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大中華金融控股有限公司
GREATER CHINA FINANCIAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
 (Stock Code: 431)

website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

SUMMARY OF RESULTS

The board (the “Board”) of directors (the “Directors”) of Greater China Financial Holdings Limited (the “Company”) announces that the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2023 (the “Period”), together with the comparative figures for the corresponding period in 2022 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	NOTES	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3		
Contracts with customers		32,271	117,413
Interest under effective interest method		2,822	6,687
Total revenue		35,093	124,100
Cost of revenue		(10,294)	(51,935)
Gross profit		24,799	72,165
Other income, gains and losses	4	63,630	51,555
Administrative and other operating expenses		(35,290)	(51,375)
Finance costs	5	(18,054)	(17,415)
Share-based payment expenses		(299)	(886)
Reversal of provision for guarantee losses		12,303	9,872
Impairment loss, net of reversal	6	(81,063)	(82,423)
Impairment loss on goodwill		(50,075)	(71,790)
Impairment loss on right-of-use assets		–	(249)
Loss before taxation		(84,049)	(90,546)
Income tax expense	7	(4,784)	(4,457)
Loss for the period	8	(88,833)	(95,003)

		Six months ended 30 June	
		2023	2022
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Other comprehensive income (expense), net of tax			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of operations outside Hong Kong		3,896	(7,857)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income		(2,805)	(2,103)
Other comprehensive income (expense) for the period		1,091	(9,960)
Total comprehensive expense for the period		(87,742)	(104,963)
Loss for the period attributable to:			
Owners of the Company		(77,743)	(77,415)
Non-controlling interests		(11,090)	(17,588)
		(88,833)	(95,003)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(69,391)	(77,647)
Non-controlling interests		(18,351)	(27,316)
		(87,742)	(104,963)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	<i>10</i>		
– Basic		(1.00)	(1.00)
– Diluted		(1.00)	(1.00)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2023

	<i>NOTES</i>	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment		54,808	61,921
Right-of-use assets		18,776	22,816
Goodwill	11	59,995	110,070
Intangible assets		–	–
Interests in associates		–	–
Financial assets at fair value through other comprehensive income		2,133	4,938
Financial assets at fair value through profit or loss		192,573	188,021
Deferred tax assets		34,790	37,264
Other receivables	13	15,525	–
Pledged bank deposit		5,402	5,653
Deposits		881	853
		384,883	431,536
Current assets			
Loans and interest receivables	12	276,315	337,380
Trade and other receivables	13	98,000	104,612
Prepayments and deposits		11,937	11,907
Loans to and interest receivables from a non-controlling interest		36,973	36,148
Loans to and interest receivables from an associate		–	497
Financial assets at fair value through profit or loss		6,217	6,905
Restricted bank deposit		9,162	14,202
Cash and cash equivalents		37,153	26,280
		475,757	537,931
Assets classified as held for sale		5,333	5,781
		481,090	543,712

	<i>NOTES</i>	30.6.2023 HK\$'000 (unaudited)	31.12.2022 HK\$'000 (audited)
Current liabilities			
Trade payables, other payables, deposit received and accruals	<i>14</i>	95,958	99,934
Contract liabilities		1,076	1,032
Lease liabilities		3,000	6,776
Liabilities from financial guarantees	<i>15</i>	369,504	402,219
Amount due to non-controlling interests		10,877	9,497
Borrowings		100,196	93,622
Tax payables		19,275	16,305
		599,886	629,385
Liabilities associated with assets classified as held for sale		722	1,142
		600,608	630,527
Net current liabilities		(119,518)	(86,815)
Total assets less current liabilities		265,365	344,721
Non-current liabilities			
Lease liabilities		1,832	4,777
Borrowings		188,747	185,463
Convertible notes		197,740	189,992
		388,319	380,232
Net liabilities		(122,954)	(35,511)
Capital and reserves			
Share capital	<i>16</i>	7,776	7,776
Reserves		(243,217)	(174,125)
Deficit attributable to owners of the Company		(235,441)	(166,349)
Non-controlling interests		112,487	130,838
Total deficit		(122,954)	(35,511)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

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

The condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2022.

Going concern

The Group reported a loss attributable to the owners of the Company of HK\$77,743,000 for the six months ended 30 June 2023. The Group’s current liabilities exceeded its current assets by HK\$119,518,000 and its total liabilities exceeded its total assets by HK\$122,954,000 as at 30 June 2023. As at the same date, the Group’s cash and cash equivalents amounted to HK\$37,153,000, while the Group recorded outstanding borrowings of approximately HK\$100,196,000 which are due for repayment within the next twelve months.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to improve the liquidity pressure and to improve its financial position, but are not limited to, the following:

- (i) The Group is taking measures to tighten cost control with an aim to attain positive cash flow from operations;
- (ii) The Group has been actively negotiating with certain financial institutions and identifying various options for financing the Group’s working capital as well as the commitments in the foreseeable future;
- (iii) The Group has been actively negotiating with a number of financial institutions for renewal and extension of bank borrowings and credit facilities;

- (iv) The Group is currently taking active actions in following up the repayment of overdue receivables including but not limited to taking legal action; and
- (v) The Group is actively negotiating corporate restructure proposals to reduce the liabilities and commitment within the Group.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2023. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2022.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

3. SEGMENT INFORMATION

The Group’s operations are organised into securities brokerage, asset management, insurance brokerage, loan financing, industrial property development business and general trading. Information reported to the chief operating decision maker (“CODM”) for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group is organised into the following reportable and operating segments:

- Industrial property development segment represents the operation of warehouse in the People’s Republic of China (the “PRC”).
- General trading segment represents trading of consumable goods in the PRC.

