



**華富建業國際金融有限公司**

**QUAM PLUS INTERNATIONAL FINANCIAL LIMITED**

(Formerly known as China Tonghai International Financial Limited)

(Incorporated in Bermuda with limited liability)

Stock Code : 952

*Flourish in the  
Changing World*

**2023 Interim Report**



This report is printed on environmentally friendly paper

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## Condensed Consolidated Statement of Profit or Loss

	Notes	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Fee and commission income	5	58,763	62,696
Interest income			
— Calculated using the effective interest method	5	174,986	151,622
— Calculated using other method	5	56,653	65,074
Net investment gain/(loss)	5	47,484	(252,474)
<b>Total revenue</b>	5	<b>337,886</b>	26,918
Other income	6	1,300	12,077
Direct costs		(49,477)	(54,003)
Staff costs	7	(81,827)	(89,644)
Depreciation and amortisation	7	(19,213)	(21,447)
Expected Credit Loss ("ECL") net charges		(16,980)	(80,570)
Finance costs			
— Interest on borrowings		(25,187)	(23,711)
— Interest on lease liabilities		(1,814)	(804)
Other operating expenses	8	(29,487)	(28,329)
Share of result of an associate		—	(242)
<b>Profit/(loss) before tax</b>	7	<b>115,201</b>	(259,755)
Tax (expense)/credit	9	(3,932)	14,164
<b>Net profit/(loss) attributable to equity holders of the Company</b>		<b>111,269</b>	(245,591)
		<b>HK cent(s)</b>	HK cent(s)
<b>Earnings/(loss) per share for net profit/(loss) attributable to equity holders of the Company</b>			
—Basic and diluted	10	2	(4)
<b>Dividend per share</b>	11	<b>1.1</b>	Nil

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Net profit/(loss) attributable to equity holders of the Company</b>	<b>111,269</b>	(245,591)
<b>Other comprehensive loss including reclassification adjustments</b>		
Item that may be reclassified subsequently to profit or loss		
— Exchange loss on translation of financial statements of foreign operations	(1,237)	(1,438)
<b>Other comprehensive loss including reclassification adjustments and net of tax</b>	<b>(1,237)</b>	(1,438)
<b>Total comprehensive income/(loss) attributable to equity holders of the Company</b>	<b>110,032</b>	(247,029)

# Condensed Consolidated Statement of Financial Position

Notes	As at 30 June 2023			As at 31 December 2022		
	Current HK\$'000 (Unaudited)	Non-current HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Current HK\$'000 (Audited)	Non-current HK\$'000 (Audited)	Total HK\$'000 (Audited)
<b>ASSETS</b>						
	159,508	—	159,508	195,206	—	195,206
Cash and cash equivalents						
Bank balances held on behalf of clients	945,114	—	945,114	1,123,090	—	1,123,090
Financial assets held for trading	542,349	38,667	581,016	583,802	41,219	625,021
Financial assets not held for trading	121,319	4,210	125,529	184,279	4,210	188,489
Loans to margin clients	626,774	—	626,774	670,496	—	670,496
Credit loans	1,327,753	—	1,327,753	1,099,984	58,962	1,158,946
Accounts receivable	309,343	—	309,343	494,320	—	494,320
Prepayments, deposits and other receivables	67,356	—	67,356	96,124	—	96,124
Interest in an associate	—	1,874	1,874	—	1,874	1,874
Goodwill and other intangible assets	—	17,587	17,587	—	17,960	17,960
Other assets	—	37,283	37,283	—	22,811	22,811
Property and equipment	—	82,485	82,485	—	68,536	68,536
Deferred tax assets	—	17,947	17,947	—	15,214	15,214
<b>TOTAL ASSETS</b>	<b>4,099,516</b>	<b>200,053</b>	<b>4,299,569</b>	<b>4,447,301</b>	<b>230,786</b>	<b>4,678,087</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Liabilities</b>						
Bank and other borrowings	722,147	—	722,147	905,545	—	905,545
Accounts payable	1,202,545	—	1,202,545	1,534,134	—	1,534,134
Contract liabilities	6,679	—	6,679	5,259	—	5,259
Lease liabilities	12,366	55,336	67,702	21,701	27,070	48,771
Accruals and other payables	166,604	—	166,604	164,036	—	164,036
Tax payables	11,452	—	11,452	5,744	—	5,744
Deferred tax liabilities	—	802	802	—	2,992	2,992
<b>TOTAL LIABILITIES</b>	<b>2,121,793</b>	<b>56,138</b>	<b>2,177,931</b>	<b>2,636,419</b>	<b>30,062</b>	<b>2,666,481</b>
<b>Equity</b>						
Share capital			20,657			20,657
Reserves			2,100,981			1,990,949
<b>TOTAL EQUITY</b>			<b>2,121,638</b>			<b>2,011,606</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>4,299,569</b>			<b>4,678,087</b>
<b>Net current assets</b>			<b>1,977,723</b>			<b>1,810,882</b>

## Condensed Consolidated Cash Flow Statement

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	<b>115,201</b>	(259,755)
Adjustments for:		
Amortisation of other intangible assets	<b>663</b>	919
Changes in net assets value attributable to other holders of consolidated investment funds	<b>(2,639)</b>	(1,824)
Depreciation of property and equipment	<b>18,550</b>	20,528
Dividend income	<b>(5,443)</b>	(4,646)
Finance costs	<b>27,001</b>	24,515
Net charges of ECL provisions	<b>16,980</b>	80,570
Interest income	<b>(231,639)</b>	(216,696)
Net losses on disposal of property and equipment	<b>1,427</b>	—
Net realised and unrealised (gain)/loss on financial assets measured at fair value through profit or loss	<b>(42,041)</b>	257,120
Share of result of an associate	<b>—</b>	242
Operating loss before working capital changes	<b>(101,940)</b>	(99,027)
(Increase)/decrease in other assets	<b>(4,811)</b>	5,435
Decrease in accounts receivable, prepayments, deposits and other receivables	<b>221,636</b>	25,248
(Increase)/decrease in loans to margin clients	<b>(20,126)</b>	216,330
Decrease in financial assets held for trading	<b>10,292</b>	39,037
Increase in financial assets not held for trading	<b>—</b>	(4,985)
Decrease/(increase) in credit loans	<b>37,226</b>	(81,090)
Decrease in bank balances held on behalf of clients	<b>177,976</b>	49,990
Decrease in accounts payable, contract liabilities, accruals and other payables	<b>(324,965)</b>	(98,721)
Cash (used in)/generated from operations	<b>(4,712)</b>	52,217
Dividend received	<b>5,443</b>	4,646
Interest received	<b>50,851</b>	150,591
Income tax paid, net	<b>(3,147)</b>	(9,778)
<i>Net cash generated from operating activities</i>	<b>48,435</b>	197,676

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Cash flows from investing activities</b>		
Purchases of other intangible assets	(290)	(80)
Purchases of property and equipment	(1,144)	(538)
<i>Net cash used in investing activities</i>	<b>(1,434)</b>	(618)
<b>Cash flows from financing activities</b>		
Capital element of lease rentals paid	(13,962)	(17,401)
Interest element of lease rentals paid	(1,814)	(804)
Interest paid for bank and other borrowings	(9,978)	(13,185)
Net repayment of bank and other borrowings	(55,135)	(354,365)
Payments on redemption of shares by other holders of a consolidated investment fund	(367)	(1,379)
Proceeds from shares issued to other holders of consolidated investment fund	367	—
<i>Net cash used in financing activities</i>	<b>(80,889)</b>	(387,134)
<b>Net decrease in cash and cash equivalents</b>	<b>(33,888)</b>	(190,076)
Cash and cash equivalents at the beginning of the period	195,206	405,290
Effect of foreign exchange rate changes, on cash held	(1,810)	(1,519)
<b>Cash and cash equivalents at the end of the period</b>	<b>159,508</b>	213,695

# Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company										
	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Capital		Exchange reserve HK\$'000 (Unaudited)	Investment revaluation reserve HK\$'000 (Unaudited)	Property revaluation reserve HK\$'000 (Unaudited)	Shares held for Share			Total HK\$'000 (Unaudited)
			redemption reserve HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)				Shareholder's contribution HK\$'000 (Unaudited)	Award Scheme HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	
<b>At 1 January 2023</b>	20,657	117,070	1,019	5,352,580	(2,259)	(18,608)	5,255	1,811	(22,798)	(3,443,121)	2,011,606
Net profit for the period	—	—	—	—	—	—	—	—	—	111,269	111,269
Other comprehensive income											
— Exchange loss on translation of financial statements of foreign operations	—	—	—	—	(1,237)	—	—	—	—	—	(1,237)
<b>Total comprehensive income for the period</b>	—	—	—	—	(1,237)	—	—	—	—	111,269	110,032
<b>At 30 June 2023</b>	20,657	117,070	1,019	5,352,580	(3,496)	(18,608)	5,255	1,811	(22,798)	(3,331,852)	2,121,638

Attributable to equity holders of the Company

	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Capital redemption reserve HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)	Exchange reserve HK\$'000 (Unaudited)	Investment revaluation reserve HK\$'000 (Unaudited)	Property revaluation reserve HK\$'000 (Unaudited)	Shareholder's contribution HK\$'000 (Unaudited)	Shares held for Share Award Scheme HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>At 1 January 2022</b>	20,657	117,070	1,019	5,352,580	587	(19,929)	5,255	1,811	(22,798)	(1,859,457)	3,596,795
Net loss for the period	—	—	—	—	—	—	—	—	—	(245,591)	(245,591)
Other comprehensive income											
— Exchange loss on translation of financial statements of foreign operations	—	—	—	—	(1,438)	—	—	—	—	—	(1,438)
<b>Total comprehensive income for the period</b>	—	—	—	—	(1,438)	—	—	—	—	(245,591)	(247,029)
<b>At 30 June 2022</b>	20,657	117,070	1,019	5,352,580	(851)	(19,929)	5,255	1,811	(22,798)	(2,105,048)	3,349,766

# Notes to the Condensed Consolidated Interim Financial Statements

## 1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and, its principal place of business is 5/F and 24/F (Rooms 2401 and 2412), Wing On Centre, 111 Connaught Road Central, Hong Kong. The Company's shares are listed on the Stock Exchange.

The Group is principally engaged in the following activities:

- corporate finance advisory and general advisory services
- fund management, discretionary portfolio management and portfolio management advisory services
- discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing, insurance broking and wealth management services
- money lending services
- financial media services
- investing and trading of various investment products

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 (the "Interim Financial Statements") were authorised for issue by the Board on 24 August 2023. The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.



## 2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and complies with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with applicable requirements of Appendix 16 to the Listing Rules.

## 3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation that have been used in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2022, except for the adoption of new or amended Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations.

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group. The adoption of these new or amended HKFRSs does not have significant impact on the Group’s Interim Financial Statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major service lines.

The Group has identified the following reportable segments:

- (a) the corporate finance segment engages in securities placing and underwriting services, corporate finance advisory and general advisory services;
- (b) the asset management segment engages in fund management, discretionary portfolio management and portfolio management advisory services;
- (c) the brokerage segment engages in discretionary and non-discretionary dealing services for securities, futures and options, margin financing, insurance broking and wealth management services;
- (d) the interest income segment engages in money lending services and interest income arising from debt instruments measured at amortised cost;
- (e) the investments segment engages in investing and trading of various investment products; and
- (f) the others segment represents financial media services and other insignificant operating segments.

