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**華富建業國際金融有限公司**

**QUAM PLUS INTERNATIONAL FINANCIAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 952)**

**ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR  
THE YEAR ENDED 31 DECEMBER 2023**

The board of directors (the “Board” or the “Directors”) of Quam Plus International Financial Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (the “HKFRSs”).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Fee and commission income	4	<b>130,075</b>	131,532
Interest income			
— Calculated using the effective interest method	4	<b>318,502</b>	295,804
— Calculated using other method	4	<b>115,461</b>	123,530
Net investment loss	4	<b>(218,384)</b>	(578,750)
<b>Total revenue</b>	4	<b>345,654</b>	(27,884)

	<i>Notes</i>	<b>2023</b> <b><i>HK\$'000</i></b>	2022 <i>HK\$'000</i> (Restated)
Other income/(loss)	5	<b>159,880</b>	(73,417)
Direct costs		<b>(93,739)</b>	(103,824)
Staff costs		<b>(173,833)</b>	(165,883)
Depreciation and amortisation		<b>(31,859)</b>	(41,940)
Loss on fair value change of investment properties		<b>(42,120)</b>	—
Expected Credit Loss (“ECL”) net reversal/ (charges)		<b>61,954</b>	(1,066,478)
Finance costs			
— Interest on borrowings	6	<b>(46,175)</b>	(49,078)
— Interest on lease liabilities	6	<b>(3,198)</b>	(1,277)
Other operating expenses	7	<b>(57,999)</b>	(53,841)
Share of result of an associate		<b>(694)</b>	(556)
<b>Profit/(loss) before tax</b>	8	<b>117,871</b>	(1,584,178)
Tax credit	9	<b>1,666</b>	514
<b>Net profit/(loss) attributable to equity holders of the Company</b>		<b><u>119,537</u></b>	<b><u>(1,583,664)</u></b>
<b>Earnings/(loss) per share for net profit/(loss) attributable to equity holders of the Company</b>		<b><i>HK cent(s)</i></b>	<b><i>HK cent(s)</i></b>
— Basic and diluted	10	<b><u>2</u></b>	<b><u>(26)</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Net profit/(loss) attributable to equity holders of the Company</b>	<u><b>119,537</b></u>	<u>(1,583,664)</u>
<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	<b>(5,424)</b>	(2,846)
Items that will not be reclassified subsequently to profit or loss		
— Capital distribution from investment measured at fair value through other comprehensive income	<u>—</u>	<u>1,321</u>
<b>Other comprehensive loss including reclassification adjustments and net of tax</b>	<u><b>(5,424)</b></u>	<u>(1,525)</u>
<b>Total comprehensive income/(loss) attributable to equity holders of the Company</b>	<u><u><b>114,113</b></u></u>	<u><u>(1,585,189)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2023			As at 31 December 2022		
		Current HK\$'000	Non-current HK\$'000	Total HK\$'000	Current HK\$'000	Non-current HK\$'000	Total HK\$'000
<b>ASSETS</b>							
Cash and cash equivalents		122,380	—	122,380	195,206	—	195,206
Bank balances held on behalf of clients		823,120	—	823,120	1,123,090	—	1,123,090
Financial assets held for trading		566,351	38,190	604,541	583,802	41,219	625,021
Financial assets not held for trading		135,586	4,210	139,796	184,279	4,210	188,489
Loans to margin clients	12	547,986	—	547,986	670,496	—	670,496
Credit loans	13	422,182	—	422,182	1,099,984	58,962	1,158,946
Accounts receivable	14	302,272	—	302,272	494,320	—	494,320
Prepayments, deposits and other receivables		48,920	—	48,920	96,124	—	96,124
Investment properties	15	—	913,380	913,380	—	—	—
Interest in an associate		—	1,180	1,180	—	1,874	1,874
Goodwill and other intangible assets		—	17,000	17,000	—	17,960	17,960
Other assets		—	21,106	21,106	—	22,811	22,811
Property and equipment		—	85,497	85,497	—	68,536	68,536
Deferred tax assets		—	14,652	14,652	—	15,214	15,214
<b>TOTAL ASSETS</b>		<u>2,968,797</u>	<u>1,095,215</u>	<u>4,064,012</u>	<u>4,447,301</u>	<u>230,786</u>	<u>4,678,087</u>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
Bank and other borrowings		674,007	—	674,007	905,545	—	905,545
Accounts payable	16	1,076,880	—	1,076,880	1,534,134	—	1,534,134
Contract liabilities		4,620	—	4,620	5,259	—	5,259
Lease liabilities		12,070	49,445	61,515	21,701	27,070	48,771
Accruals and other payables		184,834	—	184,834	164,036	—	164,036
Tax payable		518	—	518	5,744	—	5,744
Deferred tax liabilities		—	223	223	—	2,992	2,992
<b>TOTAL LIABILITIES</b>		<u>1,952,929</u>	<u>49,668</u>	<u>2,002,597</u>	<u>2,636,419</u>	<u>30,062</u>	<u>2,666,481</u>
<b>EQUITY</b>							
Share capital				20,657			20,657
Reserves				2,040,758			1,990,949
<b>TOTAL EQUITY</b>				<u>2,061,415</u>			<u>2,011,606</u>
<b>TOTAL LIABILITIES AND EQUITY</b>				<u>4,064,012</u>			<u>4,678,087</u>
<i>Net current assets</i>				<u><u>1,015,868</u></u>			<u><u>1,810,882</u></u>

## **NOTES TO THE AUDITED RESULTS**

*For the year ended 31 December 2023*

### **1 BASIS OF PREPARATION**

These financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Hong Kong Stock Exchange (the “Stock Exchange”).

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### **2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

#### **2.1 Change in presentation and classification of certain revenue items**

During the preparation of the consolidated financial statements of the Group for the year ended 31 December 2023, the management has identified certain adjustments relating to the interest income on the credit-impaired loans and the expected credit loss allowance.

In order to present overdue interest on those credit-impaired loans, the management has made adjustments to increase the interest revenue on certain credit-impaired loans and the corresponding impact has been adjusted on the expected credit loss allowance accordingly for the previous year. Given that the aforesaid adjustments result in the recognition of interest income calculated using the effective interest method and expected credit loss by same amount, no impact on net loss to the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position and as well as net cash flow. The reclassification has been made for the comparative year ended 31 December 2022.

The effects of the change in presentation in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 is set out below:

For the year ended 31 December 2022:

	As previously reported <i>HK\$'000</i>	Reclassification <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Interest income			
— Calculated using the effective interest method	145,870	149,934	295,804
Total revenue	(177,818)	149,934	(27,884)
Expected Credit Loss (“ECL”) net charges	(916,544)	(149,934)	(1,066,478)

The reclassification has no effect on the loss for the year ended 31 December 2022 and hence on the loss per share figures presented in the consolidated statement of profit or loss and other comprehensive income.