- Loan financing (I) segment represents the provision of financial guarantees, loan financing, loan referral and consultancy services in Hong Kong and Beijing.
- Loan financing (II) segment represents the provision of micro-financing, loan referral and consultancy services in Ningbo.
- Others segment represents the operations of securities brokerage, margin financing, provision of asset management services and provision of insurance brokerage and agency service in Hong Kong and advertising service in the PRC.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

Six months ended 30 June 2023 (unaudited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing (I) <i>HK\$'000</i>	Loan financing (II) <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE						
Recognised at a point in time	-	-	-	-	1,643	1,643
Recognised over time	8,568	-	8,400	9,802	3,858	30,628
Recognised from other source	-	-	-	2,822	-	2,822
	<u>8,568</u>	<u>-</u>	<u>8,400</u>	<u>12,624</u>	<u>5,501</u>	<u>35,093</u>
SEGMENT RESULTS	<u>525</u>	<u>40,672</u>	<u>(39,482)</u>	<u>(22,292)</u>	<u>(1,392)</u>	<u>(21,969)</u>
Impairment loss on goodwill	-	-	-	(50,075)	-	(50,075)
Impairment loss on loans to and interest receivables from a non-controlling interest	-	-	-	(944)	-	(944)
Unallocated corporate income						5,235
Unallocated corporate expenses						(11,150)
Unallocated finance costs						(8,711)
Net fair value change on financial assets at fair value through profit or loss						3,864
Share-based payment expenses						(299)
Loss before taxation						(84,049)
Income tax expense						(4,784)
Loss for the period						<u>(88,833)</u>

Six months ended 30 June 2022 (unaudited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing (I) <i>HK\$'000</i>	Loan financing (II) <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE						
Recognised at a point in time	–	–	6,876	–	1,276	8,152
Recognised over time	8,839	–	67,023	31,103	2,296	109,261
Recognised from other source	–	–	–	6,687	–	6,687
	<u>8,839</u>	<u>–</u>	<u>73,899</u>	<u>37,790</u>	<u>3,572</u>	<u>124,100</u>
SEGMENT RESULTS	<u>935</u>	<u>301</u>	<u>46,061</u>	<u>(77,180)</u>	<u>(2,039)</u>	(31,922)
Impairment loss on goodwill	–	–	–	(71,790)	–	(71,790)
Impairment loss on loans to and interest receivables from a non-controlling interest	–	–	–	(6,772)	–	(6,772)
Unallocated corporate income						10,844
Unallocated corporate expenses						(12,432)
Unallocated finance costs						(7,402)
Net fair value change on financial assets at fair value through profit or loss						29,814
Share-based payment expenses						(886)
Loss before taxation						(90,546)
Income tax expense						(4,457)
Loss for the period						<u>(95,003)</u>

All of the segment revenue reported above are from external customers.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 30 June 2023 (unaudited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing (I) <i>HK\$'000</i>	Loan financing (II) <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	91,261	46,339	161,410	251,295	11,720	562,025
Goodwill	-	-	-	59,995	-	59,995
Loans to and interest receivables from a non-controlling interest	-	-	-	36,973	-	36,973
Unallocated cash and cash equivalents						4,306
Unallocated property, plant and equipment						164
Unallocated other receivables, prepayments and deposits						1,587
Unallocated financial assets at fair value through other comprehensive income						2,133
Unallocated financial assets at fair value through profit or loss						198,790
Consolidated total assets						<u>865,973</u>
LIABILITIES						
Segment liabilities	72,586	16,615	399,883	247,409	4,643	741,136
Unallocated other payables						2,419
Unallocated borrowings						34,400
Unallocated lease liabilities						2,355
Unallocated amount due to non-controlling interests						10,877
Unallocated convertible notes						197,740
Consolidated total liabilities						<u>988,927</u>

At 31 December 2022 (audited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing (I) <i>HK\$'000</i>	Loan financing (II) <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	83,647	7,897	224,012	296,865	11,111	623,532
Goodwill	–	–	–	110,070	–	110,070
Loans to and interest receivables from a non-controlling interest	–	–	–	36,148	–	36,148
Unallocated cash and cash equivalents						4,049
Unallocated property, plant and equipment						193
Unallocated other receivables, prepayments and deposits						1,392
Unallocated financial assets at fair value through other comprehensive income						4,938
Unallocated financial assets at fair value through profit or loss						<u>194,926</u>
Consolidated total assets						<u><u>975,248</u></u>
LIABILITIES						
Segment liabilities	47,553	28,406	432,193	268,086	4,724	780,962
Unallocated other payables						3,116
Unallocated borrowings						23,400
Unallocated lease liabilities						3,792
Unallocated amount due to non-controlling interests						9,497
Unallocated convertible notes						<u>189,992</u>
Consolidated total liabilities						<u><u>1,010,759</u></u>