## 4. SEGMENT INFORMATION (CONTINUED)

### Six months ended 30 June 2023 (Unaudited)

	Corporate finance HK\$'000	Asset management HK\$'000	Brokerage HK\$'000	Interest income HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
<b>Reportable segment revenue</b>							
Fee and commission income	9,157	5,184	41,053	—	—	3,369	58,763
Interest income	—	—	69,792	161,847	—	—	231,639
Net investment gain	—	—	—	—	47,484	—	47,484
<b>Segment revenue from external customers</b>	9,157	5,184	110,845	161,847	47,484	3,369	337,886
Inter-segment revenue	3,750	944	—	—	—	348	5,042
<b>Reportable segment revenue</b>	<b>12,907</b>	<b>6,128</b>	<b>110,845</b>	<b>161,847</b>	<b>47,484</b>	<b>3,717</b>	<b>342,928</b>
<b>Fee and commission income by timing of revenue recognition:</b>							
Point in time	383	—	41,053	—	—	872	42,308
Over time	8,774	5,184	—	—	—	2,497	16,455
<b>Fee and commission income</b>	<b>9,157</b>	<b>5,184</b>	<b>41,053</b>	<b>—</b>	<b>—</b>	<b>3,369</b>	<b>58,763</b>
<b>Reportable segment result</b>	<b>(5,925)</b>	<b>(1,889)</b>	<b>16,760</b>	<b>96,492</b>	<b>15,075</b>	<b>(3,123)</b>	<b>117,390</b>

## 4. SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2022 (Unaudited)

	Corporate finance HK\$'000	Asset management HK\$'000	Brokerage HK\$'000	Interest income HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
<b>Reportable segment revenue</b>							
Fee and commission income	5,097	5,430	48,037	—	—	4,132	62,696
Interest income	—	—	68,988	147,708	—	—	216,696
Net investment loss	—	—	—	—	(252,474)	—	(252,474)
<b>Segment revenue from external customers</b>	5,097	5,430	117,025	147,708	(252,474)	4,132	26,918
Inter-segment revenue	3,000	1,878	—	—	—	464	5,342
<b>Reportable segment revenue</b>	<b>8,097</b>	<b>7,308</b>	<b>117,025</b>	<b>147,708</b>	<b>(252,474)</b>	<b>4,596</b>	<b>32,260</b>
<b>Fee and commission income by timing of revenue recognition:</b>							
Point in time	1,352	—	48,037	—	—	562	49,951
Over time	3,745	5,430	—	—	—	3,570	12,745
<b>Fee and commission income</b>	<b>5,097</b>	<b>5,430</b>	<b>48,037</b>	<b>—</b>	<b>—</b>	<b>4,132</b>	<b>62,696</b>
<b>Reportable segment result</b>	<b>(4,835)</b>	<b>(1,166)</b>	<b>(17,208)</b>	<b>21,823</b>	<b>(253,055)</b>	<b>(3,088)</b>	<b>(257,529)</b>

#### 4. SEGMENT INFORMATION (CONTINUED)

The total of the Group's reportable segment result is reconciled to the Group's profit/(loss) before tax as follows:

	<b>Six months ended 30 June 2023 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Reportable segment result	<b>117,390</b>	(257,529)
Share of result of an associate	—	(242)
Unallocated corporate expenses	<b>(2,189)</b>	(1,984)
Profit/(loss) before tax	<b>115,201</b>	(259,755)

The Group's customers include the following with whom transactions have exceeded 10% of the Groups' revenue (excluding revenue from investments business):

	<b>Six months ended 30 June 2023 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Former connected parties which included the subsidiaries of Tohigh Holdings Co., Ltd., Oceanwide Holdings Co., Ltd., China Oceanwide Holdings Limited and Minyun Limited <sup>^</sup>	<b>162,097</b>	100,544

<sup>^</sup> Revenue from these parties, which are under common control of our former ultimate beneficial owner, is attributable to corporate finance segment, interest income segment, asset management segment and brokerage segment during the six months ended 30 June 2023.

## 5. REVENUE

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Corporate finance business</b>		
<i>Fee and commission income:</i>		
— Placing and underwriting commission income	383	1,352
— Financial and compliance advisory services fee income	8,774	3,745
	<b>9,157</b>	5,097
<b>Asset management business</b>		
<i>Fee and commission income:</i>		
— Management fee and performance fee income	5,184	5,430
<b>Brokerage business</b>		
<i>Fee and commission income:</i>		
— Commission on dealings in securities		
— Hong Kong securities	11,626	16,272
— Other than Hong Kong securities	878	1,601
— Commission on dealings in futures and options contracts	21,567	22,974
— Handling, custodian and other service fee income	6,982	7,190
	<b>41,053</b>	48,037
<b>Interest income business</b>		
<i>Interest income calculated using the effective interest method:</i>		
— Interest income from credit loans and bonds	160,800	148,911
— Interest income from cash clients receivables and initial public offering loans	1,774	1,329
— Interest income from bank deposits held on behalf of clients	11,021	1,327
— Interest income from house money bank deposits and others	1,391	55
<i>Interest income calculated using other method:</i>		
— Interest income from loans to margin clients	55,164	65,063
— Interest income from others	1,489	11
	<b>231,639</b>	216,696
<b>Investments and others business</b>		
<i>Fee and commission income:</i>		
— Financial media service fee income	3,369	4,132
<i>Net investment gain/(loss):</i>		
— Net realised and unrealised gain/(loss) on financial assets measured at fair value through profit or loss	42,041	(257,120)
— Dividend income from financial assets measured at fair value through profit or loss	5,443	4,646
	<b>50,853</b>	(248,342)
<b>Total revenue</b>	<b>337,886</b>	26,918

## 6. OTHER INCOME

Note	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Changes in net asset value attributable to other holders of consolidated investment funds	2,639	1,824
Exchange (loss)/gain, net	(1,517)	8,013
Government subsidies	—	1,713
Sundry income	178	527
	<b>1,300</b>	<b>12,077</b>

Note:

- (a) In 2022, the Group successfully obtained funding support from the Employment Support Scheme (E.S.S.) under the Anti-epidemic Fund, set up by the Hong Kong SAR Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the E.S.S., the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

## 7. PROFIT/(LOSS) BEFORE TAX

Note	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Profit/(loss) before tax is arrived at after charging:		
Staff costs		
— Fees, salaries, allowances, bonuses and benefits in kind	79,395	84,921
— Employee sales commission	197	2,079
— Retirement benefits scheme contributions	2,075	2,347
— Other staff benefits	160	297
	<b>81,827</b>	<b>89,644</b>
Depreciation and amortisation		
— Other intangible assets	663	919
— Property and equipment	18,550	20,528
	<b>19,213</b>	<b>21,447</b>

## 8. OTHER OPERATING EXPENSES

	Note	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Advertising and promotion expenses		524	525
Auditor's remuneration		1,225	2,196
Bank charges		610	860
Consultancy fee		1,647	2,904
Entertainments		1,105	510
General office expenses		2,979	2,943
Insurance		1,310	1,321
Legal and professional fee	(a)	9,067	8,772
Repairs and maintenance		4,420	3,197
Short-term leases, rates and building management fee		3,352	2,806
Staff recruitment cost		141	755
Travelling and transportation expenses		990	275
Others		2,117	1,265
		<b>29,487</b>	<b>28,329</b>

- (a) During six months ended 30 June 2023, total legal and professional fee of approximately HK\$9.1 million (2022: HK\$8.8 million) mainly represented HK\$5.7 million (2022: HK\$3.3 million) spent on one-off corporate transactions' various professional fee.

## 9. TAX EXPENSE/(CREDIT)

The provision for Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the six months ended 30 June 2023, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

Taxation for subsidiaries operating in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax		
— Current period	8,855	14,109
Deferred tax	(4,923)	(28,273)
Total tax expense/(credit)	3,932	(14,164)

## 10. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to equity holders of the Company is based on the followings:

### Earnings/(loss)

	<b>Six months ended 30 June 2023 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2022 HK\$'000 (Unaudited)
For purpose of calculating basic and diluted earnings/(loss) per share	<b>111,269</b>	(245,591)

### Weighted average number of ordinary shares in issue less shares held for Share Award Scheme

	<b>Six months ended 30 June 2023 (Unaudited)</b>	Six months ended 30 June 2022 (Unaudited)
For purpose of calculating basic and diluted earnings/(loss) per share	<b>6,145,877,218</b>	6,145,877,218

## 10. EARNINGS/(LOSS) PER SHARE (CONTINUED)

Earnings/(loss) per share for net profit/(loss) attributable to equity holders of the Company for the period

	Six months ended 30 June 2023 HK cents (Unaudited)	Six months ended 30 June 2022 HK cents (Unaudited)
Basic and diluted	2	(4)

## 11. DIVIDENDS

Dividends payable to equity holders of the Company attributable to the interim period:

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Special dividend declared and payable after the interim period of HK1.1 cents per ordinary share (2022: Nil)	68,168	–

The special dividend has not been recognised as a liability at the end of the reporting period.

## 12. FINANCIAL ASSETS NOT HELD FOR TRADING

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
<b>Financial assets measured at amortised cost</b>			
Unlisted debt securities		946,196	919,538
Less: ECL provisions		(824,877)	(735,259)
	(a)	121,319	184,279
<b>Financial assets measured at fair value through other comprehensive income</b>			
Unlisted equity securities		4,210	4,210
		125,529	188,489

Note:

- (a) As at 31 December 2022, the net amount after ECL provisions of the unlisted debt securities of HK\$184 million were issued by fellow subsidiaries and carry interest at 11.8% per annum.

### 13. LOANS TO MARGIN CLIENTS

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Loans to margin clients		
— Measured at fair value through profit or loss	<b>626,774</b>	670,496

Note:

Margin clients are required to pledge securities collateral to the Group in order to obtain the credit facilities for securities trading. The amount of credit facilities granted to them is determined based on a comprehensive analysis including but not limited to loan-to-market and loan-to-marginable value ratios ("lending ratios"), concentration risk, illiquid collaterals and overall availability of funds. The Group exercises continuous monitoring on outstanding margin loans to see if the actual lending ratios have exceeded the pre-determined levels as a credit risk control mechanism. Any excess in the lending ratios will trigger a margin call where the clients have to make good the shortfall. As at 30 June 2023, the market value of securities pledged by margin clients to the Group as collateral was HK\$4,295 million (31 December 2022: HK\$4,848 million) and the Group is permitted to sell collaterals provided by clients if they fail to fulfil in margin calls. Loans to margin clients are repayable on demand and bear interest at commercial rates (normally at Hong Kong Dollar Prime Rate plus a spread). As loans to margin clients are measured at fair value through profit or loss, the carrying amounts of the loans, counted on client-by-client basis, would be marked down to the market value of the clients' collaterals.

## 14. CREDIT LOANS

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Credit loans, gross amount			
— Unsecured		<b>4,169,319</b>	4,008,202
— Secured	(b), (c)	<b>442,633</b>	467,633
		<b>4,611,952</b>	4,475,835
Less: ECL provisions		<b>(3,284,199)</b>	(3,316,889)
	(a)	<b>1,327,753</b>	1,158,946

Notes:

- (a) The loans bear interest at fixed rates ranging from 2.5% to 12% (31 December 2022: 2.5% to 12%) per annum. As at 31 December 2022, the net amount after ECL provisions of unsecured loan of HK\$557 million were due from fellow subsidiaries.
- (b) As at 30 June 2023 and 31 December 2022, the collaterals held by the Group for the secured loans mainly include shares of listed and private companies and assets of private companies.

## 14. CREDIT LOANS (CONTINUED)

Notes: (Continued)

- (c) As at 30 June 2023, HK\$2,109,000 (31 December 2022: HK\$2,084,000) was reverse repurchase agreements on bonds.

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Gross amount	2,139	2,114
Less: ECL provisions	(30)	(30)
	<b>2,109</b>	<b>2,084</b>

Reverse repurchase agreements are transactions in which the external investors sell a security to the Group and simultaneously agree to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is not exposed to substantially all the credit risks, market risks and rewards of those securities bought. These securities are not recognised in condensed consolidated financial statements but regarded as “collateral” because the external investors retain substantially all the risks and rewards of these securities.

As at 30 June 2023, the fair value of the collaterals was HK\$4,351,000 (31 December 2022: HK\$4,245,000).

