



**中微金融**  
CHINA VÉRED FINANCIAL

**China Vered Financial  
Holding Corporation Limited**  
中微金融控股有限公司

(Incorporated in Hong Kong with limited liability)

**Stock Code: 245**

**2024**  
Interim Report



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## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

- Li Feng (*Chief Executive Officer*)  
Xie Fang (*Chief Risk Officer*) (Appointed as Executive Director on 22 March 2024)  
Du Lina (Appointed as acting chairperson on 22 February 2024, appointed as chairperson on 22 March 2024 and resigned as Executive Director and chairperson on 8 April 2024)  
Lin Le (Resigned as Executive Director and chairperson on 21 March 2024)

#### Non-executive Director

- Ng Kian Guan (*Chairman*) (Appointed as chairman and Non-executive Director on 8 April 2024)  
Huang Yan (Appointed on 19 April 2024 and retired on 28 June 2024)  
Zhang Boyang (Resigned on 8 April 2024)

#### Independent Non-executive Directors

- Cheng Tai Sheung (Appointed on 8 March 2024)  
Ko Ming Tung, Edward (Appointed on 22 March 2024)  
Sun Junchen (Appointed on 22 March 2024)  
Wong Ka Wai (Appointed on 22 March 2024)  
Zhou Hui (Resigned on 22 March 2024)  
Wen Yuanhua (Resigned on 13 March 2024)  
Dong Hao (Resigned on 13 March 2024)  
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

#### Audit Committee

- Wong Ka Wai (*Chairman*) (Appointed as chairman and member on 22 March 2024)  
Cheng Tai Sheung (Appointed on 8 March 2024)  
Ko Ming Tung, Edward (Appointed on 22 March 2024)  
Sun Junchen (Appointed on 22 March 2024)  
Zhou Hui (Resigned as chairperson on 22 March 2024)  
Dong Hao (Resigned on 13 March 2024)  
Wen Yuanhua (Resigned on 13 March 2024)  
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

### Remuneration Committee

- Cheng Tai Sheung (*Chairman*) (Appointed as member on 8 March 2024 and appointed as chairman on 22 March 2024)  
Ko Ming Tung, Edward (Appointed on 22 March 2024)  
Sun Junchen (Appointed on 22 March 2024)  
Wong Ka Wai (Appointed on 22 March 2024)  
Zhou Hui (Resigned on 22 March 2024)  
Dong Hao (Resigned on 13 March 2024)  
Wen Yuanhua (Resigned as chairman and member on 13 March 2024)  
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

### Nomination Committee

- Ng Kian Guan (*Chairman*) (Appointed as chairman and member on 8 April 2024)  
Cheng Tai Sheung (Appointed on 8 March 2024)  
Ko Ming Tung, Edward (Appointed on 22 March 2024)  
Sun Junchen (Appointed on 22 March 2024)  
Wong Ka Wai (Appointed on 22 March 2024)  
Du Lina (Appointed as acting chairperson and member on 22 February 2024, appointed as chairperson on 22 March 2024 and resigned as chairperson and member on 8 April 2024)  
Zhou Hui (Resigned on 22 March 2024)  
Lin Le (Resigned as chairperson and member on 21 March 2024)  
Wen Yuanhua (Resigned on 13 March 2024)  
Dong Hao (Resigned on 13 March 2024)  
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

**Company Secretary**

Wong Wai Yee Ella

**Principal Bankers**

Bank of China (Hong Kong) Limited  
China Construction Bank Corporation  
China Merchants Bank, Hong Kong Branch  
China Minsheng Bank, Hong Kong Branch  
Chong Hing Bank Limited  
CMB Wing Lung Bank Limited  
Industrial Bank Co., Ltd., Hong Kong Branch

**Solicitors**

*Hong Kong Law*  
Herbert Smith Freehills

**Independent Auditor**

Forvis Mazars CPA Limited  
(formerly known as Mazars CPA Limited)  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