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Net fair value change on financial assets at fair value through profit or loss	3,864	29,814
Interest income from:		
Bank interest income	94	275
Other loans	4,488	6,264
Loans to a non-controlling interest	2,787	10,714
Compensation receivable	221	–
Gain on substantial modification of financial asset (<i>Note 13(g)</i>)	47,992	–
Investment income	–	40
Realised loss on disposal of financial assets at fair value through profit or loss	–	(421)
Loss on deregistration of a subsidiary	(114)	(47)
Gain on disposal of fixed assets	227	–
Gain (loss) on lease modification	1,972	(225)
Gain on lease termination	519	–
Net foreign exchange gain (loss)	2	(4)
Bad debts recovered	126	3,034
Forfeited deposit	–	260
Service fee income	184	118
Management service income	–	312
Sundry income	1,268	890
Government subsidies	–	531
	63,630	51,555

5. FINANCE COSTS

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Effective interest on convertible notes	7,748	7,148
Interest on lease liabilities	299	524
Interest on bank loans	2,401	2,484
Interest on other loans	7,606	7,259
	18,054	17,415

6. IMPAIRMENT LOSSES, NET OF REVERSAL

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Impairment loss (reversal of impairment loss) recognised on:		
– Trade and other receivables	24,793	76,288
– Loans and interest receivables	52,743	656
– Other deposits	35	(1,274)
– Loans to and interest receivables from a non-controlling interest	944	6,772
– Loans to and interest receivables from an associate	–	(19)
– Amounts due from associates	2,548	–
	<u>81,063</u>	<u>82,423</u>

The basis of determining the inputs, assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax	2,527	2,691
Under provision in prior periods:		
PRC Enterprise Income Tax	1,441	1,766
Deferred tax:		
Current period	816	–
	<u>4,784</u>	<u>4,457</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the six months ended 30 June 2022 and 2023. No provision for Hong Kong Profits Tax has been made as its subsidiaries of the Company in Hong Kong incurred tax loss for the six months ended 30 June 2022 and 2023.

PRC Enterprise Income Tax (“EIT”) is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiaries of the Company with certain tax concession, based on existing legislation, interpretation and practice in respect thereof.

Under the Law of the PRC on Enterprises Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group's PRC subsidiaries is 25% for both the six months ended 30 June 2022 and 2023.

8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	4,574	4,904
Depreciation of right-of-use assets	1,313	1,365
Legal and professional fee	1,523	1,798
Staff costs (including directors' emoluments)	18,896	25,296

9. DIVIDENDS

No dividends were paid, declared or proposed during the current interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share for the period attributable to owners of the Company	(77,743)	(77,415)
	'000	'000
Number of shares		
Number of ordinary shares	7,775,857	7,775,857

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company, and the number of approximately 7,775,857,000 ordinary shares (six months ended 30 June 2022: 7,775,857,000 ordinary shares) in issue during the period.

Diluted loss per share for the six months period ended 30 June 2023 and 2022 did not assume the exercise of the outstanding share options since this would result in a decrease in loss per share. No adjustment was made in calculating diluted loss per share for the six months period ended 30 June 2023 and 2022 as conversion of convertible notes would result in a decrease in loss per share. Accordingly, the diluted loss per share is same as the basic loss per share.

11. GOODWILL

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Cost		
Balance at beginning and end of the period/year	477,854	492,354
Transfer to assets held for sale	–	(14,500)
	<hr/>	<hr/>
Balance at end of the period/year	477,854	477,854
Accumulated impairment losses		
Balance at beginning of the period/year	367,784	264,321
Impairment loss recognised for the period/year	50,075	117,963
Transfer to assets held for sale	–	(14,500)
	<hr/>	<hr/>
Balance at end of the period/year	417,859	367,784
Carrying amount		
Balance at end of the period/year	<u>59,995</u>	<u>110,070</u>

12. LOANS AND INTEREST RECEIVABLES

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Other loans	539,135	552,993
Less: Impairment allowance	(262,820)	(215,613)
	<hr/>	<hr/>
	<u>276,315</u>	<u>337,380</u>

An ageing analysis of the loans and interest receivables net of impairment allowance as at the end of the reporting period, based on the payment due date, is as follows:

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
No past due	73,100	158,815
Less than 1 month past due	56,083	86,366
1 to 3 months past due	8,675	–
3 to 6 months past due	12,276	84
6 months to less than 1 year past due	84,470	20,659
More than 1 year past due	41,711	71,456
	<hr/>	<hr/>
	<u>276,315</u>	<u>337,380</u>

The movements in impairment allowance of loans and interest receivables are as follows:

	30.6.2023 HK\$'000 (unaudited)	31.12.2022 HK\$'000 (audited)
Balance at beginning of the period/year	215,613	222,965
Amounts recognised during the period/year	52,743	1,965
Amounts reversed during the period/year	–	(516)
Amounts recognised for credit-impaired loans (<i>Note</i>)	4,056	8,681
Exchange realignment	(9,592)	(17,482)
	<u>262,820</u>	<u>215,613</u>
Balance at end of the period/year	<u>262,820</u>	<u>215,613</u>

Note:

The amount represents the increase in impairment allowance for credit-impaired loans as a result of the increase in their gross carrying amount due to the passage of time.

