the period</b>  | <b>(162,601)</b>                | (595,862)       |
| <b>Total comprehensive (loss)/income for the period attributable to:</b>  |                                 |                 |
| — Owners of the Company   | <b>(163,296)</b>                | (594,895)       |
| — Non-controlling interests   | <b>695</b>                      | (967)           |
|   | <b>(162,601)</b>                | (595,862)       |

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

AS AT 30 JUNE 2023

|   |             | <b>30 June</b>   | 31 December     |
|---|-------------|------------------|-----------------|
|   |             | <b>2023</b>      | 2022            |
|   | <i>Note</i> | <i>HK\$'000</i>  | <i>HK\$'000</i> |
| <b>ASSETS</b>   |             |                  |                 |
| <b>Non-current assets</b>   |             |                  |                 |
| Property, plant and equipment                                     |             | <b>2,219</b>     | 3,079           |
| Right-of-use assets   |             | <b>6,593</b>     | 10,743          |
| Goodwill  |             | <b>5,079</b>     | 5,079           |
| Other intangible assets   |             | –                | 902             |
| Investments in associates   |             | <b>64,360</b>    | 72,138          |
| Rental and other deposits   |             | <b>3,130</b>     | 3,130           |
| Loan and interest receivables                                     | <i>14</i>   | <b>79,901</b>    | –               |
| Financial assets at fair value through profit or loss             | <i>11</i>   | <b>2,077,823</b> | 1,906,019       |
| Financial assets at fair value through other comprehensive income | <i>12</i>   | <b>349,256</b>   | 376,103         |
| Deferred tax assets   |             | <b>122,462</b>   | 127,277         |
|   |             | <hr/>            | <hr/>           |
| <b>Total non-current assets</b>                                   |             | <b>2,710,823</b> | 2,504,470       |
| <b>Current assets</b>   |             |                  |                 |
| Margin receivables and other trade receivables                    | <i>13</i>   | <b>65,658</b>    | 77,553          |
| Other receivables, prepayments and deposits                       |             | <b>33,078</b>    | 30,934          |
| Loan and interest receivables                                     | <i>14</i>   | <b>151,228</b>   | 117,723         |
| Other interest receivables  |             | <b>14,342</b>    | 22,354          |
| Financial assets at fair value through profit or loss             | <i>11</i>   | <b>497,890</b>   | 487,814         |
| Financial assets at fair value through other comprehensive income | <i>12</i>   | <b>31,170</b>    | 59,361          |
| Financial assets at amortised cost                                |             | <b>3,733</b>     | 35,562          |
| Tax receivables   |             | <b>951</b>       | 716             |
| Deposits with brokers   |             | <b>115,118</b>   | 99,427          |
| Cash and cash equivalents   |             | <b>733,334</b>   | 1,028,332       |
|   |             | <hr/>            | <hr/>           |
| <b>Total current assets</b>                                       |             | <b>1,646,502</b> | 1,959,776       |
|   |             | <hr/>            | <hr/>           |
| <b>Total assets</b>   |             | <b>4,357,325</b> | 4,464,246       |
|   |             | <hr/> <hr/>      | <hr/> <hr/>     |

|   |             | <b>30 June<br/>2023</b> | 31 December<br>2022 |
|---|-------------|-------------------------|---------------------|
|   | <i>Note</i> | <b>HK\$'000</b>         | <b>HK\$'000</b>     |
| <b>EQUITY</b>   |             |                         |                     |
| <b>Equity attributable to owners of<br/>the Company</b>       |             |                         |                     |
| Share capital   |             | 4,454,374               | 4,454,374           |
| Other reserves  |             | (200,682)               | (74,786)            |
| Accumulated losses  |             | (267,412)               | (230,012)           |
|   |             | <u>3,986,280</u>        | <u>4,149,576</u>    |
| Non-controlling interests                                     |             | 6,319                   | 5,624               |
|   |             | <u>3,992,599</u>        | <u>4,155,200</u>    |
| <b>LIABILITIES</b>  |             |                         |                     |
| <b>Non-current liabilities</b>                                |             |                         |                     |
| Deferred tax liabilities                                      |             | 5,554                   | 1,749               |
| Lease liabilities   |             | –                       | 2,619               |
|   |             | <u>5,554</u>            | <u>4,368</u>        |
| <b>Total non-current liabilities</b>                          |             |                         |                     |
| <b>Current liabilities</b>                                    |             |                         |                     |
| Accruals and other payables                                   |             | 148,789                 | 107,273             |
| Loan and interest payables                                    | 15          | 23,053                  | –                   |
| Financial liabilities at fair value through<br>profit or loss | 11          | 55,276                  | 70,615              |
| Current tax liabilities                                       |             | 125,031                 | 118,064             |
| Lease liabilities   |             | 7,023                   | 8,726               |
|   |             | <u>359,172</u>          | <u>304,678</u>      |
| <b>Total current liabilities</b>                              |             |                         |                     |
|   |             | <u>364,726</u>          | <u>309,046</u>      |
| <b>Total liabilities</b>                                      |             |                         |                     |
|   |             | <u>4,357,325</u>        | <u>4,464,246</u>    |
| <b>Total equity and liabilities</b>                           |             |                         |                     |
|   |             | <u>1,287,330</u>        | <u>1,655,098</u>    |
| <b>Net current assets</b>                                     |             |                         |                     |
|   |             | <u>3,998,153</u>        | <u>4,159,568</u>    |
| <b>Total assets less current liabilities</b>                  |             |                         |                     |

*Notes:*

## **1 GENERAL INFORMATION**

China Vered Financial Holding Corporation Limited (the “Company”) was incorporated in Hong Kong with limited liability. The address of the Company’s registered and business office is 22/F, China Taiping Tower, 8 Sunning Road, Causeway Bay, Hong Kong.