**Registered Office**

22/F, China Taiping Tower  
8 Sunning Road  
Causeway Bay  
Hong Kong

**Share Registrar and Transfer Office**

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

**Stock Code**

245 HK

**Website**

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

**Authorized Representatives for the purpose of the Listing Rules**

Ng Kian Guan  
Wong Wai Yee Ella

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review

In the first half of 2024, the global economy demonstrated resilience despite facing challenges such as geopolitical conflicts and elections in various countries, which contributed to a slow recovery with evident regional disparities. While there was a rebound in global commodity trading in goods, it still lagged behind historical levels. Global inflation eased more quickly than expected, primarily due to the persistent tightening of monetary policies by major developed economies. Domestically, the pain from structural transformation was evident, but ongoing macroeconomic policies helped soften these impacts. This, coupled with a resurgence in external demand, contributed to maintaining overall stability in the national economy.

Due to the above factors, the major A-share indexes moved in different directions in the first half, creating disparity between markets. During the first half of 2024, the Shanghai Composite Index fell by 0.25%, the Shenzhen Component Index decreased by 7.10%, and the ChiNext Index dropped by 10.99%. The Hong Kong stock market also displayed a mixed performance: large-cap stocks outperformed, leading the market, while small-cap stocks lagged slightly behind. The Hang Seng Index rose by 3.94%, but the Technology Index declined by 5.57%. In the first half of 2024, the Hong Kong IPO market saw a reduction in fundraising scale, with both the total capital raised and the number of issues falling compared to the same period last year, dropping its global ranking to ninth.

In the first half of 2024, the Company accelerated the clearance of underperforming assets and hastened the recovery of investments, progressively refining its investment portfolio and cautiously initiating new projects. The Company maintained stable overall financial health.

Facing a complex internal and external environment, the Company continued to apply a cautious and disciplined management approach. While maintaining stability in its business operations and team, the Company further enhanced its internal control and risk management to ensure steady business growth. Specifically, in the realm of investment business, the Company increased its investments in fixed-income assets that balance returns with risks, and focused on high-quality, high-growth sectors such as advanced technology, cutting-edge manufacturing, the digital economy, artificial intelligence, and healthcare, seeking out high-quality equity investment opportunities. In respect of asset management business, the Company enhanced the recovery of investments and the disposal of underperforming assets, and actively pursued special opportunities in non-performing assets, distressed assets, cross-border mergers and acquisitions, and synergies between primary and secondary markets. Regarding internal control and governance, following recommendations from internal control consultants, the Company implemented a series of corrective measures. These included refining its authorization matrix and optimizing its monitoring and reporting processes.

### **Prospect**

Looking ahead to the second half of 2024, geopolitical tensions are expected to persist in a strategic deadlock. While the global economy remains resilient amidst diversification, it is projected to trend downward over the long term. Domestically, with the rollout of the new “National Nine Rules”, China’s capital markets will adopt more stringent regulations, enhanced risk prevention, and a commitment to high-quality development. Policies are also likely to keep emphasizing new growth drivers, thus opening up new industrial investment opportunities driven by new quality productive forces. On the international front, the tightening policies previously implemented to curb post-pandemic inflation are easing, with global central banks expected to follow a more moderate approach in cutting interest rates. Amidst trends of global fragmentation, new dynamics are emerging in the division of labor within the global industrial chain. Western countries are moving towards reindustrialization, while domestically, there is a shift towards large-scale green industries and digital economies. Concurrently, driven by external demand, Chinese enterprises are expected to experience a revival in exports and overseas expansion.