13. TRADE AND OTHER RECEIVABLES

	30.6.2023 HK\$'000 (unaudited)	31.12.2022 HK\$'000 (audited)
Trade receivables arising from:		
Loan referral and consultancy services (<i>Note a</i>)	6,588	7,803
Financial guarantee services (<i>Note b</i>)	35,952	45,714
Insurance brokerage commission (<i>Note c</i>)	130	82
Asset management fee (<i>Note d</i>)	3	3
Advertising service fee (<i>Note e</i>)	–	8
	<u>42,673</u>	<u>53,610</u>
Less: Impairment allowance	(29,863)	(35,700)
	<u>12,810</u>	<u>17,910</u>
Other receivables (<i>Note f</i>)	229,602	248,654
Compensation receivable (<i>Note g</i>)	43,615	–
Less: Impairment allowance	(172,502)	(161,952)
	<u>100,715</u>	<u>86,702</u>
Total trade and other receivables	<u>113,525</u>	<u>104,612</u>
Analysed for reporting purposes as:		
Current assets	98,000	104,612
Non-current assets	15,525	–
	<u>113,525</u>	<u>104,612</u>

Notes:

- (a) The normal settlement terms of trade receivables from loan referral and consultancy services are within 30 days upon the contractual obligation being performed.
- (b) The normal settlement terms of trade receivables from financial guarantee services are mainly within 60 to 90 days upon the contractual obligation being performed.
- (c) The normal settlement terms of trade receivables from product issuers arising from the provision of insurance brokerage commission are mainly within 45 to 60 days upon the execution of the insurance policies and/or receipt of statements from product issuers.
- (d) Credit terms granted to customers of asset management fee are within 30 days or as mutually agreed between the contracting parties.
- (e) The normal settlement terms of trade receivables from advertising service fee are mainly within 30 days upon the contractual obligation being performed.
- (f) Included in other receivables were default payment receivables of HK\$215,453,000 (31 December 2022: HK\$210,241,000) in relation to loan financing operations.
- (g) During the period, a subsidiary of the Group raised a lawsuit in respect of outstanding deposit of RMB26,000,000 and subsequently reached a settlement agreement with a co-operator who agreed to refund the deposit and made compensation to a subsidiary of the Group of RMB42,370,000 which will be settled by instalment in 22 months. The management of the Group considers that the terms of the settlement agreement are substantially different as the discounted present value of the cash flows under the new terms discounted using the original effective interest rate is different from the discounted present value of the remaining cash flows of the original financial asset by more than 10 per cent. Accordingly, such modification of terms was accounted for as an extinguishment of the original financial asset and the recognition of a new financial asset. Therefore, the Group derecognised the original deposit of RMB26,000,000 and impairment allowance of RMB26,000,000, and recognised compensation receivable amounting to RMB42,370,000 as at the date of extinguishment. The difference between the aforesaid carrying amounts of the deposit and impairment allowance derecognised and the aforesaid of the compensation receivables recognised amounting to approximately RMB42,370,000 (approximately HK\$47,992,000) was recognised as other gains as set out in note 4 at the date of modification during the six months ended 30 June 2023.

An ageing analysis of trade receivables net of impairment allowance as at the end of the reporting period, based on the invoice dates, is as follows:

	30.6.2023 HK\$'000 (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
0 – 30 days	1,354	2,001
31 – 60 days	826	1,840
61 – 90 days	768	1,223
Over 90 days	9,862	12,846
	12,810	17,910

The movements in impairment allowance on trade receivables are as follows:

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Balance at beginning of the period/year	35,700	40,375
Amounts recognised during the period/year	7,038	31,007
Amounts reversed during the period/year	(1)	(828)
Amounts written-off during the period/year	(11,286)	(31,688)
Exchange realignment	(1,588)	(3,166)
	<u>29,863</u>	<u>35,700</u>
Balance at end of the period/year	<u>29,863</u>	<u>35,700</u>

The movements in impairment allowance on other receivables are as follows:

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Balance at beginning of the period/year	161,952	100,218
Amounts recognised during the period/year	17,937	71,989
Amounts reversed during the period/year	(181)	(2,397)
Exchange realignment	(7,206)	(7,858)
	<u>172,502</u>	<u>161,952</u>
Balance at end of the period/year	<u>172,502</u>	<u>161,952</u>

14. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Trade payables from:		
Insurance brokerage service (<i>Note a</i>)	661	219
Loan referral service (<i>Note b</i>)	14,434	16,105
	<u>15,095</u>	<u>16,324</u>
Total trade payables	<u>15,095</u>	<u>16,324</u>
Accrued expenses	20,325	19,889
Deposits received (<i>Note c</i>)	34,342	36,055
Other payables	26,196	27,666
	<u>80,863</u>	<u>83,610</u>
Total other payables, deposits received and accruals	<u>80,863</u>	<u>83,610</u>
Total trade payables, other payables, deposits received and accruals	<u>95,958</u>	<u>99,934</u>

Notes:

- (a) Trade payables arising from the provision of insurance brokerage services are generally settled within 30 days to 120 days upon receipt of payments from product issuers.