The Company has its primary listing on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its principal subsidiaries include investment holding, provision of asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

These condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

The financial information relating to the year ended 31 December 2022 that is included in the condensed consolidated financial statements for the six months ended 30 June 2023 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor had reported on those consolidated financial statements. The auditor’s report was qualified and did not include a reference to any matters to which auditor drew attention by way of emphasis without qualifying its report. It also contained a statement under section 407(2) and 407(3) of the Hong Kong Companies Ordinance (Cap. 622). The auditor’s report did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance (Cap. 622).

## **2 BASIS OF PREPARATION**

The condensed consolidated financial statements for the six months ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the “Group”).

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and in compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated financial statements were reviewed by the Audit Committee of the Company. The Board of Directors of the Company has approved the condensed consolidated financial statements for issue on 29 August 2023.

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### 3 ACCOUNTING POLICIES

The accounting policies applied in preparing these condensed consolidated financial statements are the same as those applied in preparing the consolidated financial statements for the year ended 31 December 2022, as disclosed in the Annual Report for 2022.

#### (a) New and amended standards adopted by the Group

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

- Disclosure of Accounting Policies — Amendments to HKAS 1
- Definition of Accounting Estimates — Amendments to HKAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to HKAS 12
- International Tax Reform — Pillar Two Model Rules — Amendments to HKAS 12

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (1) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (2) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

- (3) Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have material impact on the Group's interim condensed consolidated financial information.
- (4) Amendments to HKAS 12 International Tax Reform — Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

**(b) New standards and interpretations not yet adopted by the Group**

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### 4 SEGMENT INFORMATION

Chief operating decision maker (“CODM”) has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the operations nature perspective, including the provision for asset management services (“Asset management”), securities brokerage services (“Securities brokerage”), investment holding (“Investment holding”) and investment banking (“Investment banking”). Each of the Group’s operating segments represents a strategic business unit that is managed by different business unit leaders. Information provided to the CODM is measured in a manner consistent with that in the condensed consolidated financial statements.

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2023 and 2022 is as follows:

##### Six months ended 30 June 2023

|  | Reportable segment              |                                     |                                   |                                   | Total<br>HK\$’000 | Unallocated<br>amount<br>HK\$’000<br>(Note) | Total<br>HK\$’000 |
|--|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-------------------|---|-------------------|
|  | Asset<br>management<br>HK\$’000 | Securities<br>brokerage<br>HK\$’000 | Investment<br>holding<br>HK\$’000 | Investment<br>banking<br>HK\$’000 |                   |   |                   |
| Interest income                                  | -                               | 2,983                               | 25,569                            | -                                 | 28,552            | 12,595                                      | 41,147            |
| Commission and fee income                        | 8,851                           | 148                                 | 6,175                             | -                                 | 15,174            | 325   | 15,499            |
| Investment income                                | -                               | -                                   | 2,614                             | -                                 | 2,614             | -   | 2,614             |
| Revenue from external customers                  | 8,851                           | 3,131                               | 34,358                            | -                                 | 46,340            | 12,920                                      | 59,260            |
| Net gain on financial assets/liabilities         | -                               | -                                   | 33,534                            | -                                 | 33,534            | -   | 33,534            |
|  | <u>8,851</u>                    | <u>3,131</u>                        | <u>67,892</u>                     | <u>-</u>                          | <u>79,874</u>     | <u>12,920</u>                               | <u>92,794</u>     |
| Segment profit/(loss) before income tax          | <u>406</u>                      | <u>(1,179)</u>                      | <u>8,401</u>                      | <u>-</u>                          | <u>7,628</u>      | <u>(28,317)</u>                             | <u>(20,689)</u>   |
| Other segment information:                       |                                 |                                     |                                   |                                   |                   |   |                   |
| Depreciation of property,<br>plant and equipment | -                               | -                                   | (24)                              | -                                 | (24)              | (874)                                       | (898)             |
| Depreciation of right-of-use assets              | -                               | -                                   | -                                 | -                                 | -                 | (4,150)                                     | (4,150)           |
| Reversal of/(provision for) ECL allowances       | -                               | 1                                   | (32,094)                          | -                                 | (32,093)          | -   | (32,093)          |
| Write-off of other intangible assets             | -                               | -                                   | -                                 | -                                 | -                 | (902)                                       | (902)             |
| Staff costs and related expenses                 | <u>(5,509)</u>                  | <u>(2,460)</u>                      | <u>(8,946)</u>                    | <u>-</u>                          | <u>(16,915)</u>   | <u>(22,625)</u>                             | <u>(39,540)</u>   |