The Company will fully assess the changes and trends in the macroeconomic environment outlined above. Amid the uncertainty of market fluctuations, we will strive for relative stability and continue our efforts to reduce costs and enhance efficiency. We are committed to actively managing and revitalizing our existing assets, preventing new risks, resolving historical issues, and continuously improving both the quality and value of our assets. Furthermore, we will continually enhance the sustainability and stability of our asset acquisitions. Simultaneously, we will fully leverage Hong Kong's status as an international financial center. We will flexibly adjust our investment strategies and continuously optimize our asset allocation, ensuring a balance between asset liquidity and returns. We will exploit our ability to connect with high-quality global assets, seize economic development opportunities in the Greater Bay Area, foster innovation in our operations, strive for breakthroughs in our business models, and deepen our strategic deployment in both Hong Kong and the cross-border financial sectors.

Looking to the future, the Company will steadfastly uphold the values of integrity, professionalism, and innovation. We will maintain our strategic focus, continually enhance our core competencies and professional standards, seize development opportunities, actively respond to market challenges, and pursue a path of high-quality development. This approach will create more value for our shareholders and investors.

### Significant Investments

As at 30 June 2024, the Group had investments in financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost with an aggregate carrying amount of approximately HK\$3,047,692,000 (at 31 December 2023: HK\$2,839,406,000). The details of significant investments (each of which carrying value more than 5% of the total assets of the Group) as at 30 June 2024 are as follows:

Name of investee company/fund	Nature of investments	Investee's principal businesses	Number and percentage of shares/units held	Investment costs	Fair value/Carrying value as at 30 June 2024	Percentage of Group's total assets as at 30 June 2024	Unrealised gain on	
							change in fair value for the period ended 30 June 2024	Realised gain/(loss) for the period ended 30 June 2024
				HK\$000	HK\$000	30 June 2024	30 June 2024	30 June 2024
eToro Group Ltd.	Investment in unlisted preferred shares <sup>a</sup>	Social investment trading network	1,196,438 (6.19%)	385,508	1,292,143	30.1%	114,168	-
Wilson New Energies Co., Ltd. (formerly known as Wilson (Nantong) Heavy Industry Co., Ltd.)	Investment in unlisted shares <sup>a</sup>	Marine engineering	142,732,048 (4.65%)	298,167	372,004	8.7%	29,835	-

<sup>a</sup> Classified as financial assets at fair value through profit or loss

To the best knowledge of the Company, the investee companies as disclosed in the significant investments above, including Wison New Energies Co., Ltd. which is an affiliate of a minority shareholder of the Company's major shareholder, are not connected persons of the Company.

The Group's investment objective is to increase the value of its investment holding business in order to enhance returns for its shareholders. Through a risk-balanced investment strategy of targeting an appropriate mix of different types of investment instruments in its portfolio, including but not limited to listed equity securities which provide liquidity and capital appreciation, debt securities and interest-bearing instruments which provide recurring and stable stream of interest income, and unlisted equity and fund investments which provide a potential higher return in a medium to long term horizon, the Group seeks not only to widen its source of revenue, but also to achieve risk adjusted return in its overall investment portfolio.

Looking ahead, the stock market is expected to remain volatile. The performance of proprietary investment will be affected by unstable market conditions. The Group will continue to implement strict risk control to minimise the impact of market volatility and will seek potential investment opportunities to diversify its investment portfolio with an aim to maximise value for the shareholders of the Company.

### Financial Review

For the six months ended 30 June 2024, the unaudited condensed consolidated revenue of the Group was approximately HK\$51,053,000 (six months ended 30 June 2023: HK\$59,260,000), representing a decrease of approximately 14%, mainly due to decrease in interest income arising from reduction in scale of debt investments for the period under review.