## 2.2 Adoption of new and amended HKFRSs

The Group has applied the following amendments to HKFRSs issued by HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2 Making materiality judgement: Disclosure of accounting policies
- HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17), Insurance Contracts
- Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of Accounting Estimates
- Amendments to HKAS 12, Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to HKAS 12, Income taxes: International Tax Reform — Pillar Two Model Rules

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

***Change in accounting policy on offsetting arrangement in long service payment scheme in Hong Kong***

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which will be effective from 1 May 2025 (the “Transition Date”). Under the Amendment Ordinance, any accrued benefits attributable to the employer’s mandatory contributions under mandatory provident fund scheme (“MPF Benefits”) of a company would no longer be eligible to offset against its obligations on long service payment (“LSP”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 January 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the “practical expedient”) to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “Guidance”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a ‘simple type of contributory plans’ to which the practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). This change in accounting policy upon the cessation in applying the practical expedient has resulted in a catch-up adjustment for past service costs and a corresponding increase in the Group’s LSP obligations in the year of enactment of the Amendment Ordinance.

Obligations on LSP accrued was immaterial for the Group; therefore, the abovementioned change in accounting policy does not have significant impact to the consolidated financial statements of the Group.

Other than disclosed above, the application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2.3 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 — Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16 — Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (“HK Int 5 (Revised)”)	1 January 2024
Amendments to HKAS 7 and HKFRS 7 — Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 — Lack of Exchangeability	1 January 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 3 SEGMENT INFORMATION

The executive directors have identified the Group's six service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

2023	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Brokerage <i>HK\$'000</i>	Interest income <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Reportable segment revenue</b>							
Fee and commission income	31,322	10,969	81,481	—	—	6,303	130,075
Interest income	—	—	145,166	287,143	1,654	—	433,963
Net investment loss	—	—	—	—	(218,384)	—	(218,384)
<b>Segment revenue from external customers</b>	<b>31,322</b>	<b>10,969</b>	<b>226,647</b>	<b>287,143</b>	<b>(216,730)</b>	<b>6,303</b>	<b>345,654</b>
Inter-segment revenue	4,850	1,772	743	—	—	252	7,617
<b>Reportable segment revenue</b>	<b>36,172</b>	<b>12,741</b>	<b>227,390</b>	<b>287,143</b>	<b>(216,730)</b>	<b>6,555</b>	<b>353,271</b>
<b>Reportable segment result</b>	<b>3,606</b>	<b>(2,496)</b>	<b>30,683</b>	<b>261,588</b>	<b>(164,371)</b>	<b>(7,475)</b>	<b>121,535</b>
2022 (Restated)	Corporate finance <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Brokerage <i>HK\$'000</i>	Interest income <i>HK\$'000</i> (Restated)	Investments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
<b>Reportable segment revenue</b>							
Fee and commission income	18,676	11,748	92,829	—	—	8,279	131,532
Interest income	—	—	135,201	284,109	24	—	419,334
Net investment loss	—	—	—	—	(578,750)	—	(578,750)
<b>Segment revenue from external customers</b>	<b>18,676</b>	<b>11,748</b>	<b>228,030</b>	<b>284,109</b>	<b>(578,726)</b>	<b>8,279</b>	<b>(27,884)</b>
Inter-segment revenue	6,750	3,615	—	—	—	977	11,342
<b>Reportable segment revenue</b>	<b>25,426</b>	<b>15,363</b>	<b>228,030</b>	<b>284,109</b>	<b>(578,726)</b>	<b>9,256</b>	<b>(16,542)</b>
<b>Reportable segment result</b>	<b>(5,458)</b>	<b>(4,956)</b>	<b>22,427</b>	<b>(886,444)</b>	<b>(698,351)</b>	<b>(6,239)</b>	<b>(1,579,021)</b>

The totals presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Reportable segment revenue	353,271	(16,542)
Elimination of inter-segment revenue	<u>(7,617)</u>	<u>(11,342)</u>
Total revenue	<u>345,654</u>	<u>(27,884)</u>
Reportable segment result	121,535	(1,579,021)
Share of result of an associate	(694)	(556)
Unallocated corporate expenses	<u>(2,970)</u>	<u>(4,601)</u>
Profit/(loss) before tax	<u><u>117,871</u></u>	<u><u>(1,584,178)</u></u>

### Geographical information

The Group's operations are substantially located in Hong Kong and substantiating all assets of the Group are located in Hong Kong, except investment properties are located in United States of America ("USA"). Therefore, no detailed analysis of geographical information is required.

The Group's customers include the following with whom transactions have exceeded 10% of the Group's revenue (excluded net investment loss):

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Former connected parties which included the subsidiaries of Tohigh Holdings Co., Ltd., Oceanwide Holdings Co., Ltd., China Oceanwide Holdings Limited and Minyun Limited*	<u><u>218,307</u></u>	<u><u>147,523</u></u>

\* Revenue from these former connected parties, which are under common control of our former ultimate beneficial owner, is attributable to interest income segment, asset management segment, corporate finance segment and brokerage segment during the year. Upon the completion of sale and purchase of certain Company's shares took place on 3 February 2023, those connected parties have become former connected parties of the Company.

## 4 REVENUE

### Revenue analysis

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
<b>Corporate finance business</b>		
<i>Fee and commission income:</i>		
— Placing and underwriting commission income	9,374	9,597
— Financial and compliance advisory services fee income	21,948	9,079
	<u>31,322</u>	<u>18,676</u>
<b>Asset management business</b>		
<i>Fee and commission income:</i>		
— Management fee, performance fee and service fee income	10,969	11,748
	<u>10,969</u>	<u>11,748</u>
<b>Brokerage business</b>		
<i>Fee and commission income:</i>		
— Commission on dealings in securities		
— Hong Kong securities	24,422	31,421
— Other than Hong Kong securities	2,873	3,065
— Commission on dealings in futures and options contracts	36,891	44,083
— Handling, custodian and other service fee income	17,295	14,260
	<u>81,481</u>	<u>92,829</u>
<b>Interest income business</b>		
<i>Interest income calculated using the effective interest method:</i>		
— Interest income from credit loans and bonds	285,931	284,097
— Interest income from cash clients receivables and initial public offering loans	3,617	2,951
— Interest income from bank deposits held on behalf of clients	25,326	6,783
— Interest income from house money bank deposits and others	3,628	1,973
<i>Interest income calculated using other method:</i>		
— Interest income from loans to margin clients	111,725	122,827
— Interest income from others	3,736	703
	<u>433,963</u>	<u>419,334</u>
<b>Investments and others business</b>		
<i>Fee and commission income:</i>		
— Financial media service fee income	6,303	8,279
<i>Net investment loss:</i>		
— Net realised and unrealised loss on financial assets measured at fair value through profit or loss	(230,221)	(591,215)
— Dividend income from financial assets measured at fair value through profit or loss	11,837	12,465
	<u>(212,081)</u>	<u>(570,471)</u>
<b>Total revenue</b>	<u><u>345,654</u></u>	<u><u>(27,884)</u></u>

## 5 OTHER INCOME/(LOSS)

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Changes in net asset value attributable to other holders of consolidated investment funds		4,448	5,463
Exchange (loss)/gains, net		(867)	419
Government subsidies		106	4,546
Sundry income		1,187	1,155
Corporate guarantee	(a)	21,500	(85,000)
Gain on modification of borrowing	(b)	111,416	—
Unrealised gain on financial liability measured at fair value through profit or loss		22,090	—
		<u>159,880</u>	<u>(73,417)</u>

### *Note:*

- (a) As at 31 December 2023 and 2022, the Group has agreed to provide corporate guarantee for any shortfall from the guaranteed amounts.
- (b) During the year, one of creditors agreed to change terms of the loan including maturity date and settlement method. It constitutes substantial modification of financial liabilities under HKFRS 9 which results in gain of modification of HK\$111 million being recognized to consolidated statement of profit or loss and other comprehensive income.