## Six months ended 30 June 2022

|  | Reportable segment              |                                     |                                   |                                   | Total<br>HK\$'000 | Unallocated<br>amount<br>HK\$'000<br>(Note) | Total<br>HK\$'000 |
|--|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-------------------|---|-------------------|
|  | Asset<br>management<br>HK\$'000 | Securities<br>brokerage<br>HK\$'000 | Investment<br>holding<br>HK\$'000 | Investment<br>banking<br>HK\$'000 |                   |   |                   |
| Interest income                                  | –                               | 2,563                               | 127,343                           | –                                 | 129,906           | 119   | 130,025           |
| Commission and fee income                        | 12,706                          | 718                                 | 2,124                             | 500                               | 16,048            | 148   | 16,196            |
| Investment income                                | –                               | –                                   | 3,752                             | –                                 | 3,752             | –   | 3,752             |
| Revenue from external customers                  | 12,706                          | 3,281                               | 133,219                           | 500                               | 149,706           | 267   | 149,973           |
| Net loss on financial assets/liabilities         | –                               | –                                   | (241,584)                         | –                                 | (241,584)         | –   | (241,584)         |
|  | <u>12,706</u>                   | <u>3,281</u>                        | <u>(108,365)</u>                  | <u>500</u>                        | <u>(91,878)</u>   | <u>267</u>                                  | <u>(91,611)</u>   |
| Segment profit/(loss) before income tax          | <u>3,382</u>                    | <u>(1,286)</u>                      | <u>(271,709)</u>                  | <u>(1,317)</u>                    | <u>(270,930)</u>  | <u>(47,136)</u>                             | <u>(318,066)</u>  |
| Other segment information:                       |                                 |                                     |                                   |                                   |                   |   |                   |
| Depreciation of property,<br>plant and equipment | (10)                            | (119)                               | (221)                             | –                                 | (350)             | (3,309)                                     | (3,659)           |
| Depreciation of right-of-use assets              | –                               | –                                   | –                                 | –                                 | –                 | (4,161)                                     | (4,161)           |
| Provision for ECL allowances                     | –                               | (15)                                | (119,447)                         | –                                 | (119,462)         | –   | (119,462)         |
| Staff costs and related expenses                 | (5,058)                         | (2,549)                             | (9,234)                           | (1,399)                           | (18,240)          | (25,651)                                    | (43,891)          |

*Note:* The “unallocated amount” primarily included unallocated interest income, service fee income and expenditures for head office operations as well as interest expenses incurred for general working capital.

Breakdown of the revenue from external customers and net gain/(loss) on financial assets and liabilities by geographical location is as follows:

## Six months ended 30 June 2023

|  | Hong Kong<br>HK\$'000 | The PRC<br>HK\$'000 | Japan<br>HK\$'000 | Canada<br>HK\$'000 | Total<br>HK\$'000 |
|--|-----------------------|---------------------|-------------------|--------------------|-------------------|
| Revenue from external customers          | 49,261                | 1,529               | 7,660             | 810                | 59,260            |
| Net gain on financial assets/liabilities | 31,889                | 1,645               | –                 | –                  | 33,534            |
|  | <u>81,150</u>         | <u>3,174</u>        | <u>7,660</u>      | <u>810</u>         | <u>92,794</u>     |

## Six months ended 30 June 2022

|  | Hong Kong<br>HK\$'000 | The PRC<br>HK\$'000 | Japan<br>HK\$'000 | Canada<br>HK\$'000 | Total<br>HK\$'000 |
|--|-----------------------|---------------------|-------------------|--------------------|-------------------|
| Revenue from external customers          | 144,969               | 1,333               | 3,451             | 220                | 149,973           |
| Net loss on financial assets/liabilities | (196,913)             | (44,671)            | –                 | –                  | (241,584)         |
|  | <u>(51,944)</u>       | <u>(43,338)</u>     | <u>3,451</u>      | <u>220</u>         | <u>(91,611)</u>   |

Breakdown of the total non-current assets other than financial instruments and deferred tax assets by location of the assets is shown in the following:

|           | <b>30 June<br/>2023<br/>HK\$'000</b> | 31 December<br>2022<br>HK\$'000 |
|-----------|--------------------------------------|---------------------------------|
| Hong Kong | 22,276                               | 30,034                          |
| The PRC   | 55,916                               | 61,840                          |
| Japan     | 8                                    | 11                              |
| Canada    | 51                                   | 56                              |
|           | <u>78,251</u>                        | <u>91,941</u>                   |