## 15. ACCOUNTS RECEIVABLE

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
<i>Accounts receivable from dealings in securities, futures and options contracts</i>			
— Brokers and clearing houses	(a)	<b>283,525</b>	468,195
— Cash clients	(a)	<b>26,888</b>	25,505
<i>Accounts receivable from asset management, corporate finance and other businesses</i>			
— Clients	(a)	<b>23,456</b>	18,289
		<b>333,869</b>	511,989
Less: ECL provisions		<b>(24,526)</b>	(17,669)
Accounts receivable, net	(b)	<b>309,343</b>	494,320

Notes:

- (a) Amounts due from brokers, clearing houses and cash clients for the dealings in securities are required to be settled on the settlement dates of their respective transactions (normally two or three business days after the respective trade dates). Amounts due from brokers and clearing houses for the dealings in futures and options contracts are repayable on demand (except for the required margin deposits for the trading of futures and options contracts). There are no credit periods granted to clients for its asset management, corporate finance and other businesses. The amounts due from cash clients after the settlement dates bear interest at commercial rates (normally at Hong Kong Dollar Prime Rate plus a higher spread than that of margin client).

## 15. ACCOUNTS RECEIVABLE (CONTINUED)

Notes: (Continued)

(b) Ageing analysis of accounts receivable based on due date and net of ECL provisions is as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Within 30 days	285,670	472,466
31-90 days	2,093	1,327
Over 90 days	21,580	20,527
Accounts receivable, net	309,343	494,320

## 16. OTHER ASSETS

Other assets mainly comprise long-term deposits for property and equipment, rental deposits and deposits with the Stock Exchange and clearing houses.

## 17. PROPERTY AND EQUIPMENT

### Property and equipment

	Land and Buildings	Right-of-use assets	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicle	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
<b>Six months ended 30 June 2023</b>						
Opening net carrying amount	9,067	48,792	2,424	8,122	131	68,536
Additions	—	32,893	—	1,144	—	34,037
Disposal	—	—	—	(1,427)	—	(1,427)
Depreciation	(133)	(17,544)	(202)	(611)	(60)	(18,550)
Translation differences	—	(77)	(13)	(21)	—	(111)
Closing net carrying amount	8,934	64,064	2,209	7,207	71	82,485
<b>Six months ended 30 June 2022</b>						
Opening net carrying amount	9,333	43,935	5,701	13,503	252	72,724
Additions	—	—	33	392	—	425
Depreciation	(133)	(16,118)	(1,478)	(2,739)	(60)	(20,528)
Translation differences	—	(100)	(2)	(60)	—	(162)
Closing net carrying amount	9,200	27,717	4,254	11,096	192	52,459

## 18. BANK AND OTHER BORROWINGS

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Bank loans			
— Secured	(a), (b)	477,601	543,075
Other borrowings			
— Secured	(c)	94,725	238,309
— Unsecured	(d)	149,821	124,161
		<b>722,147</b>	<b>905,545</b>

### Notes:

- (a) Bank loans of HK\$153,671,000 (31 December 2022: HK\$205,927,000) were guaranteed by the Company and secured by securities collateral pledged to the Group by margin clients with market value of HK\$482,051,000 (31 December 2022: HK\$529,139,000), and bear interest at floating rates ranging from 6.11% to 6.85% (31 December 2022: 5.44% to 6.04%) per annum. Specific standing authority have been obtained by the Group from the margin clients for such use over the clients' securities.
- (b) Bank loans of HK\$323,930,000 (31 December 2022: HK\$337,148,000) were secured by unlisted equity securities, private equity fund and bank deposits with total carrying amounts of HK\$316,190,000 as at 30 June 2023 (31 December 2022: HK\$318,728,000). These bank loans were also guaranteed by former ultimate beneficial owner and a wholly-owned subsidiary of the Company and bear interest at a floating rate of HIBOR+3% (31 December 2022: HIBOR +3%) per annum.
- (c) Several notes of HK\$94,725,000 (31 December 2022: HK\$232,297,000) were secured by listed equity securities at carrying amounts of HK\$94,725,000 (31 December 2022: HK\$113,608,000) and bear interest at fixed rate of 5.00% (31 December 2022: 5.00%) per annum. As at 31 December 2022, the other borrowings of HK\$6,012,000 were secured by an apartment at net carrying amounts of HK\$9,067,000 and bear interest at a floating rate of 11.03% per annum.
- (d) Several notes of HK\$149,821,000 (31 December 2022: HK\$124,161,000) bear interest at fixed rates ranging from 7.8% to 9.5% (31 December 2022: 7.8% to 9.5%) per annum.

## 19. ACCOUNTS PAYABLE

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
<i>Accounts payable from dealings in securities, futures and options contracts</i>			
— Brokers and clearing houses	(a)	3,593	4,485
— Cash and margin clients	(a)	1,189,246	1,526,761
<i>Accounts payable from other businesses</i>			
— Clients		9,706	2,888
	(b)	<b>1,202,545</b>	1,534,134

Notes:

- (a) Accounts payable to brokers, clearing houses and cash clients are repayable on demand up to the settlement dates of their respective transactions (normally two or three business days after the respective trade dates) except for the required margin deposits received from clients for their trading of futures and options contracts. Accounts payable to margin clients are repayable on demand.
- (b) No ageing analysis in respect of accounts payable is disclosed as, in the opinion of the Board, the ageing analysis does not give additional value in view of the business nature.

## 20. SHARE CAPITAL

	<b>Number of ordinary shares of HK one third of one cent each (Unaudited)</b>	<b>HK\$'000 (Unaudited)</b>
<i>Authorised</i>		
<b>At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023</b>	<b>30,000,000,000</b>	<b>100,000</b>
<i>Issued and fully paid</i>		
<b>At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023</b>	<b>6,197,049,220</b>	<b>20,657</b>

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

## 21. COMMITMENTS

### Capital commitments

At the reporting date, the Group had the following capital commitments which were contracted, but not provided for:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Capital contributions payable to private equity funds	2,280	2,612
Property and equipment	2,453	12,174
	<b>4,733</b>	<b>14,786</b>

### Loan commitment

At the reporting date, the Group had the following contractual amounts of loan commitment:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Credit loan commitment	—	12,000

## 22. RELATED PARTY TRANSACTIONS

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Part I. Continuing connected transactions with China Oceanwide Group, Oceanwide Holdings Group and Tohigh Group (notes (a), (c), (d))</b>		
Income from service transactions provided to:		
China Oceanwide Group		
— Interest income from financial assistance	—	1,362
Oceanwide Holdings Group		
— Asset management fee income	—	273
— Interest income from financial assistance	—	69,205
Tohigh Group		
— Advisory fee income	—	3
— Asset management fee income	—	2,349
— Handling fee income	—	60
— Income from derivative financial instruments	—	1,794
— Interest income from financial assistance	—	24,403
— Interest income from margin financing	—	1,095
	—	100,544
Expenses for service transactions provided by:		
Oceanwide Holdings Group		
— Advisory fee expenses	—	4
— Interest expense from financial assistance	—	2,784
— Rebate of asset management fee income	—	83
Tohigh Group		
— Advisory fee expenses	—	1,175
	—	4,046

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Part II. Continuing connected transactions from brokerage and interest income business (notes (b), (c))</b>		
Directors of the Company		
— Commission income from securities and futures dealings	21	11
— Interest income from margin financing	294	828
Directors of subsidiaries and their close family members and company owned by a director of subsidiary		
— Commission income from securities and futures dealings	5	5
— Interest income from margin financing	48	29
	<b>368</b>	<b>873</b>

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Part III. Other related party transactions</b>		
Former related company — Company in which Mr. LU Zhiqiang, the former ultimate beneficial owner of the Company, is also a director of its parent company (note (d))		
— Interest income from bank deposits	21	42
Former fellow subsidiaries (note (d))		
— Advertising income	10	—
— Advisory fee income	1	—
— Asset management fee income	306	—
— Interest income from financial assistance	109,147	—
— Interest income from margin financing	112	—
Director of the Company		
— Asset management fee income	19	23
	<b>109,616</b>	<b>65</b>
Former related companies — Companies in which Mr. LU Zhiqiang, the former ultimate beneficial owner of the Company, is also a director of its parent company (note (d))		
— Custodian fee	54	139
— Interest expense from bank and other borrowings	2,278	7,567
Former intermediate holding company (note (d))		
— Rental expenses	40	266
Former fellow subsidiaries (note (d))		
— Advisory fee expenses	147	—
— Insurance expense	113	681
— Interest expense from financial assistance	510	—
— Rental expenses	28	193
Director of the Company		
— Interest expense from bank and other borrowings	—	61
Key management personnel		
— Interest expense from bank and other borrowings	183	113
Associate		
— Articles fee	2	6
— Consultancy fee	300	450
— Rental expenses	135	—
	<b>3,790</b>	<b>9,476</b>

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

Notes:

- (a) For the six months ended 30 June 2022, the income and expense arising from connected transactions with China Oceanwide Group\*, Oceanwide Holdings Group\* and Tohigh Group\* were charged based on the respective framework services agreement. Details of the annual caps of these income and expense and the maximum daily outstanding balances were set out in the Company's circulars dated 24 September 2019 and 28 January 2021. These transactions have been approved in the special general meeting held on 11 October 2019 and 26 February 2021.
- \* China Oceanwide Group includes China Oceanwide Holdings Limited and its subsidiaries. Oceanwide Holdings Group includes Oceanwide Holdings Co., Ltd and its subsidiaries, which excludes China Oceanwide Group and the Group. Tohigh Group includes Tohigh Holdings Co., Ltd and its subsidiaries, which excludes China Oceanwide Group, Oceanwide Holdings Group and the Group. The definitions of China Oceanwide Group, Oceanwide Holdings Group and Tohigh Group were set out in the Company's circulars dated 24 September 2019 and 28 January 2021.
- (b) The income from connected transactions with directors of the Company and the subsidiaries and their close family members was based on the pricing stated in the letters stipulating the applicable service fees and interest rate for dealing services. Details of the annual caps of the connected dealings services and connected margin loans were set out in the Company's circulars dated 20 February 2019. These transactions have been approved in the special general meeting held on 8 March 2019.
- (c) The transactions are also related party transactions under HKAS 24 (Revised) — Related Party Disclosures.
- (d) Upon the completion of sale and purchase of certain Company's shares took place on 3 February 2023, these parties have become former related parties.

### Compensation of key management personnel

Included in staff costs are key management personnel compensation and comprises the following categories:

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
Short-term employee benefits	10,912	17,841
Post-employment benefits	33	27
	<b>10,945</b>	<b>17,868</b>



## 23. FAIR VALUE MEASUREMENT

For financial reporting purpose, fair value measurements are categorised into three levels based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses its own internal expertise or engages third party qualified valuers to perform the valuation. Valuation is prepared at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the results with the chief financial officer and the audit committee is held twice a year, to coincide with the reporting dates.