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

	Six months ended 30 June		
	2024 HK\$'000	2023 HK\$'000	Change
Interest income	<b>30,662</b>	41,147	(25%)
Commission and fee income	<b>10,748</b>	15,499	(31%)
Investment income	<b>9,643</b>	2,614	269%
Total revenue	<b>51,053</b>	59,260	(14%)



The Group recorded a loss of approximately HK\$20,585,000 for the six months ended 30 June 2024, as compared to a loss of HK\$36,399,000 for the six months ended 30 June 2023. The decrease in loss was mainly attributable to an increase in net gain on investments as compared to the six months ended 30 June 2023. The effects of the aforesaid factors are partially offset by (i) an increase in provision for impairment of financial assets with amount of HK\$54.4 million recorded for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$32.1 million); (ii) an increase in staff costs and related expenses arising from release of shares held for share award plan by the Group for the six months ended 30 June 2024; and (iii) a decrease in revenue as compared to the six months ended 30 June 2023 for the reasons mentioned above.

The table below presents the breakdown of segment revenue (including net gain on financial assets/liabilities) and reportable segment results during the six months ended 30 June 2024 with comparative figures in the six months ended 30 June 2023:

	Segment revenue and net gain on financial assets/liabilities		Segment results	
	Six months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Asset management	<b>8,154</b>	8,851	<b>2,113</b>	406
Securities brokerage	<b>4,472</b>	3,131	<b>(47,264)</b>	(1,179)
Investment holding	<b>184,700</b>	67,892	<b>145,664</b>	8,401
<b>Total</b>	<b>197,326</b>	79,874	<b>100,513</b>	7,628

### Asset management segment

The Group's asset management business represents the provision of asset management services to clients. The Group's asset management segment recorded revenue of approximately HK\$8.2 million during the six months ended 30 June 2024 as compared to approximately HK\$8.9 million for the six months ended 30 June 2023 and profit of approximately HK\$2.1 million during the six months ended 30 June 2024 as compared to approximately HK\$0.4 million for the six months ended 30 June 2023. The decrease in segment revenue was primarily due to the decrease in asset management fee income arising from the decrease of average aggregated net value of assets under management during the period under review, while the increase in profit was mainly due to reduction in staff costs.

### **Securities brokerage segment**

The Group's securities brokerage business mainly includes the provision of securities brokerage services, securities margin financing to clients, underwriting services to corporate clients for their fund raising activities in equity and debt capital markets, financial advisory and financial arrangement services to clients. During the six months ended 30 June 2024, the revenue contributed by the securities brokerage segment increased to approximately HK\$4.5 million, while the loss increased to approximately HK\$47.3 million, compared to the revenue and loss of approximately HK\$3.1 million and HK\$1.2 million, respectively, for the six months ended 30 June 2023. The increase in segment revenue was mainly due to the increase in fees received from clients and interest income from margin financing, while the increase in loss was principally attributable to the increase in ECL allowances during the period under review.

### **Investment holding segment**

The Group's investment holding business mainly represents direct investments in investment funds, listed and unlisted debts and equities, alternative investments (such as real estate investments through investment funds) and private equities, and provision of loan financing services.

The Group's investment holding segment recorded revenue (including net gain on financial assets/liabilities) of approximately HK\$184.7 million during the six months ended 30 June 2024 as compared to approximately HK\$67.9 million for the six months ended 30 June 2023 and profit of approximately HK\$145.7 million during the six months ended 30 June 2024 as compared to approximately HK\$8.4 million for the six months ended 30 June 2023. The improvement in segment revenue and results was mainly due to the net impact of (i) net gain on financial assets/liabilities of approximately HK\$158.8 million recorded for the six months ended 30 June 2024 as compared to approximately HK\$33.5 million recorded for the six months ended 30 June 2023 as a result of the improvement of fair value of certain unlisted investments; (ii) a decrease in provision of impairment of financial assets as a result of slowdown in incline of credit and default risk of debt investments for the period under review; and (iii) partially offset by a decrease in interest income arising from reduction in scale of debt investments.