## 6 FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on bank borrowings	33,989	25,935
Interest on other borrowings	12,186	23,143
Interest on lease liabilities	3,198	1,277
	<u>49,373</u>	<u>50,355</u>

## 7 OTHER OPERATING EXPENSES

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Advertising and promotion expenses		1,589	1,503
Auditor's remuneration		2,450	2,450
Bank charges		1,237	1,824
Consultancy fee		3,563	4,165
Entertainments		2,015	1,426
General office expenses		6,358	5,899
Insurance		2,624	2,577
Legal and professional fee	(a)	13,148	16,764
Repairs and maintenance		4,260	5,046
Office reinstatement and relocation cost	(b)	8,752	—
Short-term leases, rates and building management fee		4,989	6,198
Staff recruitment cost		104	1,131
Travelling and transportation expenses		1,820	767
Others		5,090	4,091
		<u>57,999</u>	<u>53,841</u>

### *Notes:*

- (a) During 2023, total legal and professional fee of approximately HK\$13.1 million (2022: HK\$16.8 million) mainly represented HK\$5.6 million (2022: HK\$6.4 million) spent on one-off corporate transactions' various professional fee.
- (b) During 2023, office reinstatement and relocation cost represented cost for relocation of new office took place in first quarter of 2023.

## 8 PROFIT/(LOSS) BEFORE TAX

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit/(loss) before tax is arrived at after charging:		
Depreciation and amortisation		
— Other intangible assets	1,270	1,644
— Property and equipment	30,589	40,296
	<u>31,859</u>	<u>41,940</u>
Other items		
— Net losses on disposals of property and equipment	1,272	1,502
— Direct operating expenses arising from investment properties that do not generate rental income	2,827	—
— Expenses relating to short-term leases	605	40

## 9 TAX CREDIT

The provision for Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year ended 31 December 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.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
— Current year	541	58
— Over provision in prior years	—	(3,015)
	<u>541</u>	<u>(2,957)</u>
Deferred tax (credit)/expense	(2,207)	2,443
Total tax credit	<u>(1,666)</u>	<u>(514)</u>

## 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:

### (a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is as follows:

#### Earnings/(loss)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
For purpose of calculating basic earnings/(loss) per share	<u>119,537</u>	<u>(1,583,664)</u>

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

	2023	2022
For purpose of calculating basic earnings/(loss) per share	<u>6,145,877,218</u>	<u>6,145,877,218</u>

**(b) Diluted earnings/(loss) per share**

The calculation of diluted earnings/(loss) per share is based on the profit/(loss) for the year attributable to equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares.

The computation of diluted earnings per share for the year ended 31 December 2023 does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the year ended 31 December 2023.

Diluted loss per share were same as the basic loss per share for the year ended 31 December 2022 as there were no potential dilutive ordinary shares in issue.

**11 DIVIDENDS**

Dividend payable to equity holders of the Company attributable to the year:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Special dividend declared and paid of HK1.1 cents per ordinary share	<u><b>68,168</b></u>	<u>—</u>

The Board resolved not to declare the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

**12 LOANS TO MARGIN CLIENTS**

	<b>As at 31 December 2023</b> <i>HK\$'000</i>	As at 31 December 2022 <i>HK\$'000</i>
Loans to margin clients — Measured at fair value through profit or loss	<u><b>547,986</b></u>	<u>670,496</u>

*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 31 December 2023, the market value of securities pledged by margin clients to the Group as collateral was HK\$5,833 million (31 December 2022: HK\$4,848 million) and the Group is permitted to sell collaterals provided by clients if they fail to fulfil 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.

## 13 CREDIT LOANS

	<i>Notes</i>	<b>As at 31 December 2023 HK\$'000</b>	<b>As at 31 December 2022 HK\$'000 (Restated)</b>
Credit loans, gross amount			
— Unsecured		3,854,279	4,394,072
— Secured	(b), (c)	<u>558,615</u>	<u>588,955</u>
		<b>4,412,894</b>	<b>4,983,027</b>
Less: ECL provisions		<b>(3,990,712)</b>	<b>(3,824,081)</b>
	(a)	<u><u>422,182</u></u>	<u><u>1,158,946</u></u>
Analysis of the net amount into current and non-current portions:			
Current		<u>422,182</u>	1,099,984
Non-current		<u>—</u>	<u>58,962</u>
		<u><u>422,182</u></u>	<u><u>1,158,946</u></u>

### Notes:

- (a) The credit loans bear interest at fixed rates ranging from 2.5% to 12% (31 December 2022: 2.5% to 12%) per annum.
- (b) As at 31 December 2023 and 2022, the collaterals held by the Group for the secured credit loans mainly include shares of listed and private companies and assets of private companies.
- (c) As at 31 December 2023, HK\$2,135,000 (31 December 2022: HK\$2,084,000) was reverse repurchase agreements on bonds.

	<b>As at 31 December 2023 HK\$'000</b>	<b>As at 31 December 2022 HK\$'000</b>
Gross amount	2,165	2,114
Less: ECL provisions	<u>(30)</u>	<u>(30)</u>
	<u><u>2,135</u></u>	<u><u>2,084</u></u>

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 recognized in consolidated financial statements but regarded as “collateral” because the external investors retain substantially all the risks and rewards of these securities.

As at 31 December 2023, the fair value of the collaterals was HK\$4,129,000 (31 December 2022: HK\$4,245,000).