## 23. FAIR VALUE MEASUREMENT (CONTINUED)

### (a) Fair value of financial instruments measured at fair value

The following table presents financial instruments measured at fair value on a recurring basis in the condensed consolidated statement of financial position according to the fair value hierarchy:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 30 June 2023 (Unaudited)</b>				
Financial assets held for trading				
— Listed equity securities (note (i))	235,394	3	—	235,397
— Unlisted equity securities (note (ii))	—	—	277,500	277,500
— Private equity funds (note (iii))	—	—	68,119	68,119
Loans to margin clients (note (iv))	—	626,774	—	626,774
Financial assets not held for trading				
— Unlisted equity securities (note (v))	—	—	4,210	4,210
	<b>235,394</b>	<b>626,777</b>	<b>349,829</b>	<b>1,212,000</b>
Financial liabilities measured at fair value through profit or loss				
— Accruals and other payables (note (vi), (vii))	—	19,857	85,000	104,857
<b>At 31 December 2022 (Audited)</b>				
Financial assets held for trading				
— Listed equity securities (note (i))	277,169	6	—	277,175
— Unlisted equity securities (note (ii))	—	—	277,500	277,500
— Private equity funds (note (iii))	—	—	70,346	70,346
Loans to margin clients (note (iv))	—	670,496	—	670,496
Financial assets not held for trading				
— Unlisted equity securities (note (v))	—	—	4,210	4,210
	<b>277,169</b>	<b>670,502</b>	<b>352,056</b>	<b>1,299,727</b>
Financial liabilities measured at fair value through profit or loss				
— Accruals and other payables (note (vi), (vii))	—	22,495	85,000	107,495

## 23. FAIR VALUE MEASUREMENT (CONTINUED)

### (a) Fair value of financial instruments measured at fair value (Continued)

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the six months ended 30 June 2023. There was transfer from Level 2 to Level 1 because of the conversion of a private equity fund to certain listed equity securities during 2022, whereas there were no transfer into or out of Level 3 during the six months ended 30 June 2022. The Group's policy is to recognise transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

Notes:

- (i) The fair value of the listed equity securities has been determined by reference to their quoted bid prices at the reporting date and has been translated using the spot foreign currency rates at the end of the reporting period where appropriate.
- (ii) The fair value of unlisted equity securities in Level 3 of HK\$277,500,000 (31 December 2022: HK\$277,500,000) has been determined by option pricing model under equity allocation approach. The option pricing model under equity allocation approach is based on main inputs, such as 100% equity value of target company through a backsolve analysis, exercise values, expected volatility of 48.9% (31 December 2022: 48.9%), risk free rate of 4.1% (31 December 2022: 4.1%) and expected time to expiration.
- (iii) The fair value of the private equity funds in Level 3 of HK\$38,667,000 (31 December 2022: HK\$41,219,000) and HK\$27,820,000 (31 December 2022: HK\$27,820,000) have been determined with reference to the unadjusted net asset value of the funds and recent transaction with liquidity discount of 5% respectively. The fair value of the remaining private equity funds of HK\$1,632,000 (31 December 2022: 1,307,000) has been determined with reference to the recent transaction.
- (iv) The fair value of the margin loans has been determined with reference to the market value of securities pledged by margin clients at the reporting date.
- (v) The fair values of the unlisted equity securities of HK\$4,210,000 (31 December 2022: HK\$4,210,000) have been determined by using the adjusted net asset value with 10% discount.
- (vi) The financial liabilities of HK\$19,857,000 (31 December 2022: HK\$22,495,000) represent net asset value attributable to third party interest of the funds. The fair value has been determined by reference to the net asset value of the funds. The underlying investments held by the funds are all listed with unadjusted quoted prices in active markets, with immaterial assets and liabilities with unobservable prices.

## 23. FAIR VALUE MEASUREMENT (CONTINUED)

### (a) Fair value of financial instruments measured at fair value (Continued)

Notes: (Continued)

- (vii) As at 30 June 2023 and 31 December 2022, the Group has agreed to provide corporate guarantee for any shortfall from the guaranteed amounts. According to the fair value assessment with the use of significant unobservable inputs, the Group has assessed the fair value of approximately HK\$85,000,000.
- (viii) The movement of the financial instruments measured at fair value based on significant unobservable inputs (i.e. Level 3) is as follows:

	Six months ended 30 June 2023 HK\$'000 (Unaudited)	Six months ended 30 June 2022 HK\$'000 (Unaudited)
<b>Financial assets held for trading</b>		
At the beginning of the period	347,846	559,958
Purchases	325	665
Disposal	(6,254)	—
Net gain recognised in profit or loss	3,702	1,913
At the end of the period	345,619	562,536
<b>Financial assets not held for trading</b>		
At the beginning of the period and the end of the period	4,210	4,210
<b>Derivative financial instruments</b>		
At the beginning of the period and the end of the period	85,000	—



## 23. FAIR VALUE MEASUREMENT (CONTINUED)

### (b) Fair value of financial instruments measured at amortised cost

The carrying amounts of the Group's financial assets and financial liabilities measured at amortised cost were not materially different from their fair values as at 30 June 2023 and 31 December 2022.

## 24. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (a) Our Company's name has changed from "China Tonghai International Financial Limited" to "Quam Plus International Financial Limited". The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company of the Company was issued by the Registrar of Companies in Hong Kong on 14 July 2023. The stock short name of the Company for trading in the shares on the Stock Exchange has been changed from "TONGHAI FIN" to "QUAM PLUS FIN" in English and from "中國通海金融" to "華富建業金融" in Chinese with effect from 26 July 2023. Details of the change of company name were set out in the Company's announcements dated 6 July 2023 and 21 July 2023.
- (b) The settlement arrangement in relation to the loans to China Oceanwide International Investment Company Limited has been completed on 22 August 2023. Details of the transaction was set out in the Company's circular dated 28 June 2023 and the Company's announcement dated 23 August 2023.
- (c) On 21 July 2023, the Company has granted an aggregate of 152,500,000 share options at HK\$0.2 per share to 20 persons being directors of the Company, directors of certain subsidiaries of the Company and the employees of the Group. Details of the grant of share options was set out in the Company's announcement dated 21 July 2023.

# Management Discussion and Analysis

## MACRO ENVIRONMENT

In the first half of 2023, central banks in advanced countries continued to raise policy interest rates to battle persistent inflation despite indications of a global economic slowdown. Though the United States also raised rates three times, each at 0.25%, its economy performed better than expected and expanded in the first half of 2023. Despite the overall fragile economic environment, tech stocks marched higher amid excitement over artificial intelligence. Overall, large cap equities and mega cap tech names have jumped higher.

China's GDP experienced a healthy growth rate of 5.5 percent year-on-year in the first half of 2023, one percentage point higher than the first quarter of 2023. The second quarter of 2023 saw a significant recovery in areas, such as services and consumption, while the growth of industrial and manufacturing output accelerated in June 2023 from the previous month.

## HONG KONG STOCK MARKET

The Hong Kong stock market rose in the first month of 2023 and then gradually down until the end of June of 2023. In the first half of 2023, the Hang Seng Index and the Hang Seng China Enterprises Index were down 4.4% and 4.2% respectively. The average daily turnover in Hong Kong securities market amounted to HK\$115.5 billion in the period, representing a decrease of 16.5% period-on-period. Hong Kong's IPO market remained subdued with a total of 33 (interim 2022: 27) new issuers. Total funds raised by these IPOs stood at HK\$17.8 billion, representing a decrease of 10% period-on-period. The market capitalisation of the securities market decreased by 13% period-on-period to HK\$33.9 trillion at the end of June 2023.



## RESULTS AND OVERVIEW

For the six months ended 30 June 2023, the Group recorded profit before tax of HK\$115 million (interim 2022: loss before tax of HK\$260 million). The profit before tax of the first half of 2023 recorded a major rebound mainly due to the improvement in the overall operating performance of our licensed business, the significant turnaround into fair value gain on certain financial assets and the reduction of net expected credit losses on loans portfolio.

The Group's revenue increased to HK\$338 million in the first half of 2023, representing an increase of HK\$311 million period-on-period. If we exclude our fair value change on investment in financial assets of HK\$47 million gain (interim 2022: loss of HK\$252 million) which are recorded as part of our revenue, our adjusted recurring revenue would be HK\$291 million (interim 2022: HK\$279 million), representing an increase of 4% period-on-period. The investment gain of HK\$47 million in interim 2023 comprised of gain in investments in financial assets of HK\$111 million (interim 2022: HK\$83 million loss) due to the fair value gain on certain financial investment assets; offset by loss on margin loans of HK\$64 million (interim 2022: HK\$169 million) due to price drop of our margin clients collateral (where the collateral market value falls below the outstanding margin loan, counted on client-by-client basis).

## BUSINESS REVIEW

In the first half of 2023, we have observed the progress of market confidence in us and maintained financial stability. In the first few months of 2023, we were still in uncertain period of the COVID recovery and the use of liquidity. Following the completion of the general offer in early May 2023, the quality of earning has been further enhanced both by creating new source of income and reducing unnecessary cost. In the first half of 2023, we have added experienced talents in our corporate finance and securities business as well as our asset management business. New talents have helped the Group to develop our business and expand our products. We have increased a lot of pipelines with better prospects, thanks to the distribution capabilities through the establishment of our External Asset Management (EAM) model.

## FINANCIAL REVIEW

As the financial performance from investments and others business and interest income other than those from brokerage business are subject to high volatility, we have presented the following analysis of revenue of our licensed businesses to better understand our core operating businesses:

Revenue	Interim 2023		Interim 2022		Change
	HK\$ million	Proportion	HK\$ million	Proportion	
Corporate finance business	9	7%	5	4%	80%
Asset management business	5	4%	5	4%	0%
Brokerage business	41	33%	48	38%	(15)%
Interest income from brokerage business	70	56%	69	54%	1%
Total adjusted operating revenue	125	100%	127	100%	(2)%

Interest income from brokerage business, which is our largest recurrent revenue stream, increased by 1% period-on-period. Revenue from corporate finance business increased by 80% period-on-period.

### Corporate Finance Business

The Group's corporate finance business comprises sponsorship for listing, financial advisory, financing consultation service and equity capital market. Revenue from corporate finance business has increased by 80% from HK\$5 million in interim 2022 to HK\$9 million in interim 2023 mainly due to the increase in financial advisory fee income across the two interim periods.



## Asset Management Business

Revenue from asset management business recorded no change at HK\$5 million in two interim periods.

## Brokerage Business

Revenue from brokerage business has decreased by 15% from HK\$48 million in interim 2022 to HK\$41 million in interim 2023, mainly due to the decrease in the commission income from dealing in Hong Kong securities and Hong Kong futures products. The average daily market turnover of the secondary market at the Hong Kong Stock Exchange has dropped by 16.5% across two interim periods.

## Interest Income from Brokerage Business

The interest income from brokerage business has increased by 1% from HK\$69 million in interim 2022 to HK\$70 million in interim 2023 mainly due to the increase in interest income from bank deposits held on behalf of clients from HK\$1 million in interim 2022 to HK\$11 million in interim 2023; offset by the decrease in margin loan interest income from HK\$65 million in interim 2022 to HK\$55 million in interim 2023. The decrease in margin loan interest income mainly due to the drop in average outstanding margin loan to clients.

## Expenses

Direct cost has dropped by 9% from HK\$54 million in interim 2022 to HK\$49 million in interim 2023. The decrease was mainly due to the decrease in commission expense of our brokerage business as a result of reduction in gross commission. Staff cost has decreased by 9% from HK\$90 million in interim 2022 to HK\$82 million in interim 2023 as a result of streamlining of resources.

Expected Credit Loss ("ECL"), being net charges mainly made on amortised credit loans and bonds, decreased by about 79% from HK\$81 million in interim 2022 to HK\$17 million in interim 2023 due to most bad and doubtful debt has been sufficiently provided in 2022.

Finance cost has increased by approximately 8% from HK\$25 million in interim 2022 to HK\$27 million in interim 2023 as a result of increase in finance costs which followed the USD interest rate hike.

## IMPAIRMENT LOSS

In interim 2023, the Company recognised net charges of ECL provisions of HK\$17 million (interim 2022: HK\$81 million) and were mainly arisen from reversal of ECL charges of HK\$130 million (interim 2022: ECL charges of HK\$67 million) to loans to former connected parties; and ECL charges of HK\$152 million (interim 2022: HK\$11 million) to loans to third parties.

### (a) Details of loans to former connected parties with material ECL charges in interim 2023

The borrowers below are the subsidiaries of Tohigh Holdings Co., Ltd\* (通海控股有限公司), Oceanwide Holdings Co Ltd.\* (泛海控股股份有限公司) and China Oceanwide Holdings Limited which are former connected parties of the Company.