Total costs (including staff costs, premises expenses, legal and professional fees, depreciation, information technology expenses, finance costs, trading costs and other operating costs) for the six months ended 30 June 2024 was approximately HK\$152,136,000 (six months ended 30 June 2023: HK\$71,399,000), representing an increase of approximately 113% which was mainly due to release of shares held for share award plan by the Group for the period under review.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

For the financial position as at 30 June 2024, total assets of the Group were approximately HK\$4,289,467,000 (as at 31 December 2023: HK\$4,318,496,000), representing a decrease of approximately 0.7%. Net cash (outflow)/inflow from operating activities, investing activities and financing activities for the period under review were approximately HK\$(97,784,000), HK\$(16,000) and HK\$(29,266,000) (six months ended 30 June 2023: HK\$(299,288,000), HK\$1,949,000 and HK\$18,481,000), respectively. Depreciation for property, plant and equipment for the period under review was approximately HK\$760,000 (six months ended 30 June 2023: HK\$898,000).

### **Employee relations**

As at 30 June 2024, the Group had 65 employees (as at 30 June 2023: 71 employees).

Total staff costs and related expenses for the six months ended 30 June 2024 were approximately HK\$115,847,000 (six months ended 30 June 2023: HK\$39,540,000).

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

### **Liquidity and financial resources**

As at 30 June 2024, the Group's cash and bank balances amounted to approximately HK\$550,847,000 (as at 31 December 2023: HK\$689,636,000) and the total debts amounted to HK\$Nil (as at 31 December 2023: HK\$27,639,000). The gearing ratio as at 30 June 2024 (total debts to total equity) was 0% (as at 31 December 2023: 0.7%), which indicated that the Group's overall financial position remained strong.

### **Funding and capital management**

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

The Group relies principally on its share capital, internally generated capital and other borrowings to fund its investments and loan lending business. The Group's interest bearing borrowings in the form of repurchase agreements amounted to HK\$Nil as at 30 June 2024 (as at 31 December 2023: HK\$27,639,000). The Group's borrowings are mainly denominated in US dollars, have remaining average maturity period of less than one year and bear interest at floating rates. The Group's cash and cash equivalents are mainly denominated in US dollars, Renminbi, Japanese Yen, Canadian dollars and Hong Kong dollars. There were no foreign currency net investments hedged by foreign currency borrowings and other hedging instruments by the Group during the period under review.

### **Segment information**

Details of segment information are set out in Note 6 to the condensed consolidated financial statements.

### **Capital structure**

There were no changes to the Group's capital structure during the six months ended 30 June 2024.

### **Material acquisitions and disposals of subsidiaries and associates**

The Group had no material acquisition and disposal of subsidiaries and associated companies during the six months ended 30 June 2024.

### Charges on Group's assets

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

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Financial assets at fair value through profit or loss	–	75,233
Total charges on Group's assets	–	75,233

As at 30 June 2024, the Group did not have any charges on Group's assets. As at 31 December 2023, certain bonds classified as financial assets at fair value through profit or loss were pledged as collateral for the Group's borrowings.

### Exposure to exchange rate fluctuation and related hedging

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

### Contingent liabilities

Details of the Group's contingent liabilities as at 30 June 2024 and 31 December 2023 are set out in Notes 16 and 24 to the condensed consolidated financial statements.

### Future plans for material investments or capital assets

There was no specific plan for material investments or capital assets as at 30 June 2024. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as and when appropriate.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the ordinary shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules, are set out below:

### 1. Aggregate long position in the Shares, underlying Shares and debentures of the Company and its associated corporations

Name of Director/Chief Executive	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital (Note)
Li Feng (Executive Director)	Beneficial owner	289,280,000	0.83%
Xie Fang (Executive Director)	Beneficial owner	288,030,000	0.82%

Note: The percentage was calculated based on the total number of 34,714,459,250 Shares in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executive of the Company had any interests in the Shares, underlying Shares or debentures of the Company or any associated corporations, which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

### 2. Aggregate short position in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at 30 June 2024, none of the Directors or the chief executive of the Company had any short position in the Shares, underlying Shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