An ageing analysis of trade payables for insurance brokerage service at the end of the reporting period is as follows:

	30.6.2023 HK\$'000 (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
0 – 30 days	201	91
31 – 60 days	52	7
61 – 90 days	68	3
Over 90 days	340	118
	<hr/> 661 <hr/>	<hr/> 219 <hr/>

- (b) Trade payables arising from loan referral service are generally settled within 5 days upon receipt of invoice.

An ageing analysis of trade payables for loan referral service at the end of the reporting period is as follows:

	30.6.2023 HK\$'000 (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
0 – 30 days	8,353	16,105
Over 90 days	6,081	–
	<hr/> 14,434 <hr/>	<hr/> 16,105 <hr/>

- (c) Included in deposits received was an amount of HK\$21,052,000 (31 December 2022: HK\$22,195,000) which was received from customers or third parties as collateral security for the financial guarantees issued by the Group. These deposits will be refunded to the customers or third parties upon expiry of the corresponding guarantee contracts. According to the contracts, these deposits are expected to be settled within one year.

15. LIABILITIES FROM FINANCIAL GUARANTEES

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Deferred income	8	8
Provision for guarantee losses	369,496	402,211
	369,504	402,219

Movement analysis of provision for guarantee losses:

	30.6.2023 <i>HK\$'000</i> (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Balance at beginning of the period/year	402,211	359,917
Amount recognised during the period/year	–	81,832
Amount reversed during the period/year	(12,303)	(11,316)
Utilisation of provision	(2,519)	–
Exchange realignment	(17,893)	(28,222)
Balance at end of the period/year	369,496	402,211

16. SHARE CAPITAL

	Number of shares <i>'000</i>	Nominal amount <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.001 each At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023	2,109,890,000	2,109,890
Preference shares of HK\$0.001 each At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023	110,000	110
Issued and fully paid:		
Ordinary shares of HK\$0.001 each At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023	7,775,857	7,776

17. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group:

	30.6.2023 HK\$'000 (unaudited)	31.12.2022 <i>HK\$'000</i> (audited)
Property, plant and equipment	52,248	58,804
Right-of-use assets – leasehold lands in the PRC	18,776	20,007
Bank deposit	5,402	5,653
	<hr/> 76,426 <hr/>	<hr/> 84,464 <hr/>

18. GUARANTEE ISSUED

As at 30 June 2023, the total maximum amounts of financial guarantees issued was RMB926,020,000 (approximately HK\$1,000,472,000) (31 December 2022: RMB1,004,020,000 (approximately HK\$1,135,245,000)). The total maximum amounts of financial guarantees issued represents the maximum potential loss amount that would be recognised if counterparties failed completely to perform as contracted.

19. CONTINGENT LIABILITIES

The Group had no significant contingent assets or liabilities as at 30 June 2023 and 31 December 2022 other than those disclosed in note 18.

20. EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Company that have occurred since the end of the reporting period.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group is principally engaged in investment holding, industrial property development and loan financing operations including the provision of loan financing, financial guarantee services, loan referral and consultancy services. The segment revenue and results of the Group for the Period, together with the comparative figures for the corresponding period in 2022, are stated in the table below:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Revenue from:		
Industrial property development	8,568	8,839
General trading	–	–
Loan financing I (<i>Note 1</i>)	8,400	73,899
Loan financing II (<i>Note 2</i>)	12,624	37,790
Others	5,501	3,572
	<u>35,093</u>	<u>124,100</u>
Segment (loss) profit from:		
Industrial property development	525	935
General trading	40,672	301
Loan financing I (<i>Note 1</i>)	(39,482)	46,061
Loan financing II (<i>Note 2</i>)	(22,292)	(77,180)
Others	(1,392)	(2,039)
	<u>(21,969)</u>	<u>(31,922)</u>

Note 1: Loan financing I represents the provision of loan financing, financial guarantees, loan referral and consultancy services in Hong Kong and Beijing.

Note 2: Loan financing II represents the provision of micro-financing, loan referral and consultancy services in Ningbo.

Industrial Property Development

Revenue from the segment mainly represents warehouse storage income generated from warehouse operation. The Group's warehouse is located in Taicang, Jiangsu Province, the PRC. It is divided into six units and the total area is approximately 48,600 square meters. Revenue from the warehouse operation recorded a decrease of approximately HK\$271,000 to approximately HK\$8,568,000 for the Period (30 June 2022: approximately HK\$8,839,000) due to the exchange rate difference for the Period and last year. The segment profit for the Period was approximately HK\$525,000 (30 June 2022: approximately HK\$935,000). The average occupancy rate of the Group's warehouse during the Period was 100% and was primarily used as storage of electric power tools and consumer products.