## 5 REVENUE

|  | <b>Six months ended 30 June</b> |                  |
|--|---------------------------------|------------------|
|  | <b>2023<br/>HK\$'000</b>        | 2022<br>HK\$'000 |
| <i>Interest income (Note i):</i>   |                                 |                  |
| Interest income from loan lending business   | 648                             | 1,780            |
| Interest income from margin financing business   | 2,983                           | 2,487            |
| Interest income from investments in debt instruments<br>classified as financial assets at amortised cost | 628                             | 2,170            |
| Interest income from investments in debt instruments<br>at fair value through other comprehensive income | 12,645                          | 85,731           |
| Interest income from financial assets at fair value<br>through profit or loss                            | 11,531                          | 37,443           |
| Other interest income  | 12,712                          | 414              |
|  | <u>41,147</u>                   | <u>130,025</u>   |
| <i>Commission and fee income (Note ii):</i>  |                                 |                  |
| Advisory fee income  | 7,885                           | 2,409            |
| Commission income from securities brokerage  | 473                             | 866              |
| Loan arrangement fee income  | 600                             | 390              |
| Fee income from asset management, net  | 6,541                           | 12,531           |
|  | <u>15,499</u>                   | <u>16,196</u>    |
| <i>Investment income:</i>  |                                 |                  |
| Dividend income  | 2,614                           | 3,752            |
|  | <u>2,614</u>                    | <u>3,752</u>     |
|  | <u>59,260</u>                   | <u>149,973</u>   |

*Note i:* Total interest income calculated using effective interest method from loan lending business, margin financing business, financial assets at amortised cost and financial assets at fair value through other comprehensive income amounted to HK\$16,904,000 (six months ended 30 June 2022: HK\$92,168,000).

*Note ii:* Commission and fee income is the only revenue arising from HKFRS 15, while interest income and investment income are under the scope of HKFRS 9. Included in revenue arising from contract with customers recognised at a point of time and over time were revenue of HK\$5,486,000 (six months ended 30 June 2022: HK\$2,100,000) and HK\$10,013,000 (six months ended 30 June 2022: HK\$14,096,000) respectively.

## 6 INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period and taxation on profits assessable elsewhere have been calculated at the rates of income tax prevailing in the countries in which the Group operates respectively.

The PRC Enterprise Income Tax rate is 25% (six months ended 30 June 2022: 25%).

|                                  | <b>Six months ended 30 June</b> |                 |
|----------------------------------|---------------------------------|-----------------|
|                                  | <b>2023</b>                     | <b>2022</b>     |
|                                  | <b>HK\$'000</b>                 | <b>HK\$'000</b> |
| Hong Kong Profits Tax            |                                 |                 |
| — charge for the period          | 7,290                           | 3,192           |
| PRC Enterprise Income Tax        |                                 |                 |
| — underprovision for prior year  | —                               | 59              |
| Overseas income tax              |                                 |                 |
| — charge for the period          | —                               | 6               |
| — overprovision for prior year   | (192)                           | (2)             |
| Deferred tax                     |                                 |                 |
| — charge/(credit) for the period | 8,612                           | (21,249)        |
|                                  | <u>15,710</u>                   | <u>(17,994)</u> |
| Income tax expense/(credit)      | <u>15,710</u>                   | <u>(17,994)</u> |

## 7 EXPECTED CREDIT LOSSES

|  | <b>Six months ended 30 June</b> |                 |
|--|---------------------------------|-----------------|
|  | <b>2023</b>                     | <b>2022</b>     |
|  | <b>HK\$'000</b>                 | <b>HK\$'000</b> |
| <b>ECL recognised/(reversed) in profit or loss during the period</b> |                                 |                 |
| — Debt investments at fair value through other comprehensive income  | 25,796                          | 87,986          |
| — Loan and interest receivables                                      | (4,161)                         | 4,871           |
| — Margin receivables   | —                               | 15              |
| — Financial assets at amortised cost                                 | 3,255                           | 19,764          |
| — Other interest receivables   | 7,203                           | 6,826           |
|  | <u>32,093</u>                   | <u>119,462</u>  |
|  | <u>32,093</u>                   | <u>119,462</u>  |

## 8 FINANCE COSTS

An analysis of finance costs is as follows:

|  | Six months ended 30 June |              |
|--|--------------------------|--------------|
|  | 2023                     | 2022         |
|  | HK\$'000                 | HK\$'000     |
| Finance costs on repurchase agreements | 348                      | 616          |
| Finance costs on lease liabilities     | 178                      | 126          |
| Finance costs on margin payables       | 5                        | 219          |
| Finance costs on leverage note         | –                        | 671          |
|  | <u>531</u>               | <u>1,632</u> |

## 9 DIVIDENDS

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## 10 LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$37,582,000 (six months ended 30 June 2022: loss of HK\$300,010,000) and the weighted average number of ordinary shares of approximately 32,979,049,000 (six months ended 30 June 2022: 32,979,049,000) in issue during the period (excluding the ordinary shares purchased by the Company under the share award plan).

### Diluted loss per share

Diluted loss per share amount was the same as basic loss per share amount as there were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2023 and 30 June 2022.