## SHARE AWARD PLAN

On 19 December 2018, the Company adopted a share award plan (the “Share Award Plan”), the details of which are set out below:

**Purpose of the Share Award Plan:** The purposes of the Share Award Plan are to recognise and reward the contribution of Eligible Participants (as defined below) to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

**Eligible Participants:** Any employee (whether full time or part time, including any executive director but excluding any non-executive Director) of the Company, any subsidiary of the Company or any entity in which any member of the Group holds any equity interest (an “Invested Entity”) (an “Employee”); any non-executive Directors (including independent non-executive Directors) of the Company, any subsidiary or any Invested Entity; any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the Share Award Plan, the award (the “Award”) may be made to any company wholly owned by one or more of the above participant. The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board’s opinion as to his contribution and/or future contribution to the development and growth of the Group.

Maximum entitlement of each Eligible Participant:	The maximum number of Shares which may be subject to an Award or Awards to a selected participant shall not in aggregate exceed 1% of the issued share capital of the Company as at 19 December 2018 (the "Adoption Date").
Maximum number of Shares to be subscribed and/or purchased by the trustee pursuant to the Share Award Plan:	2,892,871,925 Shares, representing approximately 8.33% of the issued share capital of the Company as at the date of this report.
Number of share awards available for grant under the scheme mandate as at 1 January 2024:	2,888,291,925 Shares
Number of share awards available for grant under the scheme mandate as at 30 June 2024	1,157,461,925 Shares
The amount payable on application or acceptance of the Award and the period within which payments or calls must or may be made or loans for such purposes must be paid:	Nil
Duration of the Share Award Plan:	The Share Award Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date.



During the six months ended 30 June 2024, an aggregate of 1,730,830,000 awarded Shares were granted to Eligible Participants under the Share Award Plan, all of which were immediately vested upon grant. No awarded Shares were lapsed/forfeited/cancelled during the six months ended 30 June 2024. The fair value of Shares granted amounting to approximately HK\$84,461,000 was determined based on the quoted market price of the Shares at the date of grant and was recognised as share-based payment expense in profit or loss during the six months ended 30 June 2024. The number of Shares that may be issued in respect of the awarded Shares granted under the Share Award Plan during the six months ended 30 June 2024 divided by the weighted average number of Shares in issue for the six months ended 30 June 2024 was nil.

The table below sets out details of Awards granted to the Directors and Eligible Participants of the Group (other than Directors) under the Share Award Plan during the six months ended 30 June 2024:

Category of Eligible Participants	On 9 April 2024				On 21 June 2024			Number of Shares granted and unvested as at 30 June 2024
	Number of Shares granted and unvested as at 1 January 2024	Number of Shares granted and vested (Note 1)	Closing price of Shares immediately before the date of grant (HK\$)	Purchase price (HK\$)	Number of Shares granted and vested (Note 1)	Closing price of Shares immediately before the date of grant (HK\$)	Purchase price (HK\$)	
	Directors							
Li Feng	-	288,030,000	0.043	Nil	-	-	-	-
Xie Fang	-	288,030,000	0.043	Nil	-	-	-	-
Top five highest paid employees (other than Directors)	-	626,200,000	0.043	Nil	210,570,000	0.068	Nil	-
Other employees	-	318,000,000	0.043	Nil	-	-	-	-

Notes:

1. No performance target was attached to these Awards and all the Awards were immediately vested upon grant. All the Awards were satisfied by existing Shares.
2. The weighted average closing price of the Shares immediately before the dates on which the Awards were vested were HK\$0.046 per Share.