## 14 ACCOUNTS RECEIVABLE

		As at 31 December 2023 <i>HK\$'000</i>	As at 31 December 2022 <i>HK\$'000</i>
	<i>Notes</i>		
<i>Accounts receivable from dealings in securities, futures and options contracts</i>			
— Brokers and clearing houses	(a)	272,879	468,195
— Cash clients	(a)	29,954	25,505
<i>Accounts receivable from asset management, corporate finance and other businesses</i>			
— Clients	(a)	21,806	18,289
		<u>324,639</u>	<u>511,989</u>
Less: ECL provisions		<u>(22,367)</u>	<u>(17,669)</u>
Accounts receivable, net	(b)	<u><u>302,272</u></u>	<u><u>494,320</u></u>

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

	As at 31 December 2023 <i>HK\$'000</i>	As at 31 December 2022 <i>HK\$'000</i>
Within 30 days	278,230	472,466
31–90 days	1,036	1,327
Over 90 days	23,006	20,527
Accounts receivable, net	<u><u>302,272</u></u>	<u><u>494,320</u></u>

## 15 INVESTMENT PROPERTIES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>At 1 January</b>	—	—
Additions arising from acquisition of subsidiaries	<b>960,118</b>	—
Exchange alignment	<b>(4,618)</b>	—
Loss on fair value change	<b>(42,120)</b>	—
	<hr/>	<hr/>
<b>At 31 December</b>	<b>913,380</b>	—
	<hr/> <hr/>	<hr/> <hr/>

All of the Group's investment properties are held in the USA.

The settlement arrangement to the loans with China Oceanwide International Investment Company Limited, being the former connected party, was completed on 22 August 2023. The transfer of the sales shares of target companies (all being investment holding companies) was completed. The possession of the USA residential properties was obtained on 22 August 2023 (USA time) under the terms and conditions were fulfilled.

All of the Group's property interests are held for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The table below sets out particulars of the USA residential properties:

No.	Property	Type of use	Particulars of occupancy	Term of lease
1.	250 Atherton Avenue, Atherton, CA 94027, County of San Mateo, State of California, the USA	Residential	Vacant	Freehold
2.	25 Longview Court, Hillsborough, CA 94010, County of San Mateo, State of California, the USA	Residential	Vacant	Freehold
3.	40 Verbalee Lane, Hillsborough, CA 94010, County of San Mateo, State of California, the USA	Residential	Vacant	Freehold
4.	1111 Tournament Drive, Hillsborough, CA 94010, County of San Mateo, State of California, the USA	Residential	Vacant	Freehold

## 16 ACCOUNTS PAYABLE

		As at 31 December 2023 <i>HK\$'000</i>	As at 31 December 2022 <i>HK\$'000</i>
	<i>Notes</i>		
<i>Accounts payable from dealings in securities, futures and options contracts</i>			
— Brokers and clearing houses	(a)	10,124	4,485
— Cash and margin clients	(a)	1,064,873	1,526,761
 <i>Accounts payable from other businesses</i>			
— Clients		<u>1,883</u>	<u>2,888</u>
	(b)	<u><u>1,076,880</u></u>	<u><u>1,534,134</u></u>

### *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.

## 17 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There is no significant event took place in subsequent to the end of the reporting period.

## **FINAL DIVIDEND**

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Macro Environment**

During 2023, the inflation in USA cooled and the USA economy remained solid despite the first-quarter regional banking incident, which sparked fears of a credit crunch. While the central bank raised interest rates four times over the year, at their December meeting, officials signaled that no additional increases are expected and they will likely lower rates in 2024. The S&P 500 index ended the year with a 24.2% gain. The Dow Jones Industrial Average rose 13.8% in 2023, and the Nasdaq soared 43.4%, driven by a surge in generative artificial intelligence. Regarding the sector performance of S&P 500, technology, communication services, and consumer discretionary were the outperformers, with utilities, energy and consumer staples losing ground.

In Mainland China, the economy grew by 5.2% in 2023, slightly exceeded the official target. Expectation of a strong post-COVID recovery quickly fizzled as the year progressed, followed by concerns over the deepening PRC property crisis and mounting deflationary risks.

### **Hong Kong Market Review**

In January 2023, the Hong Kong stock market reached its peak for the year, as hopes for reopening boosted investors' sentiment. However, the market was on a downward trend for the remainder of the year. Initially, uncertainties arising from the USA regional banking incident and the outlook for Federal Reserve rates impacted market confidence. Subsequently, concerns over China's economy further exacerbated the market's decline. In 2023, the Hang Seng Index and the Hang Seng China Enterprises Index were down 13.8% and 14.0% respectively. The average daily turnover in Hong Kong securities market amounted to HK\$105 billion in 2023, decreased by 16% year-on-year. Hong Kong's IPO market slowed significantly through 2023, with a total of 73 new issuers. Total funds raised by these IPOs stood at HK\$46.3 billion, down 55.8% year-on-year. The market capitalisation of the securities market reached HK\$31,039 billion at the end of 2023, down 13.0% year-on-year.

## **Results and Overview**

For the year ended 31 December 2023, the Group recorded profit before tax of HK\$118 million (2022: loss before tax of HK\$1,584 million). The significant increase in profit before tax of 2023 was mainly attributable to the improvement in the operating performance, the reduction of net investment loss and the reversal of net expected credit losses on our loans portfolio.

The Group's net aggregate revenue increased to HK\$346 million in 2023, representing an increase of HK\$374 million year-on-year from a negative HK\$28 million in 2022. If we exclude the fair value change on investment in financial assets of HK\$218 million loss (2022: HK\$579 million) which are recorded as part of our revenue, our adjusted recurring revenue would be HK\$564 million (2022: HK\$551 million), representing an increase of HK\$13 million year-on-year.

The Group does not recommend the payment of any final dividend for 2023 (2022: Nil).

## **Business Review**

During 2023, we have observed increasing market confidence in us and our sustained financial stability, despite the early months of the uncertain phase of the COVID recovery and tight liquidity management. Following the completion of the general offer in early May 2023, the quality of earning has been enhanced both by creating new source of income and reducing unnecessary cost. During 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. Through the establishment of our External Asset Management (EAM) model and the ensuing distribution capabilities, we have expanded our product pipelines and brought better prospects for the group's businesses.

## Financial Review

The following table summarized the revenue breakdown of the Group's principal businesses. Overall and except for the significant decrease in net investment loss of HK\$218 million (2022: HK\$579 million), the revenue generated by all other businesses were comparable to last year with corporate finance registering the highest year-on-year 63% increase.

Revenue	2023 HK\$ million	2023 Proportion	2022 HK\$ million	2022 Proportion	Favourable/ (unfavourable) change
Corporate finance business	31	12%	19	7%	63%
Asset management business	11	4%	12	5%	(8%)
Brokerage business	81	30%	93	36%	(13%)
Interest income from brokerage business	145	54%	135	52%	7%
	<u>226</u>		<u>228</u>		
Total revenue for core operating business	268	100%	259	100%	3%
Interest income from non-brokerage business	290		284		2%
Financial media service fee income	6		8		(25%)
Net investment loss	<u>(218)</u>		<u>(579)</u>		62%
Total revenue	<u><u>346</u></u>		<u><u>(28)</u></u>		1,336%

### Corporate Finance Business

The Group's corporate finance business primarily comprises sponsorship for listing, financial advisory, financing consultation service, and equity capital market. Revenue from corporate finance business increased by approximately 63% from HK\$19 million in 2022 to HK\$31 million in 2023 mainly due to increase in financial advisory fee income and sponsorship fee income from 2 IPO listing as compared to 2022.