The Group's warehouse operation maintained high percentage of occupancy rate during the Period due to the advantageous location of its warehouse and long term relationship with the customers. The Group's management anticipates that the Group's warehouse occupancy can maintain at a rate of over 95% for the year of 2023.

General Trading

The Group continued to face challenges in the operation of liquor trading and no sales revenue was generated during the Period. However, during the Period, a subsidiary of the Group raised a lawsuit in respect of the outstanding deposit of RMB26,000,000 and subsequently reached a settlement agreement with the relevant co-operator who agreed to refund the deposit and compensate the Group with an aggregate amount of approximately RMB42,370,000 which will be settled by instalment in 22 months. As a result, the segment recorded a profit of approximately HK\$40,672,000 for the Period (30 June 2022: approximately HK\$301,000).

Loan Financing I

The Group's loan financing I services comprise the provision of loan financing, financial guarantees, loan referral and consultancy services in Hong Kong and Beijing. Revenue from the segment for the Period was approximately HK\$8,400,000 (30 June 2022: approximately HK\$73,899,000), resulting in a segment loss of approximately HK\$39,482,000 (30 June 2022: segment profit of approximately HK\$46,061,000). The segment loss is mainly a result of impairment loss of the loan and interest receivables.

Loan Financing Business in Beijing

In order to improve the Group's financial position on a going concern basis, one of the key actions of the Group is to consider the potential disposal of the financial guarantee business in Beijing, which currently operates at a net liabilities operation.

The decision to explore this option stems from a comprehensive assessment of the Group's overall business portfolio and the need to allocate resources in a manner that maximizes profitability and sustainability. This strategic move will allow the Group to streamline its operations, focus on its core strengths, and allocate resources to areas that offer stronger growth prospects. The Group is committed to diligently evaluating options for the disposal of the financial guarantees business in Beijing or any other possible options to improve its performance. Updates on the progress of this potential disposal will be provided as it materializes.

Loan Financing Business in Hong Kong

The Group's loan financing operation in Hong Kong is mainly the provision of mortgage loan. There was no new loan drawdown during the Period, and no outstanding loan as at 30 June 2023 (30 June 2022: nil). The Group will continue to implement a prudent strategy with stringent internal loan management system in the loan financing operation in Hong Kong to identify suitable high net worth customers.

Loan Financing II

The Group's loan financing II services comprise the provision of micro-financing, loan referral and consultancy services in Ningbo, the PRC. Revenue from the segment for the Period was approximately HK\$12,624,000 (30 June 2022: approximately HK\$37,790,000), resulting in a segment loss of approximately HK\$22,292,000 (30 June 2022: approximately HK\$77,180,000).

The acquisition of Xin Yunlian Investment Limited ("Xin Yunlian") and its subsidiaries and associated company (collectively, the "Xin Yunlian Group") was completed on 31 July 2020. The major activities of the Xin Yunlian Group are the operation of an e-commerce platform, provision of financial services (including micro-financing and loan referral operations), and advertising business. All operations are targeted to the 5.6 million tobacco retailers in the PRC. As at 30 June 2023, there were approximately 4.8 million tobacco retailers registered on the e-commerce platform of the Xin Yunlian Group.

Business Model

網新新雲聯金融信息服務(浙江)有限公司 (Wangxin Xin Yunlian Financial Information Service (Zhejiang) Company Limited*, “Xin Yunlian Financial”) is the exclusive financial service provider of 中煙新商盟電子商務有限公司 (Zhongyan Xin Shangmeng E-commerce Limited*, “Zhongyan E-commerce”). Xin Yunlian Financial is a wholly-owned subsidiary of 浙江新雲聯雲科技有限公司 (Zhejiang Xin Yunlian Cloud Technology Company Limited*), which is indirectly controlled as to 51% by Xin Yunlian. Zhongyan E-commerce is owned as to 49% by 浙江新雲聯數字科技有限公司 (Zhejiang Xin Yunlian Digital Technology Company Limited*), which is owned as to 51% by Xin Yunlian. Zhongyan E-commerce shares its e-commerce platforms with Xin Yunlian Financial to publish notices and advertisements to over 4.8 million registered tobacco retailers in the PRC. In addition, Xin Yunlian Financial also uses the official accounts, other new media platforms as well as through tobacco monopoly administration at province and city levels to promote their services to the customers. With the authorization of registered users of the e-commerce platform, Xin Yunlian Financial can access the readily available customer database. The Group also provides financial service to qualified tobacco retailers in need that are identified through telephone marketing or site visiting. The services provided by Xin Yunlian Financial include the referral of potential borrowers for loan services to financial institutions with a focus on retailers licensed to distribute tobacco products in the PRC. Considering the financial needs of tobacco retailers in making tobacco orders, store improvement and other operating matters, Xin Yunlian Financial has launched a tobacco credit loan service, through which the tobacco retailers can apply for credit loan on-line with their tobacco retail license. Target clients can directly contact Xin Yunlian Financial through the e-commerce platform, WeChat official account, customer service hotline and Xin Yunlian Financial mobile application to inquire about loan services.