“\*” denotes an English translation of a Chinese name and is for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

Identities of borrowers	Principal amount		Carrying amount as at 30 June 2023	(Reversal of impairment)/ impairment loss for the interim 2023	Interest/coupon rate	Loans granted date/date of subscription	Tenure	Ultimate beneficial owners	Latest status of repayment as at 30 June 2023	
	US\$ million	HK\$ million								HK\$ million
<b>Credit loans</b>										
a1	China Oceanwide International Investment Company Limited and Minyun Limited	-	1,166	753	(284)	7.88%-12%	5 Dec 2019-1 Jan 2022	Within 2 years	Mr. LU Zhiqiang	Overdue but settlement arrangement has been entered with Tohigh Group
a2	Oceanwide Holdings International Development III Co., Ltd	-	691	99	56	11%-12%	1 Jan 2021-6 Aug 2021	Within 1 year	Mr. LU Zhiqiang	Overdue
a3	China Oceanwide Holdings Limited	-	480	52	31	12%	22 Dec 2020-1 Apr 2021	Within 1 year	Mr. LU Zhiqiang	Overdue
<b>Unlisted debt securities</b>										
a4	Oceanwide Holdings International Development III Co., Ltd.	103	803	121	67	11.80%	2 Jun 2021-26 Apr 2022	Within 1 year	Mr. LU Zhiqiang	Overdue
		3,140		1,025	(130)					

No additional loan was granted to the above former connected parties and no repayment made during interim 2023. Net reversal of ECL charges of HK\$284 million to China Oceanwide International Investment Company Limited and Minyun Limited during interim 2023 comprised of reversal of ECL charges of HK\$290 million to credit loans to China Oceanwide International Investment Company Limited due to settlement arrangement has been entered with subsidiaries of Tohigh Holdings Co., Ltd (“Tohigh Group”); offset by ECL charges of HK\$6 million to credit loans to Minyun Limited. Details of the settlement arrangement were set out in the Company’s circulars dated 28 June 2023. This arrangement has been approved in the special general meeting held on 20 July 2023.

## (b) Details of the loans to independent third parties with material ECL charges in interim 2023

Identities of borrowers	Principal amount HK\$ million	Carrying amount as at 30 June 2023 HK\$ million	Impairment loss for the interim 2023 HK\$ million	Interest rate	Loans granted date	Tenure	Details of personal guarantee	Their ultimate beneficial owners	Latest status of repayment as at 30 June 2023
b1 Corporate Client 1	164	—	46	9.75%	28 Jun 2020	Within 1 year	by Mr. SHI Yuzhu *	Note 1	Overdue

Note 1 Corporate Client 1 was indirectly wholly-owned by an irrevocable discretionary trust which Mr. SHI Yuzhu and his family members are the beneficiaries and no individual beneficiary holds more than 10% vested interest in the trust and the trustee was Wickhams Cay Trust Company Limited.

\* The details of personal guarantee and ultimate beneficial owners of Corporate Client 1 were set out in the page 17 of the Company’s respective circular dated 25 January 2021.



**(c) Reasons for the impairment**

The Group adopted the requirements in respect of ECL assessment set forth in HKFRS 9 issued by the HKICPA in determining the impairment loss allowance for its loans.

The Group has taken into account the following factors on the impairment assessment for the outstanding credit loans and unlisted debt securities due from the former connected parties and independent third parties in accordance with the HKFRS 9:

- (i) the probability of default and the likelihood that the borrowers may fail to pay back the loans. The Group will perform due diligence on the financial statements and consider the macro-environment and the latest announcements of the borrowers. The repayment history of the borrowers will also be taken into account;
- (ii) the loss given default and the expected cash shortfall between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. The Group will consider the value of the collaterals pledged for the loans, if any; and
- (iii) forward-looking market data such as gross domestic product will also has impact to the recoverability of the loans.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### (d) Key assumptions and basis in determining the amount of the impairment

For the purpose of impairment assessment, credit loans and unlisted debt securities of the Company are classified as stage 1, 2 and 3. According to the prevailing accounting standard, Stage 1 are loans with no significant increase in credit risk of the financial instrument since their initial recognition. Stage 2 are loans with increase in credit risk of the financial instrument since their initial recognition. Stage 3 loans has significant increase in credit risk of the financial instrument since initial recognition and considered as credit-impaired. Impairment was assessed for each of the loans and the ECL model for internal impairment assessment has taken into account the following: 1) expected life and contractual terms of a financial instrument; 2) market probability of default; 3) market loss given default or discounted recovery rate; and 4) forward-looking market data.

Details of accumulative provision rate for the above are summarized below:

	Identities of borrowers	Type	Gross amount	Accumulated provision as at 30 June 2023	Carrying amount as at 30 June 2023	Accumulative ECL%	Stage
			HK\$ million	HK\$ million	HK\$ million		
a1	China Oceanwide International Investment Company Limited and Minyun Limited	Credit loan	1,441	(688)	753	48%	3
a2	Oceanwide Holdings International Development III Co., Ltd	Credit loan	774	(675)	99	87%	3
a3	China Oceanwide Holdings Limited	Credit loan	539	(487)	52	90%	3
a4	Oceanwide Holdings International Development III Co., Ltd.	Unlisted debt securities	943	(822)	121	87%	3
b1	Corporate Client 1	Credit loan	174	(174)	-	100%	3
			3,871	(2,846)	1,025		

All the above credit loans and unlisted debt securities are classified as stage 3 in ECL model. All loans were overdue and all the due interests were not timely and fully settled in interim 2023. The loans were considered as default.

## MONEY LENDING

### (i) Company's money lending business and credit risk assessment policy

The Company's money lending business offers both secured and unsecured loans to borrowers comprising individuals and corporations. The money lending business generates revenue and profit by way of providing loans to earn interest income.

The Company has adopted a credit risk policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals, assessment of the use of proceeds and the source of repayment.

The scope of money lending services provided by the money lending business generally includes personal loans, business loans and mezzanine loans. The Company try to diversify the loan portfolio by providing to different borrowers to lower the concentration risk. We do not have a pre-defined risk appetite and set of criteria for loan acceptance. The credit risk assessment was made in case-by-case basis by reviewing the financials of borrowers, considering the borrower's repayment history and evaluating whether the borrowers are in bankruptcy, receivership or liquidation. Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan vary. The determination of the loan terms reflects the risk level of the provision of loan and ensure the risk is at a controllable level.

Provision of loans is one of the principal businesses of the Group. Management's discussion on the movements in material loans for renewal of existing loan or newly granting of the loans have been disclosed in the announcement or circular. For loans to former connected parties, they have to fall within the Framework Agreements and the relevant annual caps of the continuing connected transactions were approved by the then independent Shareholders at the special general meetings of the Company held on 20 November 2017, 11 October 2019 and 26 February 2021. For loans to independent third parties, the summary of relevant Company's announcement and circular made during the six months ended 30 June 2023 were set out below:

<b>Identities of borrower</b>	<b>Loan amounts disclosed in announcement or circular</b>	<b>Respective announcement or circular</b>
	HK\$ million	

Filled Converge Limited

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announcement dated  
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(ii) **Major terms of credit loans granted (including details of the collaterals), size and diversity of clients and concentration of loans on major clients**

To diversify the clients and lower the concentration of loans portfolio, our borrowers included individuals, listed companies and companies from different industries such as securities investment, real estate and consultation service. As at 30 June 2023, the Group has 22 borrowers, of which 16 unlisted corporate borrowers, 2 listed corporate borrowers and 4 individual borrowers.

As at 30 June 2023, the Group has 45 credit loans with principal amounts ranged from HK\$2 million to HK\$678 million with interest rate ranged from 2.5% to 12%. The credit loans portfolio fell with the following bands:

<b>Loan size of Principal</b>	<b>Number of credit loans fall into the band</b>
Above HK\$500 million–HK\$1,000 million	1
Above HK\$100 million–HK\$500 million	14
Above HK\$50 million–HK\$100 million	6
Above HK\$10 million–HK\$50 million	14
Above HK\$5 million–HK\$10 million	4
HK\$0–HK\$5 million	6
	<hr/>
	45

Out of the 45 credit loans, 1 loan was secured by shares of listed and private companies and assets of private companies with personal guarantee (3% of the total principal amount of the Group's credit loan portfolio), 2 loans were secured by shares and assets of private companies with personal guarantee (5% of the total principal amount of the Group's credit loan portfolio), 3 loans were secured by assets of private companies and unguaranteed (1% of the total principal amount of the Group's credit loan portfolio), 10 unsecured loans with personal guarantee (45% of the total principal amount of the Group's credit loan portfolio) and the remaining 29 loans were unsecured and unguaranteed (46% of the total principal amount of the Group's credit loan portfolio).

As at 30 June 2023, the top five borrowers constituted 71% of the total principal amount of the Group's credit loan portfolio.

### (iii) Reasons for loan impairments (and write-offs)

Management's discussion and the underlying reasons for the movements in loan impairments are that the ECL recognized primarily represented the credit risk involved in collectability of certain loans determined under the Group's loan impairment policy, with reference to factors including the credit history, financial conditions of the borrowers and forward-looking information. In accordance with the Group's loan impairment policy, the Group will apply the prevailing accounting standard to make such impairment. Therefore, the amount of ECL is updated at each reporting date to reflect the changes in credit risk on loan receivables since initial recognition.

At interim 2023, the gross amounts of credit loans have increased by HK\$136 million from HK\$4,476 million as at 31 December 2022 to HK\$4,612 million. The net amounts after ECL provision of credit loans have increased from HK\$1,159 million as at 31 December 2022 to HK\$1,328 million at interim 2023.

## PROSPECTS

As discussed in Business Review, we are in a much healthier position to develop and expand our business. We are quietly optimistic with our prospect given the added talent, expanded products and increasing pipeline. However, the sentiment of the Hong Kong securities market is still low, and the global macro environment is still unstable. We will continue to put our financial stability as top priority and adopt a cautious approach to business.

## CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow as well as through the utilisation of banking facilities and short-term loans and notes from non-bank entities. The Group's cash level as at 30 June 2023 stood at around HK\$160 million (31 December 2022: HK\$195 million).



As at 30 June 2023, the Group's total borrowings was HK\$722 million, showing a drop of 20% from HK\$906 million as at 31 December 2022. Borrowings mainly consisted of two components.

- The first component was utilised bank facilities of around HK\$478 million (31 December 2022: HK\$543 million), of which the Group had available aggregate banking facilities of around HK\$820 million (31 December 2022: HK\$837 million).
- The second component was private notes issued by our listed company and loans from other parties (mainly non-bank financial institutions), which amounted to HK\$244 million (31 December 2022: HK\$363 million).

As at 30 June 2023, the Group's gearing ratio (leverage) was 34% (31 December 2022: 45%), being calculated as total borrowings over net assets. The management has applied prudent risk and credit management on our borrowings. In addition, the Group is required to strictly follow regulatory re-pledging ratios and prudent bank borrowing benchmarks that govern the extent of bank borrowings in the securities margin lending business.

## MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

For the current interim period, the Group had not made any material acquisitions and disposals of subsidiaries and associated companies other than that has been announced. As at the end of the current interim period, the Group did not hold any significant investments.

## CHARGES ON THE GROUP'S ASSETS

As at 30 June 2023, assets of HK\$411 million (31 December 2022: HK\$441 million) were charged to banks and other lenders for facilities.



## EMPLOYEES AND REMUNERATION POLICIES

On 30 June 2023, the Group had 184 full time employees (31 December 2022: 190) in Hong Kong and 23 full time employees (31 December 2022: 23) in Mainland China. In addition, the Group has 79 self-employed sales representatives (31 December 2022: 82). Competitive total remuneration packages are offered to employees by reference to industry remuneration research reports, prevailing market practices and standards and individual merit. Salaries are reviewed annually, and discretionary bonuses are paid with reference to individual performance appraisals, prevailing market conditions and the Group's financial performance. Other benefits offered by the Group include a mandatory provident fund scheme and medical and health insurance.