### ***Asset Management Business***

Consistent with the trend of market downturn and the consequent impact of companies' valuation in 2023, year-on-year revenue generated from our Asset management business and its AUM also registered decreases comparable to the market.

### ***Brokerage Business***

In 2023, total income from brokerage business was about HK\$81 million, a decrease of 13% from HK\$93 million in 2022. The drop was mainly due to the decrease in commission income from dealing in Hong Kong securities and Hong Kong and Global futures products. The average daily market turnover of the secondary market at the Hong Kong Stock Exchange has dropped by 16% year-on-year.

### ***Interest Income from Brokerage Business***

The interest income from brokerage business has increased by 7% from HK\$135 million in 2022 to HK\$145 million in 2023 mainly due to the increase in interest income from improved treasury management, offset by the decrease in margin loan interest income. The decrease in margin loan interest income mainly due to the drop in average outstanding margin loan to clients.

### ***Interest Income from Non-Brokerage Business***

The interest income from non-brokerage business has slightly increased by 2% from HK\$284 million in 2022 to HK\$290 million in 2023 mainly due to the increase in interest income of credit loans and bonds.

### ***Financial Media Service Fee Income***

Financial media service fee income was around HK\$6 million in 2023 as compared to HK\$8 million in 2022.

### ***Net Investment loss***

The net investment loss of HK\$218 million in 2023 (2022: HK\$579 million) comprised of mark-to-market loss on margin loans of HK\$107 million (2022: HK\$254 million) (where certain clients' collateral market value falls below their outstanding margin loans, counted on client-by-client basis) and loss in investments in financial assets of HK\$111 million (2022: HK\$325 million) due to the fair value loss on certain financial investment assets.

### ***Other Income/(Loss)***

In 2023, other income was about HK\$160 million, which turns around from a loss of HK\$73 million in 2022. The other income mainly comprises of HK\$111 million gain arising through the terms modification on a contractual loan previously entered between the Company and the relevant counterparty.

### ***Expenses***

In 2023, as a result of better resources streamlining, the group's direct costs were about HK\$94 million, representing a 10% decrease from HK\$104 million in 2022. The decrease was mainly due to the decrease in commission expense of our brokerage business as a result of reduction in gross commission income. In 2023, staff costs recorded HK\$174 million, representing an 5% increase from HK\$166 million in 2022 as a result of performance-based bonuses for our dedicated colleagues and share option expense recognised for the share option scheme.

Finance costs in 2023 was HK\$49 million, representing a 2% slightly drop from HK\$50 million in 2022 as a result of lower amount of average borrowings outstanding despite the increase in interest rate.

### **Impairment Loss**

In 2023, the Group recognized expected credit loss (“ECL”) net reversal of approximately HK\$62 million (2022: ECL net charges of HK\$1,066 million) and were mainly arisen from ECL net reversal of HK\$411 million (2022: ECL net charges of HK\$345 million) to credit loans and bonds of former connected parties mainly due to receipt of repayment (for further details, please refer to the shareholders circular issued on 28 June 2023), offset by ECL net charges of HK\$377 million (2022: HK\$667 million) to credit loans to independent third parties.

In the following, the Company listed out the loans with material ECL net reversal/ (charges), which with reference to over 1% of total asset value of HK\$4,064 million of the Group as at 31 December 2023 (i.e. over HK\$40 million). The Company consider that such materiality level is appropriate for this purpose. As such, out of total ECL net reversal of HK\$62 million, ECL net reversal of HK\$411 million for credit loans and bonds of former connected parties and ECL net charges of HK\$337 million for credit loans of other independent third parties were explained below.

**(a) Details of loans to former connected parties with ECL net reversal of HK\$411 million in 2023**

The borrowers below are the subsidiaries of Tohigh Holdings Co., Ltd.<sup>#</sup> (通海控股有限公司), Oceanwide Holdings Co., Ltd.<sup>#</sup> (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 purposes only. In the event of any inconsistency, the Chinese names shall prevail.

Identities of borrowers	Principal amount <i>HK\$ million</i>	Net carrying amount as at 31 December 2023 <i>HK\$ million</i>	(Reversal of impairment)/ impairment loss for the year 2023 <i>HK\$ million</i>	Loans granted		Ultimate beneficial owner	Latest status of repayment as at 31 December 2023
				Interest/ coupon rate	date/date of subscription Tenure		
<b>Credit loans</b>							
a1 China Oceanwide International Investment Company Limited and Minyun Limited	511	100	(576)	7.88%–10.5%	5 Dec 2019– 29 Jan 2021	Within 2 years Mr. LU Zhiqiang	Overdue
a2 Oceanwide Holdings International Development III Co., Ltd	691	109	67	11%–12%	1 Jan 2021– 6 Aug 2021	Within 1 year Mr. LU Zhiqiang	Overdue
a3 China Oceanwide Holdings Limited	480	67	32	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	803	136	66	11.8%	2 Jun 2021– 26 Apr 2022	Within 1 year Mr. LU Zhiqiang	Overdue
	<u>2,485</u>	<u>412</u>	<u>(411)</u>				

No additional loan was granted to the above former connected parties. For the credit loans to Oceanwide Holdings International Development III Company Limited, repayment of interest amounted to HK\$6 million was received in 2023. For credit loans to China Oceanwide International Investment Company Limited, settlement of all outstanding interest accrued up to completion date of settlement agreement and partial outstanding amount of principal has been made in 2023. Details of the settlement arrangement were set out in the Company’s circulars dated 28 June 2023 and announcement dated 23 August 2023.

**(b) Details of loans to other independent third parties with material ECL net charges of HK\$337 million in 2023**

Identities of borrowers	Principal amount <i>HK\$ million</i>	Net carrying amount as at 31 December 2023 <i>HK\$ million</i>	(Reversal of impairment)/ Impairment loss for the year 2023 <i>HK\$ million</i>	Interest rate	Loans granted date	Tenure	Details of personal guarantee	Their ultimate beneficial owners	Latest status of repayment as at 31 December 2023
b1 Corporate Client 1	308	—	103	8%–9.75%	24 Aug 2021– 1 Apr 2022	Within 1 year	Principal of HK\$234 million was guaranteed by Mr. HAN Lei <i>(Note 1)</i>	Mr. HAN Lei	Overdue
b2 Corporate Client 2	275	—	91	8.75%–9.75%	20 Dec 2021– 1 Apr 2022	Within 1 year	Principal of HK\$250 million was guaranteed by Mr. Wong Pui Hoi <i>(Note 2)</i>	Mr. Wong Pui Hoi	Overdue
b3 Corporate Client 3	181	—	62	8.25%	11 Feb 2022– 1 Apr 2022	Within 1 year	Principal of HK\$121 million was guaranteed by Mr. Cheng Kwok Yue <i>(Note 3)</i>	Mr. Cheng Kwok Yue <i>(Note 3)</i>	Overdue
b4 Corporate Client 4	164	—	51	9.75%	28 Jun 2020	Within 1 year	By Mr. SHI Yuzhu <i>(Note 4)</i>	<i>Note 5</i>	Overdue
b5 Corporate Client 5	116	29	(46)	12%	8 Mar 2019	Within 2 year	By Mr. Zhang Zhixiang <i>(Note 6)</i>	Independent third party	Overdue
b6 Corporate Client 6	90	23	76	8.5%	17 Jan 2022	Within 1 year	N/A	Independent third party	Overdue
	<u>1,134</u>	<u>52</u>	<u>337</u>						

*Note 1:* The ultimate beneficial owner and the personal guarantor of Corporate Client 1 were set out in the page 22 of the Company's respective circular dated 27 May 2022.