## 11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities at fair value through profit or loss include the followings:

|  | <b>30 June<br/>2023<br/>HK\$'000</b> | 31 December<br>2022<br>HK\$'000 |
|--|--------------------------------------|---------------------------------|
| <b>Financial assets at fair value through profit or loss</b>                             |                                      |                                 |
| Unlisted equity investments  | 1,556,622                            | 1,461,173                       |
| Unlisted investment funds  | 530,450                              | 402,590                         |
| Unlisted debt investment   | 65,283                               | 90,674                          |
| Listed equity investments  | 339,437                              | 358,856                         |
| Listed debt investments  | 71,175                               | 66,790                          |
| Convertible loan   | 12,746                               | 13,750                          |
|  | <u>2,575,713</u>                     | <u>2,393,833</u>                |
| Classified as:   |                                      |                                 |
| Non-current assets   | 2,077,823                            | 1,906,019                       |
| Current assets   | 497,890                              | 487,814                         |
|  | <u>2,575,713</u>                     | <u>2,393,833</u>                |
| <b>Financial liabilities at fair value through profit or loss</b>                        |                                      |                                 |
| Payable to holders of non-controlling interests in unlisted consolidated investment fund | 55,276                               | 70,615                          |
|  | <u>55,276</u>                        | <u>70,615</u>                   |
| Classified as:   |                                      |                                 |
| Current liabilities  | 55,276                               | 70,615                          |
|  | <u>55,276</u>                        | <u>70,615</u>                   |

The interest receivables derived from listed debt investments have been recognised as other interest receivables in the condensed consolidated statement of financial position.

Payables to holders of non-controlling interests in the unlisted consolidated structured entity are recognised as a liability since the Group has the obligation to pay other investors of the consolidated structured entity after the lock-up period of the structured entity based on the net asset value and related terms of this consolidated structured entity. The amount ultimately paid by the Group depends on the fair values of these assets on the redemption date and may be different from the carrying amounts at the end of each reporting period.

## 12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income include the followings:

|  | <b>30 June<br/>2023</b> | 31 December<br>2022 |
|--|-------------------------|---------------------|
|  | <i>HK\$'000</i>         | <i>HK\$'000</i>     |
| <b>Financial assets at fair value through<br/>other comprehensive income</b> |                         |                     |
| Unlisted investment funds  | <b>109,997</b>          | 146,648             |
| Listed equity investments  | <b>218,050</b>          | 228,467             |
| Listed debt investments  | <b>52,379</b>           | 60,349              |
|  | <u><b>380,426</b></u>   | <u>435,464</u>      |
| Classified as:   |                         |                     |
| Non-current assets   | <b>349,256</b>          | 376,103             |
| Current assets   | <b>31,170</b>           | 59,361              |
|  | <u><b>380,426</b></u>   | <u>435,464</u>      |

The interests receivables derived from listed debt investments have been recognised as other interest receivables in the condensed consolidated statement of financial position.

ECL allowances attributable to debt investments at fair value through other comprehensive income as at 30 June 2023 amounted to HK\$587,096,000 (31 December 2022: HK\$561,300,000). The increase in ECL allowances of HK\$25,796,000 (six months ended 30 June 2022: HK\$87,986,000) was recognised in the condensed consolidated statement of profit or loss during the period.

## 13 MARGIN RECEIVABLES AND OTHER TRADE RECEIVABLES

|   | <b>30 June<br/>2023</b> | 31 December<br>2022 |
|---|-------------------------|---------------------|
|   | <i>HK\$'000</i>         | <i>HK\$'000</i>     |
| Margin receivables  | <b>119,166</b>          | 120,200             |
| Less: ECL allowances  | <b>(63,566)</b>         | (63,566)            |
|   | <u><b>55,600</b></u>    | <u>56,634</u>       |
| Trade receivables arising from the business of asset management | <b>7,258</b>            | 17,969              |
| Trade receivables arising from the business of underwriting     | <b>2,800</b>            | 2,950               |
|   | <u><b>65,658</b></u>    | <u>77,553</u>       |

As at 30 June 2023, loans to margin clients are secured by client's pledged Hong Kong-listed securities at fair value of HK\$530,809,000 (31 December 2022: HK\$583,609,000) which can be sold at the discretion of a subsidiary of the Group to settle margin call requirements imposed by their respective securities transactions. The loans are repayable on demand and bear interest at commercial rates.

ECL allowances attributable to margin receivables as at 30 June 2023 amounted to HK\$63,566,000 (31 December 2022: HK\$63,566,000). No ECL allowances (six months ended 30 June 2022: increase of HK\$15,000) was recognised in the condensed consolidated statement of profit or loss during the period.

Except for those margin receivables in stage 3 of ECL assessment, the Group considered that the business nature of margin receivable is short-term and the directors are of the opinion that no further aging analysis is disclosed.

Aging analysis of other trade receivables from the trade date is as follows:

|                         | <b>30 June<br/>2023<br/>HK\$'000</b> | 31 December<br>2022<br>HK\$'000 |
|-------------------------|--------------------------------------|---------------------------------|
| Other trade receivables |                                      |                                 |
| 0–90 days               | 3,029                                | 4,125                           |
| 91 days to 1 year       | 2,985                                | 16,794                          |
| Over 1 year             | 4,044                                | –                               |
|                         | <u>10,058</u>                        | <u>20,919</u>                   |

The carrying amounts of the margin receivables and other trade receivables approximate to their fair values.