## RISK MANAGEMENT

The Group's business is closely related to the economy and market fluctuations of Hong Kong and China, and indirectly affected by financial markets across the globe. To cope with unpredictable market fluctuations and minimize risks, the Group takes preventive measures and established a three-tier risk management system. At the front line, there are the relevant business departments who conduct the initial risk assessments. The Risk Management Department and Legal & Compliance Department then reviews and provide comments on identified risks, if any. The Risk Management Department of the Group is responsible for risk identification and analysis, the setting and monitoring of risk limits and parameters, and produce timely risk reports to the senior management. The Legal & Compliance Department also comment and monitor the legal risks involved as required. The Internal Audit Department conduct thorough checks periodically to ensure that any procedural and potential risks can be eradicated, concluding the final stem of our Group's comprehensive risk control.

### Credit Risk

Credit risk is the potential risk in respect of loss arising from incompetence of a borrower, counterparty or issuer of financial instruments to meet its obligation, or potential deterioration of credit ratings. The Group has an established Credit Approval Policy and Procedure for pre-lending approval and a post-lending monitoring system in place for all business applications and proposals with potential credit risks. The credit risks of the Group mainly arise from five business areas: corporate finance business, asset management business, brokerage business, interest income business and propriety investment business. Advance IT systems are also utilized by the Group to conduct daily monitoring on credit and concentration risk limits.



## Market Risk

Market risk refers to potential losses due to market price movement of investment positions held, which includes interest rates risk, equity prices risk and foreign exchange rates risk. Risk Management Department is responsible for setting up market risk limits and investment guidelines for the Group's various business functions and their investment activities. Investments with potential market risks are, where appropriate, assessed and approved by Risk Management Department. Monitoring and assessments of market risks positions are conducted timely, and significant risks are reported to senior management to ensure the market risks of the Group are controlled within an acceptable level. The Group continues to modify the market risk models through periodic back-testing and stress scenarios tests.

## Liquidity Risk

Liquidity risk refers to the risk that the Group might face in obtaining sufficient capital and funds in a timely manner to meet its payment obligations and capital requirements for normal business activities. Treasury Department is responsible for the sourcing, management and allocation of funds for the Group. Finance Department has a monitoring system to ensure compliance to relevant rules, including Financial Resources Rules ("FRR") and financial covenants of lending banks. In addition, the Group has maintained good relationships with banks to secure stable channels for short-term financing such as borrowings and repurchases. The Group may also raise short-term working capital through public and private offerings of corporate bonds. The Group has also established a liquidity system to ensure it has sufficient liquid assets to meet any emergency liquidity needs.

## Operational Risk

Operational risk is the risk of financial loss arises mainly from negligence or omission of internal procedural management, information system failures or personnel misconduct of staffs. The Group actively schedules briefing sessions to improve risk awareness amongst employees, and instructs all departments to establish internal procedural and control guidelines. There is an Operational Risk Events Reporting procedure to ensure that all risk events are timely reported to the Risk Management, Legal & Compliance and IT Department for immediate implementation of remedial action. The Group has a Business Continuity Policy and has a special committee to deal with whatever emergency situations may arise which could pose operational risks to us.

## Regulatory Compliance Risk

As a financial group operating regulated businesses, we endeavor to meet the stringent and evolving regulatory requirements, including but not limited to those related to investor interest protection and market integrity and stability maintenance. Our Legal & Compliance team works continuously to monitor, review, and reduce the regulatory risks of the Group.

### DIVIDENDS

The Board has declared a special dividend of HK1.1 cents per Share. The special dividend will be paid on Friday, 6 October 2023 to Shareholders whose names appear on the register of members of the Company on Tuesday, 19 September 2023.

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2023 (2022: Nil).

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the period from Monday, 18 September 2023 to Tuesday, 19 September 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the special dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the office of the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 15 September 2023.

### CHANGE OF COMPANY NAME

Subsequent to the approval of the change of Company name by the Shareholders by way of poll at the special general meeting held on 30 June 2023, the Certificate of Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 3 July 2023, certifying the change of the English name of the Company from “China Tonghai International Financial Limited” to “Quam Plus International Financial Limited” and the adoption of the Chinese name “華富建業國際金融有限公司” as the secondary name of the Company in place of the Chinese name “中國通海國際金融有限公司”, with effect from 30 June 2023.

The website of the Company changed from “<https://www.tonghaifinancial.com>” to “<https://www.quamplus.com>” with effect from 7 July 2023.

The Registrar of Companies in Hong Kong issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company on 14 July 2023, confirming the registration of the Company's new English and Chinese names of "Quam Plus International Financial Limited" and "華富建業國際金融有限公司" respectively in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The stock short name for trading in the Shares on the Stock Exchange changed from "TONGHAI FIN" to "QUAM PLUS FIN" in English and from "中國通海金融" to "華富建業金融" in Chinese with effect from 9:00 a.m. on 26 July 2023. The stock code of the Company remained unchanged as "952".

Details of the change of name of the Company were set out in the circular of the Company dated 7 June 2023 and the announcements of the Company dated 19 May 2023, 6 July 2023 and 21 July 2023, respectively.

## DIRECTORS' INTERESTS

As at 30 June 2023, the interests and short positions of the Directors in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### I) Long Position in the Shares

Name of Directors	Capacity	Number of Shares held	Approximate percentage of shareholding in the Shares in issue (Note 1)
Mr. HAN Xiaosheng ("Mr. HAN")	Interest of controlled corporation	4,216,809,571 (Note 2)	68.05%
Mr. Kenneth LAM Kin Hing ("Mr. LAM")	Beneficial owner	113,072,833	1.82%
	Interest of controlled corporation	4,216,809,571 (Note 2)	68.05%

## II) Long positions in the shares of associated corporation of the Company

### (a) Quam Tonghai Holdings

Name of Director	Capacity	Number of shares in Quam Tonghai Holdings	Approximate percentage of shareholding in Quam Tonghai Holdings (Note 3)
Mr. HAN	Beneficial owner	490	49%
Mr. LAM	Beneficial owner	510	51%

## III) Interest in the debentures of the Company

Name of Director	Nature of interest	Amount of debenture
Mr. FANG Zhou	Personal interest	HK\$2,000,000

Notes:

1. The approximate percentage shown was the number of Shares the relevant Director was interested in expressed as a percentage of total number of issued Shares as at 30 June 2023.
2. Quam Tonghai Holdings is the beneficial owner of 4,216,809,571 Shares and it is owned as to 51% by Mr. LAM and 49% by Mr. HAN, whose respective shares in Quam Tonghai Holdings are charged pursuant to a share charge dated 3 May 2022 (as supplemented by a supplemental deed dated 3 February 2023) in favour of Nautical League Limited (a company beneficially solely owned by Ms. LU Xiaoyun, the daughter of Mr. LU Zhiqiang). By virtue of the SFO, Mr. LAM and Mr. HAN are deemed to be interested in 4,216,809,571 Shares.
3. The approximate percentage shown was the number of Shares the relevant director of the Company was interested in expressed as a percentage of total number of issued shares of the relevant entity as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, none of the Directors or their respective associates had or were deemed under the SFO to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSON'S INTERESTS

As at 30 June 2023, so far as were known to the Directors, the following persons (other than the Directors) who had interests or short positions in the Shares, underlying Shares and debentures of the Company as recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the shares in issue of the Company, were as follows:

### Long Position in the Shares

Name of holder of Shares/ underlying Shares	Capacity	Number of Shares and underlying Shares held	Approximate percentage of total interests in the Shares in issue (Note 10)
Quam Tonghai Holdings	Beneficial owner	4,216,809,571 (Note 1)	68.05%
Mr. LU Zhiqiang ("Mr. LU")	Interest of controlled corporations	395,254,732 (Note 2)	6.38%
Tohigh Holdings Co., Ltd.* (通海控股有限公司)	Interest of controlled corporations	395,254,732 (Note 3)	6.38%
Oceanwide Group Co., Ltd.* (泛海集團有限公司)	Interest of controlled corporations	395,254,732 (Note 4)	6.38%
China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Interest of controlled corporations	395,254,732 (Note 5)	6.38%
Oceanwide Holdings	Interest of controlled corporations	395,254,732 (Note 6)	6.38%
China Oceanwide Group Limited	Interest of controlled corporations	395,254,732 (Note 6)	6.38%
Oceanwide Holdings IF	Beneficial owner	395,254,732 (Note 6)	6.38%
Haitong Securities Co., Ltd.	Interest of controlled corporations	4,100,000,000 (Note 7)	66.16%
Haitong International Holdings Limited	Interest of controlled corporations	4,100,000,000 (Note 8)	66.16%
Haitong International Securities Group Limited	Interest of controlled corporations	4,100,000,000 (Note 9)	66.16%
Haitong International Investment Solutions Limited (now known as "Spring Progress Investment Solutions Limited")	Security interest in shares	4,100,000,000	66.16%

Notes:

1. Quam Tonghai Holdings is the beneficial owner of 4,216,809,571 Shares and it is owned as to 51% by Mr. LAM and 49% by Mr. HAN.
2. Mr. LU held more than one third of the voting power at general meetings of Tohigh Holdings Co., Ltd.\* (通海控股有限公司). By virtue of the SFO, Mr. LU is deemed to be interested in all the Shares in which Tohigh Holdings Co., Ltd.\* (通海控股有限公司) is interested.
3. Tohigh Holdings Co., Ltd.\* (通海控股有限公司) held the entire issued share capital of Oceanwide Group Co., Ltd.\* (泛海集團有限公司). By virtue of the SFO, Tohigh Holdings Co., Ltd.\* (通海控股有限公司) is deemed to be interested in all the Shares held by Oceanwide Group Co., Ltd.\* (泛海集團有限公司).
4. Oceanwide Group Co., Ltd.\* (泛海集團有限公司) held 98% interest in the issued share capital of China Oceanwide Holdings Group Co., Ltd.\* (中國泛海控股集團有限公司). By virtue of the SFO, Oceanwide Group Co., Ltd.\* (泛海集團有限公司) is deemed to be interested in all the Shares held by China Oceanwide Holdings Group Co., Ltd.\* (中國泛海控股集團有限公司).
5. China Oceanwide Holdings Group Co., Ltd.\* (中國泛海控股集團有限公司) directly and indirectly held 60.06% interest in the issued share capital of Oceanwide Holdings Co., Ltd.\* (泛海控股股份有限公司). By virtue of the SFO, China Oceanwide Holdings Group Co., Ltd.\* (中國泛海控股集團有限公司) is deemed to be interested in all the Shares held by Oceanwide Holdings Co., Ltd.\* (泛海控股股份有限公司).

Saved as disclosed in Note 5 above, 0.16% interest in the issued share capital of Oceanwide Holdings was directly and indirectly owned by Tohigh Holdings Co., Ltd.\* (通海控股有限公司) (through Tohigh Property Investment Management Co., Ltd.\* (通海置業投資管理有限公司), Huaxin Capital Investment Management Co., Ltd.\* (華馨資本投資管理有限公司), Beijing Dongfeng Xinghuo Real Estate Co., Ltd.\* (北京東風星火置業有限公司), Oceanwide Gardening Technique Engineering Co., Ltd.\* (泛海園藝技術工程有限公司), Beijing Oriental Oasis Sports & Leisure Co., Ltd.\* (北京東方綠洲體育休閒有限公司), Tohigh Investment Group Co., Ltd.\* (通海投資集團有限公司) and Tohigh Equity Investment Co., Ltd.\* (通海股權投資股份有限公司)).