*Note 2:* The ultimate beneficial owner and the personal guarantor of Corporate Client 2 were set out in the page 19 of the Company's respective circular dated 27 May 2022.

*Note 3:* The ultimate beneficial owner and the personal guarantor of Corporate Client 3 were set out in the page 5 of the Company's respective announcement dated 12 May 2022.

*Note 4:* The details of personal guarantee and ultimate beneficial owners of Corporate Client 4 were set out in the page 17 of the Company's respective circular dated 25 January 2021.

*Note 5:* Corporate Client 4 was a company 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.

*Note 6:* The personal guarantor of Corporate Client 5 was set out in the page 16 of the Company's respective circular dated 27 May 2022.

No additional loan was granted to above Corporate Clients. For the loans to Corporate client 5, settlement of HK\$124 million, of which HK\$71 million attributable to the Group, from the assignee for the assignment arrangement has been made during 2023. Details of the assignment arrangement were set out in the Company's announcement dated 6 June 2023. For the loan to Corporate Client 6, repayment of HK\$50 million for principal and interest was received in 2023.

**(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 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 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 Group 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 rates for the above are summarized below:

Identities of borrowers	Type	Gross	Accumulated	Carrying	Accumulative	Stage	
		amount as at	provision	amount as at			
		31 December	31 December	31 December	ECL %		
		2023	2023	2023			
		HK\$ million	HK\$ million	HK\$ million			
a1	China Oceanwide International Investment Company Limited and Minyun Limited	Credit loan	546	(446)	100	82%	3
a2	Oceanwide Holdings International Development III Co., Ltd	Credit loan	1,009	(900)	109	89%	3
a3	China Oceanwide Holdings Limited	Credit loan	729	(662)	67	91%	3
a4	Oceanwide Holdings International Development III Co., Ltd	Unlisted debt securities	1,018	(882)	136	87%	3
b1	Corporate Client 1	Credit loan	382	(382)	—	100%	3
b2	Corporate Client 2	Credit loan	338	(338)	—	100%	3
b3	Corporate Client 3	Credit loan	224	(224)	—	100%	3
b4	Corporate Client 4	Credit loan	226	(226)	—	100%	3
b5	Corporate Client 5	Credit loan	214	(185)	29	86%	3
b6	Corporate Client 6	Credit loan	99	(76)	23	77%	3
			<u>4,785</u>	<u>(4,321)</u>	<u>464</u>		

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

Regarding loans to former connected parties, namely, China Oceanwide International Investment Company Limited, Minyun Limited, Oceanwide Holdings International Development III Co., Ltd and China Oceanwide Holdings Limited, with reference to the announcements of Oceanwide Holdings Co., Ltd published on the website of the Shenzhen Stock Exchange and liquidation announcement of China Oceanwide Holdings Limited, they experienced a series of credit default events such as debt defaults and lawsuit since the year of 2021, which indicated concerns about their liquidity and ability to refinance.

Regarding loans to Corporate Client 1, 2, 3 and 4, the loans were classified as stage 3 as the loans were overdue and no settlement received during 2023. The loans were considered as default. 100% ECL provision was made as no recovery was expected from these loans.

Regarding the loan to Corporate Client 5, the loan was classified as stage 3 as the outstanding loan has been overdue since March 2021 according to the original contract and is considered as default. As at 31 December 2023, despite that 52% of the consideration of assignment has been received according to the payment term, there is risk of no settlement on the remaining balance of consideration after 2023 year end.

Regarding loan to Corporate Client 6, the loan was classified as stage 3 as the loans were overdue and only partial late settlement received during 2023. The loans were considered as default.

For the year of 2023, independent impairment assessment was performed for loans to former connected parties by an independent valuer, Masterpiece Valuation Advisory Limited which is a professional business consulting company established in Hong Kong with a branch office in the Greater China area. The consulting teams are formed by experienced professionals from accounting, finance and real estate with well-recognized qualifications including but not limited to HKICPA, Chartered Financial Analyst, member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors, Financial Risk Manager and Certified Public Valuer.

The loans to former connected parties and Corporate Clients 5 and 6 with less than 100% ECL provision were treated as default loans and 100% was used as the probability of default in the ECL model. Hence, in applying the accounting standard, the below formula was used in assessing their respective ECL provisions:

$$ECL = EAD \times PD \times (1 - PV \text{ of } (Recovery \text{ Rate} \times FLF))$$

1. Exposure at Default (the “EAD”) is the principal and interest outstanding that are at risk of default.
2. Probability of Default (the “PD”) of 100% is used as the counterparties defaulted or very likely to default.
3. Recovery Rate sourced from “Average debt recovery rates measured by ultimate recoveries” published by Moody’s, a reputable credit agency.
4. Forward-looking factor (the “FLF”) is served as adjustment to recovery rate basing on the recent and forecasted data related to assets of the borrowers. GDP growth data were selected as the appropriate macro factor (“Z”) according to the assets location of the counterparties. And for counterparties located in PRC, broad measure of money supply (M2) was also included to make relevant forward-looking adjustments to Recovery rate.
5. Present Value (“PV”) of  $(Recovery \text{ Rate} \times FLF) = (Recovery \text{ rate} \times FLF) / (1 + \text{effective interest rate})^{\text{Time to Recover}}$ . For loans to former connected parties, time to recover is prolonged to be 5–7 years from the reporting date, after considering the repayment history and reasonable time for unfreezing assets. For loans to Corporate Clients 5 and 6, time to recover is expected to be 2–4 years from the reporting date, based on the management’s expected time on repayment pattern.