After a review of the funding needs of potential borrowers and a preliminary assessment of their credit profile, Xin Yunlian Financial will refer the potential borrowers to appropriate banks for suitable financial products. The banks in cooperation with Xin Yunlian Financial will, based on their respective concerns, mitigate credit risks in further by assessing such potential borrowers. For the customers passing risk assessment, those banks will remit loans to the account designated by the borrowers. Since credit risk is the main risk inherent in the financial services business, with the support of the e-commerce platform which allows Xin Yunlian Financial to assess the tobacco retailers based on actual and verifiable transactions, Xin Yunlian Financial is able to effectively manage and supervise the credit risk of potential borrowers to be referred by them to financial institutions. In terms of loan transactions through referral, Xin Yunlian Financial, as an intermediary agency, will charge the banks or borrowers referral fees.

The loan referral business reflects a significant drop in turnover and operational performance during the Period. After careful evaluation and consideration, the Group has made the difficult decision to slow down the loan referral business in order to minimize further losses stemming from the default rate. The challenging economic environment, coupled with increased competition, have significantly impacted the Group’s ability to maintain a sustainable level of profitability. By temporarily suspending the loan referral business, the Group aims to mitigate the risks associated with defaults and focus on implementing necessary measures to address the underlying issues. This temporary suspension will allow the Group to reassess its strategies, refine its risk management framework, and explore alternative business models that align with the changing market dynamics. The Group’s priority remains the long-term viability and stability of its operations, and the Group is committed to taking proactive steps to minimize further loss and ensure a solid foundation for future growth.

As part of the Group's comprehensive restructuring plan for the loan referral business, the Group is actively seeking potential investors to inject capital and support its operations. Recognizing the need for financial stability and strategic partnerships, the Group is exploring opportunities to engage with investors who share same vision and can contribute to the growth and profitability of the business. These potential investors will bring not only financial resources but also industry expertise and networks that can enhance the Group's competitive position in the market. The Group is committed to conducting thorough due diligence and identifying suitable investors who align with the Group's values and long-term objectives.

Others

Others segment represents the operation of securities brokerage, margin financing, provision of asset management services, provision of insurance brokerage and agency service in Hong Kong and advertising service in the PRC. Revenue from the segment for the Period was approximately HK\$5,501,000 (30 June 2022: approximately HK\$3,572,000), resulting in a segment loss of approximately HK\$1,392,000 (30 June 2022: approximately HK\$2,039,000). The Group will continue to implement strict cost control measures to increase the return on assets of the others segments.

SIGNIFICANT IMPAIRMENT

During the Period, an impairment loss, net of reversal of approximately HK\$81,063,000 (2022: approximately HK\$82,423,000) was resulted in the loan financing operations of the Group.

The breakdown of the impairment loss recognized during the Period as indicated is set out below:

	For the six months ended	
	30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Impairment loss (reversal of impairment loss) recognized on:		
– Trade and other receivables	24,793	76,288
– Loans and interest receivables	52,743	656
– Other deposits	35	(1,274)
– Loans to and interest receivables from a non-controlling interest	944	6,772
– Loans to and interest receivables from an associate	–	(19)
– Amounts due from associates	2,548	–
	81,063	82,423

FINANCIAL REVIEW

Administrative and Other Operating Expenses

Administrative expenses include office utilities and administration, legal and professional fee, employee expenses, depreciation of right-of-use assets and property, plant and equipment and amortisation. Other operating expenses mainly consist of operating expenses of industrial property development and loan financing. Administrative and other operating expenses amounted to approximately HK\$35,290,000 during the Period, representing a decrease of approximately 31.3% or HK\$16,085,000 as compared to the six months ended 30 June 2022, due to the Group's persistent efforts in optimizing and reforming business processes in order to reduce costs and enhance operational efficiency. The Company's management will consistently implement stringent cost control measures to maintain administrative and other operating expenses at a reasonable level.

Finance Costs

The finance cost of the Group for the Period mainly consisted of effective interest expenses on convertible bonds issued for the acquisition of the Xin Yunlian Group in 2020 and loan interest on bank and others loans. Finance costs increased from approximately HK\$17,415,000 for the six months ended 30 June 2022 to approximately HK\$18,054,000 for the Period, representing an increase of approximately 3.7% or HK\$639,000, which was caused by the additional effective interest expenses on convertible bonds and interest on loan borrowing for the Period.

Liquidity and Financial Resources

The Group continued to adopt the policy of prudence in managing its working capital. During the Period, the operations of the Group were primarily financed by internally generated cash flow from operating activities and external financing. As at 30 June 2023, the shareholder's deficit attributable to owners of the Company amounted to approximately HK\$235,441,000 (31 December 2022: deficit attributable to owners of the Company of approximately HK\$166,349,000), and net current liabilities of the Group amounted to approximately HK\$119,518,000 (31 December 2022: approximately HK\$86,815,000). As at 30 June 2023, the Group's cash and cash equivalents amounted to approximately HK\$37,153,000 (31 December 2022: approximately HK\$26,280,000), which were principally denominated in Hong Kong dollars and Renminbi. Current ratio as at 30 June 2023 was 0.80 (31 December 2022: 0.86).