6. Oceanwide Holdings IF is a wholly-owned subsidiary of China Oceanwide Group Limited, which in turn is a wholly-owned subsidiary of Oceanwide Holdings. By virtue of the SFO, China Oceanwide Group Limited and Oceanwide Holdings are deemed to be interested in 395,254,732 Shares.
7. Haitong Securities Co., Ltd held 100% interest in the issued share capital of Haitong International Holdings Limited. By virtue of the SFO, Haitong Securities Co., Ltd is deemed to be interested in all the Shares held by Haitong International Holdings Limited.
8. Haitong International Holdings Limited indirectly held 63.08% interest in the issued share capital of Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Holdings Limited is deemed to be interested in all the Shares held by Haitong International Securities Group Limited.
9. Haitong International Investment Solutions Limited (now known as "Spring Progress Investment Solutions Limited") is an indirect subsidiary of Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Securities Group Limited is deemed to be interested in all the Shares held by Haitong International Investment Solutions Limited.
10. The approximate percentage shown was the number of Shares the relevant company/person was interested in expressed as a percentage of total number of issued Shares as at 30 June 2023.



Save as disclosed above, as at 30 June 2023, the Company had not been notified by any other person (other than the Directors) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register maintained by the Company under section 336 of the SFO.

## SHARE AWARD SCHEME

A Restricted Share Award Scheme was adopted by the Company on 19 August 2010. The purpose of the Share Award Scheme is to recognise and motivate the contribution of certain employees and/or consultants and to provide incentives and help the Group in retaining its existing employees or consultants and recruiting additional employees or consultants and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

Pursuant to the rules of Share Award Scheme, the Board may, from time to time, at its absolute discretion select the employees and consultants (excluding any excluded participant) as they deem appropriate for participation in the Share Award Scheme and determines the number of awarded shares ("Awarded Shares") to be granted. Existing shares would be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected participants. The Awarded Shares will be vested only after satisfactory completion of time-based targets or time-and-performance-based targets.

The Share Award Scheme is subject to the administration of the Board in accordance with the rules of Share Award Scheme. The aggregate number of Awarded Shares granted by the Board throughout the duration of the Share Award Scheme should not be in excess of 10% of the issued share capital of the Company as at the date of its adoption. Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years from the date of its adoption. However, the Board has the right to renew for the Share Award Scheme up to three times and each time for another 5-year terms. The Share Award Scheme had been renewed for five years from 19 August 2020 to 18 August 2025 (the "Renewal"). Further details of the Share Award Scheme and the Renewal were set out in the announcements of the Company dated 19 August 2010 and dated 18 August 2020 respectively.

As at 30 June 2023, a total of 51,172,002 Awarded Shares are now held by the trustee under the Restricted Shares Award Scheme Trust which is available for allocation. No Awarded Share has been granted during the six months ended 30 June 2023. The Share Award Scheme should be retained until expiry of trust period or until informed by the Company.

## SHARE OPTION SCHEME

The Company adopted an employee share option scheme on 23 September 2020. A summary of the principal terms of the Share Option Scheme is set out below:

- I) Purpose : The purpose of the Share Option Scheme is to provide incentives or rewards to eligible participants for their contribution or would-be contribution to the Group to obtain an equity interest in the Company and to attract potential candidates to serve the Group for the benefit of the development of the Group.
  
- II) Participants : Eligible participants of the Share Option Scheme include all directors (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), any consultant or adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), shareholders of the Company and any member of the Group, who, in the absolute opinion of the Board, have contributed or will contribute to the Company or the Group.
  
- III) Total number of shares available for issue under the scheme and percentage of issued share capital as at 24 August 2023 : The number of shares available for issue under the Share Option Scheme was 619,704,922 shares representing 10% of the issued share capital as at 24 August 2023.
  
- IV) Maximum entitlement of each participant : The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme to each participant in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of shares in issue unless it is approved by Shareholders in general meeting of the Company, at which such participant and his close associates (or his associates if the participant is a connected person) shall abstain from voting.



Any share options propose to grant to a substantial Shareholder or an independent non-executive Director or to any of their respective associates, in the 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, are subject to approval by Shareholders in general meeting of the Company.

- V) The period within which the shares must be taken up under an option : The period within which the options must be exercised will be specified by the Company at the time of grant. This period shall not more than 10 years from the relevant date of grant of the options.
- VI) The minimum period for which an option must be held before it can be exercised : The Company may specify any minimum period(s) for which an option must be held before it can be exercised at the time of grant of the options. The Share Option Scheme does not contain any such minimum period.
- VII) The amount payable upon acceptance of the option : HK\$10.00 is payable by each eligible participant as consideration for the grant of an option on acceptance of options within 21 days from the date of offer of the options.
- VIII) The basis of determining the subscription price : The subscription price must be at least the higher of:
- (i) the closing price of share as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day;
  - (ii) the average closing prices of the shares as stated in the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of offer; and
  - (iii) the nominal value of a share.
- IX) The remaining life of the scheme : The Share Option Scheme shall be valid and effective until the close of business of the Company on the date which falls 10 years after the adoption date.



As at 30 June 2023, no share option has been granted. Therefore, there was no share option outstanding as at 30 June 2023 and no share option lapsed or was exercised or cancelled during the six months ended 30 June 2023.

Save as disclosed above, at no time during the six months ended 30 June 2023 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of the shares in or debentures of the Company or any other body corporate.

## CHANGE OF CONTROL

The Board was informed by Quam Tonghai Holdings (the “Offeror”) that on 15 September 2022, the Offeror (as purchaser), Oceanwide Holdings IF being the Vendor (as vendor) and the Receivers (as receivers) entered into the deed of share purchase, pursuant to which the Offeror conditionally agreed to purchase and the Vendor (acting by the Receivers as its attorneys without personal liability pursuant to the powers granted under the security deed dated 3 December 2018 entered into between the Vendor (as charger) and Spring Progress Investment Solutions Limited (as noteholder)) conditionally agreed to sell 4,098,510,000 Shares (the “Sale Shares”), representing approximately 66.13% of the entire issued share capital of the Company as at 15 September 2022. The consideration was HK\$819,702,000 in aggregate, equivalent to HK\$0.2 per Sale Share.

The completion of the sale and purchase of the Sale Shares (the “Completion”) took place on 3 February 2023.

The Offeror is required under Rule 26.1 of The Code on Takeovers and Mergers to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it (other than vendor group) (the “Offer”). The composite documents was despatched on 12 April 2023. The Offer made by Haitong International Securities Company Limited and Red Sun Capital Limited for and on behalf of the Offeror was closed at 4:00pm on 3 May 2023.

Immediately after the close of the Offer and as at the date of this interim report, the Offeror held an aggregate of 4,329,882,404 Shares (of which 4,216,809,571 Shares were held by the Offeror and 113,072,833 Shares were held by Mr. LAM), representing approximately 69.87% of the entire issued share capital of the Company.

## DISCLOSURE PURSUANT TO RULE 13.15 OF THE LISTING RULES

As at 30 June 2023, the following advances (loans and notes) were outstanding:

Items	Transactions	Amortised cost or Net		Fair value	
		Principal amounts	Carrying amounts	Principal amounts	Carrying amounts
1	on 31 March 2021, Quam Finance extended a term loan in an amount of HK\$3 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK\$3 million	HK\$1 million (Note 1a)	N/A	N/A
2	on 31 March 2021, Quam Finance extended a term loan in an amount of HK\$5 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK\$5 million	HK\$1 million (Note 1a)	N/A	N/A
3	on 31 March 2021, Quam Finance extended a term loan in an amount of HK\$8 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK\$8 million	HK\$1 million (Note 1a)	N/A	N/A

Items	Transactions	Amortised cost or		Fair value	
		Principal amounts	Net Carrying amounts	Principal amounts	Net Carrying amounts
4	on 31 March 2021, Quam Finance extended a term loan of HK\$28 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK\$28 million	HK\$3 million (Note 1a)	N/A	N/A
5	on 21 December 2020, Quam Finance extended a term loan in the amount of HK\$280 million with an interest rate of 12% per annum and with a maturity date of 31 December 2021.	HK\$280 million	HK\$30 million (Note 1a)	N/A	N/A
6	on 31 December 2020, Quam Finance extended a term loan of HK\$156 million with an interest rate of 12% per annum and with a maturity date of 31 December 2021.	HK\$156 million	HK\$16 million (Note 1a)	N/A	N/A

The following term loans and margin facility were provided or extended to China Oceanwide International Investment Company Limited (“COII”) or Minyun Limited (“Minyun”), indirect subsidiaries of Tohigh Holdings Co., Ltd.\* (通海控股有限公司):

1	on 3 December 2019, Quam Finance provided a term loan of HK\$64.5 million to Minyun with an interest rate of 7.875% per annum and with a maturity date of 31 January 2022.	HK\$64.5 million	HK\$11 million (Note 1a)	N/A	N/A
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Items	Transactions	Amortised cost or		Fair value	
		Principal amounts	Net Carrying amounts	Principal amounts	Net Carrying amounts
2	<p>an outstanding margin facility of HK\$5 million provided by Quam Securities Limited ("Quam Securities", an indirect wholly-owned subsidiary of the Company) to Minyun pursuant to the terms of facility agreement dated 3 March 2020 at interest rate of 6% above prime rate per annum payable annually. The facility is secured by the collateral which shall be charged to or held by Quam Securities for its benefit as a first priority fixed continuing security for the payment and/or discharge to Quam Securities of all and any of the Minyun's liabilities to Quam Securities pursuant to the terms of the facility.</p>	N/A	N/A	HK\$5 million	HK\$3 million (Note 2)
3	<p>an outstanding margin facility of HK\$38 million provided by Quam Securities to COII pursuant to the terms of facility agreement dated 3 March 2020 at interest rate of 3% above prime rate per annum payable by COII annually. The facility is secured by the collateral which shall be charged to or held by Quam Securities for its benefit as a first priority fixed continuing security for the payment and/or discharge to Quam Securities of all and any of the COII's liabilities to Quam Securities pursuant to the terms of the facility.</p>	N/A	N/A	HK\$8 million	HK\$1 million (Note 2)

Items	Transactions	Amortised cost or		Fair value	
		Principal amounts	Net Carrying amounts	Principal amounts	Net Carrying amounts
4	on 31 March 2021, Quam Finance extended a term loan of HK\$3 million with an interest rate of 12% per annum to COII and with maturity date of 31 March 2022.	HK\$3 million	HK\$2 million (Note 1a)	N/A	N/A
5	on 30 June 2021, Quam Finance extended the consolidated term loans in an aggregate amount of approximately HK\$141,240,822 with an interest rate of 12% per annum to COII and with a maturity date of 30 June 2022.	HK\$141 million	HK\$95 million (Note 1a)	N/A	N/A
6	on 30 June 2021, Quam Finance extended a term loan of HK\$12 million with an interest rate of 12% per annum to COII and with a maturity date of 30 June 2022.	HK\$12 million	HK\$8 million (Note 1a)	N/A	N/A
7	on 28 March 2022, Quam Finance extended a term loan of HK\$10 million with an adjusted interest rate of 10% per annum to COII and with maturity date of 31 December 2022	HK\$10 million	HK\$6 million (Note 1a)	N/A	N/A
8	on 28 March 2022, Quam Finance extended a term loan of HK\$45 million with an adjusted interest rate of 10% per annum to COII and with maturity date of 31 December 2022.	HK\$45 million	HK\$28 million (Note 1a)	N/A	N/A

Items	Transactions	Amortised cost or		Fair value	
		Principal amounts	Net Carrying amounts	Principal amounts	Net Carrying amounts
9	on 28 March 2022, Quam Finance extended a term loan of HK\$12.5 million with an interest rate of 10% per annum to COII and with maturity date of 31 December 2022.	HK\$12.5 million	HK\$8 million (Note 1a)	N/A	N/A
10	on 28 January 2021, Quam Finance extended a term loan in the aggregate amount of HK\$678 million with an adjusted interest rate of 10.5% per annum to COII and with a maturity date of 28 January 2022	HK\$678 million	HK\$460 million (Note 1a)	N/A	N/A
11	On 1 March 2021, Quam Finance provided a term loan of HK\$200 million with an interest rate of 10.5% per annum to COII and with maturity date of 31 March 2022.	HK\$200 million	HK\$135 million (Note 1a)	N/A	N/A