Identities of borrowers	Type	EAD before	PD	Recovery		Time to Recover	FLF	PV of		ECL before	Overdue interest	Accumulated
		overdue interest		Rate	Interest Rate			Recovery Rate × FLF	(Recovery Rate × FLF)	overdue interest		
		A	B	C	D	E	F	G=C×F	H=G/(1+D) <sup>E</sup>	I=A×B×(1-H)	J	K=(I+J)/ (A+J)
		HK\$ million						HK\$ million		HK\$ million		
a1 China Oceanwide International Investment Company Limited and Minyun Limited	Credit loan	516	100%	38.93%	7.88%-10.5%	5 years	80.67%	31.40%	19.06%-21.50%	416	30	81%-82%
a2 Oceanwide Holdings International Development III Co., Ltd	Credit loan	768	100%	38.93%	11%-12%	7 years	80.67%	31.40%	14.2%-15.12%	659	241	88%-90%
a3 China Oceanwide Holdings Limited	Credit loan	539	100%	38.93%	12%	7 years	70.33%	27.38%	12.39%	472	190	90%-91%
a4 Oceanwide Holdings International Development III Co., Ltd	Unlisted debt securities	943	100%	38.93%	11.8%	7 years	80.67%	31.40%	14.38%	807	75	87%
b5 Corporate Client 5	Credit loan	116	100%	38.93%	12%	2 years	80.67%	31.40%	25.03%	87	98	86%
b6 Corporate Client 6	Credit loan	90	100%	38.93%	8.5%	4 years	89.00%	34.65%	25.00%	67	9	77%

Note 1: Overdue interest receivables were 100% impaired.

For above loans, there were no changes in valuation method.

Key parameters input including probability of default and expected recovery rate from loss given default rate are adjusted to reflect the current and future conditions and attribute to the increase of the ECL as at 31 December 2023 by comparing previous year.

- Probability of default:

The adopted probability of default for both years were derived from “Average cumulative issuer-weighted global default rates by Alphanumeric Rating”, Corporate Default and Recovery Rates, published by Moody’s. For defaulted counterparties, 100% was adopted as at 31 December 2023.

Certain counterparties were treated as defaulted for the year 2023 as the principals and interests were overdue.

- Expected recovery rate from loss given default rate:

The expected recovery rate for both years were derived from “Average debt recovery rates measured by ultimate recoveries” published by Moody’s and further adjusted with the security status of the Loans (secured/unsecured) and the future assets recoverability of the counterparties, if any.

Given the deteriorating economy and the property market is vulnerable to the changes in general economic fundamental factors and asset prices would fluctuate and become more volatile as compared to previous periods, the expected recovery decreased compared to previous period.

#### ***(e) Recovery Actions***

The risk management department (“RMD”) monitors the risk level of the loan portfolio regularly and provide monthly updates to senior management. Senior management also frequently discussed, at least on monthly basis, with the Executive Committee on the recovery actions.

##### *Loans to former connected parties*

For loans to former connected parties, the Group sent payment reminders to former connected parties before the maturity date, and thereafter further payment reminders were sent to former connected parties. RMD monitors the risk level of the loan portfolio regularly and provide updates to senior management on a monthly basis. The Company acknowledged the liquidity difficulties of the former connected parties and is still in frequent discussions with them to pursue settlement.

In respect of the credit loans to China Oceanwide International Investment Company Limited (a1 in the above table), the Group has entered a settlement agreement with subsidiaries of Tohigh Holdings Co., Ltd during 2023 for the settlement of all outstanding interest accrued up to 22 August 2023, (being completion date of settlement agreement), and partial outstanding amount of principal by way of shares transferred. The remaining outstanding principal amounts at HK\$446 million was remained as credit loans of the Group upon the completion date of settlement agreement.

For loans to Oceanwide Holdings International Development III Co., Ltd (a2 and a4 in the above table) and China Oceanwide Holdings Limited (a3 in the above table), there was a plan to recover the debts by way of the conditional settlement arrangements announced on 24 August 2021 which did not proceed to completion due to unfulfilment of the settlement conditions. The Company has since in discussions to explore alternative feasible options to enhance the recovery of loans to Oceanwide Holdings International Development III Co., Ltd and China Oceanwide Holdings Limited by assessing the feasibility of obtaining offshore assets of these borrowers and their holding companies.

#### *Corporate Client 1, Corporate Client 2 and Corporate Client 3*

The Group sent payment reminder to Corporate Client 1, 2 and 3 before maturity date and demand letters were sent following the one month overdue. For Corporate 1 and 3, the group has contacted with the borrowers but no settlement plan has concluded so far. No repayment has been received up to the date of this report.

#### *Corporate Client 4*

For credit loans to Corporate Client 4, statutory demand has been served by external lawyer to Corporate Client 4 during 2021. In 2023, external lawyer was engaged regarding a winding up petition against Corporate Client 4. No repayment has been received up to the date of this report.

#### *Corporate Client 5*

For credit loans to Corporate Client 5, as mentioned above, the outstanding loan was assigned to an independent party by a deed of assignment, settlement of HK\$124 million (represent 52% of the consideration of assignment), of which HK\$71 million attributable to the Group, from the assignee for the assignment arrangement has been made during 2023.

#### *Corporate Client 6*

The Group sent payment reminder to Corporate Client 6 before maturity date and demand letters were sent following the one month overdue. Partial repayment of HK\$50 million for principal and interest was received in 2023. A two years settlement plan was reached with Corporate Client 6 in January 2024.

## 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 covers factors such as 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 rigid risk appetite or fixed criteria for loan acceptance and risk assessment are made on a case-by-case basis and typically involves reviewing the financials of borrowers, the borrower's repayment and credit history including any prior insolvency history. Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan varies individually. The determination of the loan terms reflects the perceived risk level after the risk is determined to be within an acceptable and 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 relevant announcement or shareholders 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 made in the year of 2023 were set out below:

<b>Identity of borrower</b>	<b>Loan amounts disclosed in announcement</b>	<b>Respective announcement</b>
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Filled Converge Limited

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dated on 6 June 2023

**(ii) Major terms of 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 31 December 2023, the Group has 21 borrowers, of which 15 unlisted corporate borrowers, 2 listed corporate borrowers and 4 individual borrowers.

As at 31 December 2023, the Group has 38 credit loans with principal amounts ranged from HK\$2 million to HK\$446 million with interest rate ranged from 2.5% to 12%. The 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\$100 million–HK\$500 million	12
Above HK\$50 million–HK\$100 million	6
Above HK\$10 million–HK\$50 million	12
Above HK\$5 million–HK\$10 million	4
HK\$0–HK\$5 million	4
	<hr/>
	38
	<hr/> <hr/>

Out of the 38 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 of private companies with personal guarantee (7% of the total principal amount of the Group's credit loan portfolio), 3 loans were secured by assets of borrowers and unguaranteed (1% of the total principal amount of the Group's credit loan portfolio), 10 unsecured loans with personal or company's guarantee (48% of the total principal amount of the Group's credit loan portfolio) and the remaining 22 loans are unsecured and unguaranteed (41% of the total principal amount of the Group's credit loan portfolio).

As at 31 December 2023, the top five borrowers constituted 67% 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 Company'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.

As at 31 December 2023, the gross amounts of credit loans have decreased by HK\$838 million from HK\$4,680 million at 2022 year ended to HK\$3,842 million. The net carrying amount after ECL provisions of credit loan has changed from HK\$1,159 million at 2022 year ended to HK\$422 million at 2023 year end.