#### 14 LOAN AND INTEREST RECEIVABLES

The following is an aging analysis of loan and interest receivables based on the contract note at the reporting date:

|  | <b>30 June<br/>2023<br/>HK\$'000</b> | 31 December<br>2022<br>HK\$'000 |
|--|--------------------------------------|---------------------------------|
| Loan and interest receivables              |                                      |                                 |
| Not past due or less than 1 month past due | 112,625                              | 3,730                           |
| 1–3 months past due                        | –                                    | –                               |
| 3–6 months past due                        | –                                    | –                               |
| 6–12 months past due                       | 569                                  | –                               |
| Over 12 months past due                    | 374,040                              | 374,259                         |
|  | <u>487,234</u>                       | <u>377,989</u>                  |
| Less: ECL allowances                       | (256,105)                            | (260,266)                       |
|  | <u>231,129</u>                       | <u>117,723</u>                  |
| Classified as:                             |                                      |                                 |
| Non-current assets                         | 79,901                               | –                               |
| Current assets                             | 151,228                              | 117,723                         |
|  | <u>231,129</u>                       | <u>117,723</u>                  |

As at 30 June 2023, these loan receivables bear interest at fixed rates ranging from 10% to 15% per annum (31 December 2022: 15% per annum). Interest income derived from loan receivables was recognised and presented under “Interest income from loan lending business” in Note 5 to this results announcement.

ECL allowances attributable to loan and interest receivables as at 30 June 2023 amounted to HK\$256,105,000 (31 December 2022: HK\$260,266,000). The decrease in ECL allowances of HK\$4,161,000 (six months ended 30 June 2022: increase of HK\$4,871,000) was recognised in the condensed consolidated statement of profit or loss during the period.

## 15 LOAN AND INTEREST PAYABLES

|                       | <b>30 June<br/>2023<br/>HK\$'000</b> | 31 December<br>2022<br>HK\$'000 |
|-----------------------|--------------------------------------|---------------------------------|
| Repurchase agreements | <b>22,803</b>                        | –                               |
| Interest payables     | <b>250</b>                           | –                               |
|                       | <b>23,053</b>                        | –                               |

The above borrowings are repayable as follows:

|               | <b>30 June<br/>2023<br/>HK\$'000</b> | 31 December<br>2022<br>HK\$'000 |
|---------------|--------------------------------------|---------------------------------|
| Within 1 year | <b>23,053</b>                        | –                               |

As at 30 June 2023, the carrying amount of the pledged bonds classified as financial assets at fair value through profit or loss was approximately HK\$75,882,000 (31 December 2022: Nil) in respect of repurchase agreements.

## 16 CONTINGENT LIABILITIES

On 7 June 2022, China Vered Asset Management (Hong Kong) Limited (“CVAM”), the Group’s subsidiary, received the Writ of Summons with an indorsement of claim issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by the Plaintiff against CVAM, as a defendant. Details of the receipt of Writ of Summons are set out in the Company’s announcement dated 10 June 2022. Subsequently, on 5 August 2022, the Fund was also included as a defendant.

As stated in the indorsement of claim attached to the Writ of Summons, the Plaintiff claims against the defendants, among others, for: (1) a sum of US\$17,090,460.61, being the original investment amount of US\$25,000,000.00 made by the Plaintiff in the Fund where CVAM serves as the investment manager, less US\$7,909,539.39, being the redemption proceeds paid to the Plaintiff; (2) interest for investment in the Fund; (3) loss and/or damages; (4) such further or other reliefs as the court shall deem fit; and (5) costs.

At the end of the reporting period and up to the date of approval of these condensed consolidated financial statements, based on the information available and the advice from external legal advisors, the Group’s management assessed that whether any present obligation exists is still subject to high uncertainty. Accordingly, the Group has not made any provisions for any claim arising from the litigation, other than the related legal and other costs.

CVAM as a licensed corporation is registered with the Securities and Futures Commission (“SFC”). It may be required to assist in and/or subject to inquiries by relevant regulatory authorities in Hong Kong, including the SFC, if and when necessary. CVAM has been involved in ongoing communication with regulatory authorities in connection with the matters being investigated by the Group in prior year and no disciplinary action has been initiated by any regulatory authorities up to the date of this announcement. The Group has not made any provision for the aforementioned contingency.

Save as disclosed above, as at 30 June 2023, the Group and the Company did not have any significant contingent liabilities (31 December 2022: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review

In the first half of 2023, under the impact of the shifts in pandemic policies, the full resumption of work and production and other factors, the domestic economy in China recovered rapidly in the first quarter and transformed from “resilient growth” to “endogenous growth” in the second quarter. Despite the economic growth rate reached 5.5% in the first half, the growth momentum was still weak. In particular, the performance of investment, consumption and domestic and foreign demand was below expectations and the spot exchange rate of RMB against U.S. dollar fell sharply due to the combined effect of international geopolitical conflicts, the convergence in the Chinese and the U.S. bond yields, the sluggish real estate sector and high local debt, resulting a lack of confidence in the market’s economic expectations for the second half.

Due to the above factors, the A-share major stock indexes moved in different directions in the first half, creating disparity between markets. The Shanghai Composite Index and the Shenzhen Component Index rose by 3.65% and 0.1% respectively, while the GEM Index fell by 5.61%. The Hong Kong stock market performance was dismal. The Hang Seng Index fell by 4.37%, the Technology Index fell by 5.27%, and the China Enterprises Index fell by 4.18%. The Hong Kong IPO market also recorded a significant decrease in the first half of 2023, with the Stock Exchange of Hong Kong ranked sixth globally by IPO funds raised.