The following term loan and unsecured private notes were provided or extended to Oceanwide Holdings International Development III Co., Ltd. (the "Issuer/OHIDIII", a subsidiary of Oceanwide Holdings):

1	on 1 April 2021, Quam Finance extended the consolidated term loans in an aggregate amount of approximately HK\$391 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK\$391 million	HK\$56 Million (Note 1a)	N/A	N/A
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Items	Transactions	Amortised cost or		Fair value	
		Principal amounts	Net Carrying amounts	Principal amounts	Net Carrying amounts
2	on 26 April 2022, Quam Capital (Holdings) Limited ("Quam Capital Holdings, a wholly-owned subsidiary of the Company) and Quam Securities subscribed unlisted senior notes issued by the Issuer in the subscription amount of US\$91 million (equivalent to approximately HK\$709.6 million) with coupon interest rate of 11.8% per annum, payable semi-annually and with a maturity date of 25 April 2023.	HK\$709.8 million	HK\$108 million (Note 1b)	N/A	N/A
3	on 2 June 2021, Quam Capital Holdings subscribed an unsecured private notes issued by the Issuer in the subscription amount of US\$12 million (equivalent to approximately HK\$93.6 million) with coupon interest rate of 11.8% per annum and with a maturity date of 1 June 2022.	HK\$93.6 million	HK\$13 million (Note 1b)	N/A	N/A
4	on 30 June 2021, Quam Finance extended a term loan of HK\$45 million with an interest rate of 11% per annum and with a maturity date of 30 June 2022.	HK\$45 million	HK\$6 million (Note 1a)	N/A	N/A
5	on 30 June 2021, Quam Finance extended a term loan of HK\$27.5 million with an interest rate of 12% per annum and with a maturity date of 30 June 2022.	HK\$27.5 million	HK\$4 million (Note 1a)	N/A	N/A

Items	Transactions	Amortised cost or		Fair value	
		Principal amounts	Net Carrying amounts	Principal amounts	Net Carrying amounts
6	on 31 December 2020, Quam Finance extended a term loan of HK\$27.5 million with an interest rate of 12% per annum and with maturity date of 31 December 2021.	HK\$27.5 million	HK\$4 million (Note 1a)	N/A	N/A
7	on 4 March 2021, Quam Finance provided a term loan of HK\$180 million with an interest rate of 12% per annum and with maturity date of 31 March 2022.	HK\$180 million	HK\$26 million (Note 1a)	N/A	N/A
8	on 22 March 2021, Quam Finance provided a term loan of HK\$20 million with an interest rate of 12% per annum and with maturity date of 31 March 2022.	HK\$20 million	HK\$3 million (Note 1a)	N/A	N/A
Total		HK\$3,140.4 million	HK\$1,025 million	HK\$13 million	HK\$4 million

Notes:

- 1a. As at 30 June 2023, approximately HK\$904 million forms part of the HK\$1,328 million total for current portion of credit loans (note 14) in the condensed consolidated statement of financial position.
- 1b. As at 30 June 2023, HK\$121 million forms part of the HK\$121 million total for current portion of financial assets not held for trading (note 12) in the condensed consolidated statement of financial position.
2. As at 30 June 2023, HK\$4 million forms part of the HK\$627 million total for current portion of loans to margin clients (note 13) in the condensed consolidated statement of financial position.

As at 30 June 2023, all the above loans were still outstanding but expired.



## DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 28 March 2023, the Company as borrower entered into a deed of amendment (the “Deed” and together with the original banking facility agreement entered on 11 July 2018, the deed of amendment entered on 11 July 2019, the deed of amendment and restatement entered on 10 July 2020, the deeds of amendment entered on 31 August 2021 and 31 December 2021, collectively, the “Revised Banking Facility Arrangement”) with a licensed bank in Hong Kong as lender to extend the banking facility with the principal amount of HK\$330,000,000 (the “Extended Banking Facility”) from 29 March 2023 to 29 December 2023.

Pursuant to the terms of Revised Banking Facility Arrangement, it requires Mr. Lam, the executive director of the Company, to maintain controlling interest in Quam Tonghai Holdings or Quam Tonghai Holdings shall at all times directly beneficially own not less than 60% of the issued shares of the Company. As at the date of this interim report, Mr. Lam maintained controlling interest in Quam Tonghai Holdings and Quam Tonghai Holdings beneficially own approximately 68.05% of the issued Shares. Upon the breach of this condition, the Extended Banking Facility will immediately and automatically be cancelled and all outstanding principal together with accrued interest, and all other amounts accrued under the Revised Banking Facility Arrangement, become immediately due and payable.

## UPDATES ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Since the last published 2022 annual report, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of listed securities of the Company.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. The code of conduct is also updated from time to time in order to keep abreast with the latest changes in the Listing Rules. It has also been extended to specific employees of the Company who are likely to be in possession of unpublished price-sensitive information in respect of their dealings in the securities of the Company.



In response to specific enquiry, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the six months ended 30 June 2023.

## CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has applied the principles and complied with the code provisions set out in Corporate Governance Code of Appendix 14 of the Listing Rules throughout the six months ended 30 June 2023 and subsequent period up to the date of this interim report, save for the deviations from code provision C.2.1 which is explained as follows:

The Co-Chairman of the Company are Mr. HAN and Mr. LAM while the Chief Executive Officer had been performed by Mr. LAM. This constitutes a deviation from code provision C.2.1 of the Corporate Governance Code which stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. However, the Board considers that in view of the current operation, structure, size and resources of the Group together with substantial experience of financial services business, extensive management experience and leadership within the Group of Mr. LAM, that it is currently most beneficial and efficient to maintain the existing leadership structure.

## COMPLIANCE WITH RULES 3.10(1), 3.10A, 3.21, 3.25 AND 3.27A OF THE LISTING RULES

Following the change of board composition on 19 May 2023, including among others, the resignation of Mr. KONG Aiguo, Mr. HE Xuehui and Mr. HUANG Yajun as independent non-executive Directors, the Company has (i) two independent non-executive Directors, which resulted in the number of independent non-executive Directors falling below the minimum number required under Rule 3.10(1) of the Listing Rules and the number of independent non-executive Directors failed to maintain at least one-third of the members of the Board as required under Rule 3.10A of the Listing Rules; (ii) two members of Audit Committee, which resulted in the number of Audit Committee members falling below the minimum number required under Rule 3.21 of the Listing Rules; (iii) one executive Director and one independent non-executive Director in the Remuneration Committee, which resulted in the Company's failure to maintain a majority of independent non-executive Directors in the Remuneration Committee as required under Rule 3.25 of the Listing Rules; and (iv) two executive Directors and two independent non-executive Directors in the Nomination Committee, which resulted in the Company's failure to maintain a majority of independent non-executive Directors in the Nomination Committee as required under Rule 3.27A of the Listing Rules.



On 18 August 2023, Ms. Cindy KONG Siu Ching has been appointed as an independent non-executive Director, a member of the Nomination Committee, Remuneration Committee and Audit Committee. Upon the appointment of Ms. KONG, the Company has complied with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules. The details of compliance with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A were set out in the announcements of the Company dated 19 May 2023 and 18 August 2023 respectively.

## AUDIT COMMITTEE REVIEW

The Audit Committee comprises three independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Company for the six months ended 30 June 2023 and discussed with the management of the Company the accounting principles and practices adopted by the Group, internal control and financial reporting matters.

On behalf of the Board

**Quam Plus International Financial Limited**

**HAN Xiaosheng**

*Co-Chairman*

Hong Kong, 24 August 2023

# Corporate Information

## BOARD OF DIRECTORS

Mr. HAN Xiaosheng (*Co-Chairman*)  
Mr. Kenneth LAM Kin Hing (*Co-Chairman*)  
Mr. LIU Hongwei  
Mr. LAM Wai Hon  
(*Appointed on 19 May 2023*)  
Mr. FANG Zhou<sup>^</sup>  
Mr. Roy LO Wa Kei<sup>#</sup>  
Mr. LIU Jipeng<sup>#</sup>  
Ms. Cindy KONG Siu Ching<sup>#</sup>  
(*Appointed on 18 August 2023*)

<sup>^</sup> *Non-Executive Director*

<sup>#</sup> *Independent Non-executive Director*

## EXECUTIVE COMMITTEE

*Chairman:* Mr. Kenneth LAM Kin Hing  
*Vice-Chairman:* Mr. HAN Xiaosheng  
*Members:* Mr. LIU Hongwei  
Mr. LAM Wai Hon

## AUDIT COMMITTEE

*Chairman:* Mr. Roy LO Wa Kei  
*Members:* Mr. LIU Jipeng  
Ms. Cindy KONG Siu Ching

## REMUNERATION COMMITTEE

*Chairman:* Mr. LIU Jipeng  
*Members:* Mr. LIU Hongwei  
Ms. Cindy KONG Siu Ching

## NOMINATION COMMITTEE

*Chairman:* Mr. HAN Xiaosheng  
*Members:* Mr. Kenneth LAM Kin Hing  
Mr. Roy LO Wa Kei  
Mr. LIU Jipeng  
Ms. Cindy KONG Siu Ching

## COMPANY SECRETARY

Ms. Hortense CHEUNG Ho Sze

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F and 24/F (Rooms 2401 and Room 2412)  
Wing On Centre, 111 Connaught Road Central  
Hong Kong  
(*with effect from 3 April 2023*)

## AUDITOR

HLB Hodgson Impey Cheng Limited  
*Certified Public Accountants and Public  
Interest Entity Auditor registered in accordance  
with the Accounting and Financial Reporting  
Council Ordinance*

## HONG KONG LEGAL ADVISER

Howse Williams

## BERMUDA LEGAL ADVISER

Conyers Dill & Pearman

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
China Minsheng Banking Corp., Ltd.  
Hong Kong Branch  
Chong Hing Bank Limited  
Fubon Bank (Hong Kong) Limited  
Nanyang Commercial Bank, Limited  
Shanghai Commercial Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

## STOCK CODE

952

## WEBSITE OF QUAM PLUS FINANCIAL GROUP

[www.quamplus.com](http://www.quamplus.com)

## INVESTOR RELATIONS

Tel: (852) 2217-2888  
Fax: (852) 3905-8731  
Email: [ir@quamgroup.com](mailto:ir@quamgroup.com)

## Definitions

“Audit Committee”	means	the audit committee of the Company
“Board”	means	the board of Directors
“Bye-laws”	means	the bye-laws of the Company, as amended from time to time
“China Oceanwide”	means	China Oceanwide Holdings Limited, a company incorporated in Bermuda with limited liability and an indirect subsidiary of Oceanwide Holdings, the shares of which are listed on the Stock Exchange (Stock code: 715)
“Company”	means	Quam Plus International Financial Limited (formerly known as China Tonghai International Financial Limited), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 952)
“Director(s)”	means	the director(s) of the Company
“Group”	means	the Company and its subsidiaries
“HK\$”	means	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	means	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	means	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Nomination Committee”	means	the nomination committee of the Company
“Oceanwide Holdings”	means	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock code: 000046)
“Oceanwide Holdings IF”	means	Oceanwide Holdings International Financial Development Co., Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Oceanwide Holdings
“PRC”	means	the People’s Republic of China, which for the purpose of this interim report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan



“Quam Tonghai Holdings”	means	Quam Tonghai Holdings Limited, a company incorporated in Hong Kong with limited liability, which is beneficially owned as to 51% by Mr. Kenneth LAM King Hing and 49% by Mr. HAN Xiaosheng
“Remuneration Committee”	means	the remuneration committee of the Company
“SFO”	means	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	means	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	means	holder(s) of the Shares
“Share Award Scheme”	means	Restricted Share Award Scheme adopted on 19 August 2010
“Share Option Scheme”	means	Share Option Scheme adopted on 23 September 2020
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	means	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“%”	means	per cent.

*For the purpose of this interim report, unless otherwise specified or the context requires otherwise, “\*” denotes an English translations of a Chinese name and is for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*