***(iv) Internal controls measures***

*Credit Approval*

The Company's money lending business follows a stringent procedure. Due diligence and credit assessments are performed by the respective lending department to assess the credit quality of the potential borrowers. These assessments include the identity, creditability, and financial background of the borrowers, and the value and characteristics of the collaterals to be pledged.

A loan proposal is then prepared by the designated loan officer and submitted to RMD for their comment. This comment is attached to the final submission of the proposal and presented to the Business Assessment Committee (BAC) either through a physical meeting or in an email for their approval.

The BAC may comment, add conditions, or seek improve the terms and conditions before giving their final approval. A Transaction Approval Form (TAF) is signed off by the Department Head of the respective lending department, the approval members, and the Chief Operating and Risk Officer to complete the approval process and for company record.

Subject to the size of the loan/total exposure of each borrower and its related parties, different approval authority is applied, where higher authority is required for the approval of larger loans. Till the end of 2023, the Company has long established this hierarchy of Approval Authority, the details of which are stated below:

<b>Loan size/total exposure of each borrower and its related parties (HK\$)</b>	<b>Approval authority</b>
Above HK\$1,000 million	Board of Directors
Above HK\$500 million – HK\$1,000 million	Executive Committee (ExCom.)
Above HK\$100 million – HK\$500 million	3 members in ExCom. (must include Chairman of ExCom.)
Above HK\$50 million – HK\$100 million	Business Assessment Committee (BAC)
Above HK\$10 million – HK\$50 million	3 members of BAC (must include Chief Executive Officer)
Above HK\$5 million – HK\$10 million	3 members of BAC (must include Chief Financial Officer or Chief Operating and Risk Officer)
Above HK\$0 million – HK\$5 million	2 members of BAC (must include Chief Financial Officer or Chief Operating and Risk Officer)

*Note:*

- 1) Business Assessment Committee comprises of Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Operating and Risk Officer and Deputy Chief Risk Officer.

#### *Continuous loan monitoring*

The Company's designated loan officer to closely monitors the Group's loan portfolio, include regular communication with the individual borrowers to update and review their financial position from time to time, and to determine appropriate actions for recovery of the relevant loans at the earliest time.

Also, RMD will review the risk level of each of the loans on a daily basis and submit written monthly report to the Executive Committee with their recommendation. From time to time, RMD alerts our senior management and/or the Executive Committee on specific events (e.g. failed repayment) and advise its recommended actions. In parallel, our accounts department and treasury department also keep track of the repayment schedule constantly and make relevant alerts to senior management in case of failed or late repayment.

### *Recoverability and Collection*

At each month end, the designated loan officer checks if there is overdue balances or late payment and RMD will perform an independent review on the loans portfolio and closely monitor the status and report to the senior management.

Usually there would be internal discussions on a case-by-case basis on what recovery actions to be taken so that the Company could recover the most in a timely fashion. Means like phones calls, seizure of collaterals, statutory demand letter and further legal actions would be discussed. Demand letter and statutory demand letter will be issued to the borrower when consider appropriately if there is overdue repayment. Where appropriate, legal action will be initiated against the borrower for the recovery of the amount due and taking possession of the collateral pledged. Seizure of collaterals and realization of underlying collaterals would also be taken if necessary. Where appropriate, the Company will also petition to the court for winding-up/bankruptcy of the borrower and/or guarantor. Again, the recovery and collection decisions and processes are included in the monthly risk management report to the Executive Committee.

### **Other Information**

#### ***Capital Structure, Liquidity and Financial Resources***

The Group generally finances its operations with internally generated cash flow as well as through the utilization of banking facilities and short-term loans and notes from non-bank entities. The Group's cash level at the end of 2023 was around HK\$122 million (2022: HK\$195 million).

At the end of 2023, the Group's total borrowings amounted to HK\$674 million, decreased by 26% from HK\$906 million at the end of 2022. Borrowings mainly consisted of two components.

- The first component was utilized bank facilities of around HK\$453 million (2022: HK\$543 million), of which the Group had available aggregate banking facilities of around HK\$556 million (2022: HK\$837 million).
- The second component was private notes issued by our listed company and loans from other parties (non-bank financial institutions), which amounted to HK\$221 million at the end of 2023 (2022: HK\$363 million).

At the end of 2023, the net assets of the Group was HK\$2,061 million (2022: HK\$2,012 million). The Group's gearing ratio (leverage) was 33% (2022: 45%), being calculated as total borrowings over net assets. The management has applied prudent risk and credit management on the 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 2023, the Group had not made any material acquisitions and disposals of subsidiaries and associated companies other than that has been announced and disclosed in note 15. As at the end of 2023, the Group did not hold any significant investments.

### ***Charges on the Group's assets***

At the end of 2023, assets of HK\$514 million (2022: HK\$441 million) were charged to banks and other lenders for facilities.

### ***Employees and remuneration policies***

On 31 December 2023, the Group had 193 full time employees (2022: 190) in Hong Kong and 22 full time employees (2022: 23) in Mainland China. In addition, the Group has 60 self-employed sales representatives (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, 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. RMD and Legal & Compliance Department then reviews and provide comments on identified risks, if any. RMD 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. RMD 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 RMD. 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.

### **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.

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

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any listed securities of the Company.

### **CORPORATE GOVERNANCE PRACTICES**

The Board considers that the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code of Appendix C1 of the Listing Rules, throughout the year ended 31 December 2023 and subsequent period up to the date of this announcement, save for the deviation from code provision C.2.1 which is explained as follows:

The Co-Chairman of the Company are Mr. HAN Xiaosheng and Mr. Kenneth LAM Kin Hing (“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.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) under Appendix C3 of the Listing Rules. 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 the Directors adopted by the Company throughout the year ended 31 December 2023.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee of the Company (which comprises three independent non-executive directors) has reviewed the audited annual results of the Company for the year ended 31 December 2023.

## **SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited (the “Auditors”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2023. The work performed by Auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Auditors on the preliminary announcement.

## **PUBLICATION OF THE AUDITED RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The audited results announcement of the Group for the year ended 31 December 2023 is published on the website of HKEXnews at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.quamplus.com](http://www.quamplus.com) respectively. The Annual Report for the year ended 31 December 2023 of the Company will be despatched to the shareholders of the Company and made available on the above websites in due course.

On behalf of the Board  
**Quam Plus International Financial Limited**  
**HAN Xiaosheng**  
*Co-Chairman*

Hong Kong, 26 March 2024

As at the date of this announcement, the Board of the Company comprises:

***Executive Directors:***

Mr. HAN Xiaosheng (*Co-Chairman*)  
Mr. Kenneth LAM Kin Hing (*Co-Chairman*)  
Mr. LIU Hongwei  
Mr. LAM Wai Hon

***Independent Non-executive Directors:***

Mr. Roy LO Wa Kei  
Mr. LIU Jipeng  
Ms. Cindy KONG Siu Ching

***Non-executive Director:***

Mr. FANG Zhou