As at 30 June 2023, the Group's total borrowings amounted to approximately HK\$288,943,000 (31 December 2022: approximately HK\$279,085,000) of which approximately HK\$100,196,000 were repayable within 1 year, approximately HK\$150,933,000 were repayable between 1 to 2 years, approximately HK\$5,402,000 were repayable between 2 to 5 years and approximately HK\$32,412,000 were repayable over 5 years. As at 30 June 2023, the Group's borrowings denominated in Hong Kong dollars and Renminbi were approximately HK\$34,400,000 and HK\$254,543,000, respectively, and bear fixed interest rates from 3.65% to 12.00%. The gearing ratio of the Group as at 30 June 2023 and 31 December 2022 (defined as total borrowings over the Group's total equity) is not applicable due to capital deficiency of the Group.

There was no capital commitment in respect of the acquisition and construction of property, plant and equipment as at 30 June 2023 (31 December 2022: nil).

The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are mainly in Hong Kong dollars and Renminbi. Therefore, the Group did not use any financial instruments for hedging purposes during the Period.

Group's Investments

The Group's investment portfolio is classified as financial assets at fair value through other comprehensive income ("FVTOCI") according to HKFRS 9, the relevant carrying amounts of the financial assets at FVTOCI as at 30 June 2023 were approximately HK\$2,132,000 (31 December 2022: approximately HK\$4,938,000). The Group's investment portfolio includes listed equity in Hong Kong.

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2023 (31 December 2022: nil) other than the financial guarantees issued as disclosed below.

Guarantee Issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. For the Period, the Group's total maximum amount of financial guarantees issued was approximately RMB926,020,000 (equivalent to approximately HK\$1,000,472,000) (31 December 2022: approximately RMB1,004,002,000 (equivalent to approximately HK\$1,135,245,000)).

Capital Structure

As at 30 June 2023, the total number of issued ordinary shares of the Company with a par value of HK\$0.001 each (the “Share(s)”) was 7,775,857,621 (31 December 2022: 7,775,857,621).

Charges on Assets

The Group’s warehouse located in Taicang, the PRC with the following carrying amount and the bank deposit had been pledged to secure general banking facilities granted to the Group:

	30.6.2023	31.12.2022
	<i>HK\$’000</i>	<i>HK\$’000</i>
Property, plant and equipment	52,248	58,804
Right-of-use assets	18,776	20,007
Bank deposit	5,402	5,653
	<u>76,426</u>	<u>84,464</u>

Save for the above, the Group did not charge other assets to secure its borrowings as at 30 June 2023 and 31 December 2022.

Foreign currency exposure

As confirmed by the Directors, the Group’s present operations are mainly carried out in the PRC and Hong Kong, and all of the Group’s receipts and payments in relation to the operations are denominated in Renminbi or Hong Kong dollars. The Group does not anticipate any material foreign exchange exposure and therefore no derivative financial instruments were used to hedge its foreign currency risks as at 30 June 2023 and 31 December 2022. The management will continue to monitor its foreign exchange exposure and take appropriate measures if needed.

Employees and Remuneration Policies

As at 30 June 2023, the Group had 111 employees (31 December 2022: 122 employees). Remuneration is determined by reference to their respective qualifications and experiences and according to the prevailing industry practice. In addition to salary payments, the Group’s staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme. As required by the regulations in the PRC, the Group makes contributions to mandatory social security funds for the benefit of the Group’s employees in the PRC, including pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Significant investments, material acquisitions and disposals

The Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the Period and the corresponding period in 2022.

Future plans for material investments or capital assets

As at 30 June 2023 and 31 December 2022, the Group did not have immediate plans for material investments or capital assets acquisition.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (for the six months ended 30 June 2022: nil).

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

During the Period, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

During the Period, the Company has applied the principles and complied with the code provisions as set out in Part 2 of Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as in effective from time to time.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have complied with the Model Code throughout the Period.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, including Mr. Kwan Kei Chor (chairman of the Audit Committee), Dr. Lyu Ziang and Mr. Zhou Liangyu.

The Audit Committee has discussed with the management of the Company and the external auditors, HLM CPA Limited in respect of the Group's interim condensed consolidated financial statements for the Period. The unaudited interim results of the Group for the Period have not been audited but have been reviewed by the Audit Committee. The Audit Committee is of the view that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made, and recommended the Board to adopt the same.

The unaudited interim results of the Group for the Period were prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our staff for their dedication, loyalty and integrity towards the Group. I would also like to express my gratitude to our shareholders, customers and other business partners and professional consultants for their support to the Group.

By order of the Board of
Greater China Financial Holdings Limited
Liu Kequan
Chairman

Hong Kong, 29 August 2023

As at the date of this announcement, the Board comprises Mr. Liu Kequan, Mr. Yang Dayong and Mr. Chen Zheng as executive Directors; Mr. Zhang Peidong as non-executive Director; and Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.

* *For identification purpose only*