Looking back on the first half of 2023, although the value of the Group’s investment projects had increased, the Group’s interest income decreased due to the decrease in the scale of the bond portfolio. Also, the fair value of the Group’s equity and debt investments has declined. The Company recorded a net loss in the first half as a result of the aforementioned factors. The Company considered that the setback in performance was mainly due to the macroeconomic impact, especially the impact of the stock and bond markets, which was limited and temporary. Save as disclosed above, the financial position of the Company remained stable.

Thanks to the strong support from the shareholders and the efforts of all employees, the Company has successfully fulfilled all the resumption guidelines and resumed trading on 29 May 2023. We would like to express our gratitude to all shareholders. The Company will continue to strive to create performance and respond to the trust of its shareholders.

## **Prospect**

Under the general pressure on the global economy, it is expected that the growth momentum will continue in the second half of 2023 despite the challenging environment. First of all, the economy's endogenous growth momentum continues to accumulate in China. In terms of the economic structure, there are still some bright spots to look forward, such as the rapid growth of import and export volume with countries along the "One Belt One Road", which is expected to replace the reduced share of some European and American markets, the significant increase in new energy automobile exports as well as the PMI index of the service industry at a relatively high level. Secondly, the near end of the U.S. dollar interest rate hike cycle will greatly ease the pressure of RMB depreciation and outflow, which is beneficial for the stabilization of the stock market. Finally, the government is expected to introduce a series of macro policies to restore market confidence, including stimulating consumption and employment, encouraging economic development of private enterprises, supporting the stabilization of the real estate industry, resolving local debt risks, expanding and deepening reform and opening up. The above factors are expected to support China's economic development in the second half.

The Company will fully study the above macroeconomic changes and trends, so as to effectively assess the actual and potential impact of the market environment on the Company's operation, as well as the challenges and opportunities against the Company. By strengthening risk management, the Company will monitor the risk changes of invested projects in a real-time and effective manner while selecting investment projects with stable cash flow. Meanwhile, the Company will continue to expand its business in Mainland China, Japan, Canada and other Asia-Pacific regions, use cross-regional linkage and the Company's resource advantages in various locations to link the needs of clients in China and the Asia-Pacific region, provide distinctive financial services, and enhance the investment and financing capabilities to reach out to the Asia-Pacific market.

In the meantime, the Company will be committed to improve the existing systems and internal control procedures, and strengthen the level of corporate governance.

## **Financial Review**

For the six months ended 30 June 2023, the unaudited condensed consolidated revenue of the Group was approximately HK\$59,260,000 (six months ended 30 June 2022: HK\$149,973,000), representing a decrease of approximately 60%, mainly due to decrease in interest income from debt investments for the period under review.

The analysis of the Group's total revenue recognised in the unaudited condensed consolidated statement of profit or loss is as follows:

|                           | <b>Six months ended 30 June</b> |             | Change      |
|---------------------------|---------------------------------|-------------|-------------|
|                           | <b>2023</b>                     | 2022        |             |
|                           | <b>HK\$'000</b>                 | HK\$'000    |             |
| Interest income           | <b>41,147</b>                   | 130,025     | (68%)       |
| Commission and fee income | <b>15,499</b>                   | 16,196      | (4%)        |
| Investment income         | <b>2,614</b>                    | 3,752       | (30%)       |
|                           | <hr/>                           | <hr/>       | <hr/>       |
| Total revenue             | <b>59,260</b>                   | 149,973     | (60%)       |
|                           | <hr/> <hr/>                     | <hr/> <hr/> | <hr/> <hr/> |

The Group recorded a loss of approximately HK\$36,399,000 for the six months ended 30 June 2023, as compared to a loss of HK\$300,072,000 for the six months ended 30 June 2022. The significant reduction in loss was mainly attributable to (i) a net gain on investments of HK\$33.5 million as compared to a net loss of approximately HK\$241.6 million in the six months ended 30 June 2022; and (ii) a significant decrease in provision for impairment of financial assets with amount of HK\$32.1 million recorded for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately HK\$119.5 million). The effects of the aforesaid factors are partially offset by a decrease in revenue as compared to the six months ended 30 June 2022.

Total costs (including staff costs, premises expenses, legal and professional fees, depreciation, information technology expenses, finance costs, trading costs and other operating costs) for the six months ended 30 June 2023 was approximately HK\$71,399,000 (six months ended 30 June 2022: HK\$91,062,000), representing a decrease of approximately 22% which was mainly due to effective cost control measures implemented by the Group on the overall operating expenses for the period under review.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

For the financial position as at 30 June 2023, total assets of the Group were approximately HK\$4,357,325,000 (31 December 2022: HK\$4,464,246,000), representing a decrease of approximately 2.4%. Net cash (outflow)/inflow from operating activities, investing activities and financing activities for the period under review were approximately HK\$(299,288,000), HK\$1,949,000 and HK\$18,481,000 (six months ended 30 June 2022: HK\$(131,653,000), HK\$(16,690,000) and HK\$(165,622,000)), respectively. Depreciation for property, plant and equipment for the period under review was approximately HK\$898,000 (six months ended 30 June 2022: HK\$3,659,000).

## **Employee relations**

As at 30 June 2023, the Group had 71 employees (as at 30 June 2022: 77 employees).

Total staff costs and related expenses for the six months ended 30 June 2023 were approximately HK\$39,540,000 (six months ended 30 June 2022: HK\$43,891,000).

The employees are remunerated based on their work performance, professional experience and prevailing industry practices. The remuneration policy and package of the Group's employees are periodically reviewed by the Group's management. In addition, the Group adopts a share option scheme and a share award plan for eligible employees (including Directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

## **Liquidity and financial resources**

As at 30 June 2023, the Group's cash and bank balances amounted to approximately HK\$733,334,000 (as at 31 December 2022: HK\$1,028,332,000) and the total debts amounted to approximately HK\$23,053,000 (as at 31 December 2022: Nil). The gearing ratio as at 30 June 2023 (total debts to total equity) was approximately 0.6% (as at 31 December 2022: 0%), which indicated that the Group's overall financial position remained strong.

## **Funding, capital structure and capital management**

The main objective of the Group's funding activities is to ensure the availability of funds at reasonable costs to meet all contractual financial commitments and to generate reasonable returns from available funds. The Group has implemented adequate measures to monitor the liquidity for business operations and any investment opportunities, and the foreseeable funding requirements to ensure certain subsidiaries of the Company continuously comply with the relevant rules and regulations.

The Group relies principally on its share capital, internally generated capital and other borrowings to fund its investments and loan lending business. The Group's interest bearing borrowings in the form of repurchase agreements amounted to approximately HK\$23,053,000 as at 30 June 2023 (as at 31 December 2022: Nil). The Group's borrowings are mainly denominated in US dollars, have remaining average maturity period of less than one year and bear interest at floating rates. The Group's cash and cash equivalents are mainly denominated in US dollars, Renminbi, Japanese Yen, Canadian dollars and Hong Kong dollars. There were no foreign currency net investments hedged by foreign currency borrowings and other hedging instruments by the Group during the period under review.

## Segment information

Details of segment information are set out in Note 4 to this results announcement.

## Capital structure

There were no changes to the Group's capital structure during the six months ended 30 June 2023.

## Material acquisitions and disposals of subsidiaries and associates

The Group had no material acquisition and disposal of subsidiaries and associated companies during the six months ended 30 June 2023.

## Charges on Group's assets

The analysis of the charge on Group's assets is as follows:

|   | <b>30 June<br/>2023<br/>HK\$'000</b> | 31 December<br>2022<br>HK\$'000 |
|---|--------------------------------------|---------------------------------|
| Financial assets at fair value through profit or loss | <u>75,882</u>                        | <u>–</u>                        |
| Total charges on Group's assets                       | <u><u>75,882</u></u>                 | <u><u>–</u></u>                 |

Financial assets at fair value through profit or loss were bonds pledged as collateral for the Group's borrowings.

## Exposure to exchange rate fluctuation and related hedging

The Directors considered that the Group has certain exposures to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of the respective group entities such as Renminbi. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## Contingent liabilities

Details of the Group's contingent liabilities as at 30 June 2023 and 31 December 2022 are set out in Note 16 to this results announcement.

## **Capital commitments**

The Group has entered into contracts to commit investing into certain unlisted investment funds and limited partnership. The aggregate non-cancellable capital commitments as at 30 June 2023 amounted to approximately HK\$285,485,000 (31 December 2022: HK\$292,829,000).

## **Events after the reporting period**

There are no material subsequent events since the end of the reporting period and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

### **Compliance with the Code on Corporate Governance Practices of the Listing Rules**

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules.

Throughout the period under review, the Company has complied with the Code Provisions of the CG Code.

### **Review of Accounts**

Disclosure of financial information in this announcement complies with Appendix 16 of the Listing Rules.

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and has discussed with the management the internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2023.

The Company's independent auditor, Mazars CPA Limited, has reviewed the interim financial information for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. All the Directors of the Board have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2023.

## **OTHER INFORMATION**

### **Pre-emptive Rights**

There is no provision for pre-emptive rights under the articles of association of the Company which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### **Purchase, Sale or Redemption of the Company's Listed Securities**

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **PUBLICATION OF RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The results announcement is published on the website of the Hong Kong Exchanges and Clearing Limited (the "HKEx") at [www.hkexnews.hk](http://www.hkexnews.hk) under "Latest Listed Company Information" and on the website of the Company at [www.chinavered.com](http://www.chinavered.com) respectively.

The interim report of the Company for the six months ended 30 June 2023 will be despatched to the shareholders and published on the websites of the HKEx and the Company in due course.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing with the Shares.**

On behalf of the Board  
**China Vered Financial Holding Corporation Limited**  
**Tan Zhenyu**  
*Chairman*

Hong Kong, 29 August 2023

*As at the date of this announcement, the Board comprises (1) Mr. Tan Zhenyu and Mr. Li Feng as executive directors of the Company; (2) Mr. Zhang Boyang as non-executive director of the Company; and (3) Ms. Zhou Hui, Mr. Dong Hao and Mr. Wen Yuanhua as independent non-executive directors of the Company.*