## CHANGE IN DIRECTOR'S INFORMATION

Pursuant to Rules 13.51B(1) of the Listing Rules, changes in the Director's information since the disclosure made in the annual report of the Company for the year ended 31 December 2023 are set out as follows:

Name of Director	Details of Changes
Li Feng	Mr. Li's annual remuneration as chief executive officer of the Company ("CEO") has been revised to HK\$3 million with effect from 1 April 2024. Mr. Li entered into an employment agreement with the Company in respect of his employment as CEO for an initial fixed term of three years with effect from 1 April 2024.
Xie Fang	Mr. Xie's annual remuneration as chief risk officer of the Company ("CRO") has been revised to HK\$2.3 million with effect from 1 April 2024. Mr. Xie entered into an employment agreement with the Company in respect of his employment as CRO for an initial fixed term of three years with effect from 1 April 2024.
Ng Kian Guan	Mr. Ng was appointed as a non-executive Director, chairman of the Board, chairman of the Nomination Committee and an authorised representative of the Company with effect from 8 April 2024. Mr. Ng has been appointed as an independent non-executive director of Hong Lai Huat Group Limited, a company listed on the Singapore Exchange, with effect from May 2024.
Du Lina	Ms. Du resigned as executive Director, chairperson of the Board, chairperson of the Nomination Committee and an authorised representative of the Company with effect from 8 April 2024.

**Name of Director****Details of Changes**

Zhang Boyang

Mr. Zhang resigned as non-executive Director with effect from 8 April 2024.

Huang Yan

Mr. Huang was appointed as a non-executive Director with effect from 19 April 2024. He retired as non-executive Director following the conclusion of the annual general meeting of the Company held on 28 June 2024.

Sun Junchen

Mr. Sun resigned as the vice president of investment development at Newborn Town Inc., a company listed on the Stock Exchange (Stock Code: 9911), with effect from 12 April 2024.

Wong Ka Wai

Mr. Wong resigned as an independent non-executive director of Jujiang Construction Group Co., Ltd., a company listed on the Stock Exchange (Stock Code: 1459), with effect from 11 June 2024.

Save as disclosed above, since the publication of the Company's 2023 annual report, there are no other changes in Directors' information required to be disclosed according to Rule 13.51B(1) of the Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, to the best knowledge of the Directors, the following persons, other than the Directors and chief executive of the Company, had interests or short positions in the Shares and underlying Shares of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

### Interests in the Shares and underlying Shares of the Company

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of the issued share capital (Note (1))
薔薇控股股份有限公司	Interest of controlled corporation (Note (2))	10,043,000,000	28.93%
薔薇控股(深圳)有限公司	Interest of controlled corporation (Note (2))	10,043,000,000	28.93%
Vered Holdings (Hong Kong) Limited ("Vered HK")	Interest of controlled corporation (Note (2))	10,043,000,000	28.93%
Vered Investment Co., Ltd ("Vered Investment")	Interest of controlled corporation (Note (2))	10,043,000,000	28.93%
Vered Holdings Group Ltd ("Vered Cayman")	Beneficial owner (Note (2))	10,043,000,000	28.93%
珠海大橫琴集團有限公司 ("Dahengqin PRC")	Interest of controlled corporation (Note (3))	10,043,000,000	28.93%
Dahengqin (Hong Kong) Investment Corporation Limited ("Dahengqin HK")	Beneficial owner (Note (3))	10,043,000,000	28.93%

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of the issued share capital (Note (1))
Liu Xueyi ("Mr. Liu")	Interest of controlled corporation (Note (4))	5,034,511,390	14.50%
Prosper Ascend Limited ("Prosper Ascend")	Beneficial owner (Note (4))	5,034,511,390	14.50%
中國民生投資股份有限公司("CMIG")	Interest of controlled corporation (Note (5))	3,502,618,610	10.09%
中民投亞洲資產管理有限公司("CM Asia")	Interest of controlled corporation (Note (5))	3,502,618,610	10.09%
CMI Financial Holding Corporation ("CMI Financial")	Beneficial owner (Note (5))	2,860,000,000	8.24%
CMI Financial Holding Company Limited ("CMIHK")	Beneficial owner (Note (5))	642,618,610	1.85%
Shao Jinxia ("Mr. Shao")	Interest of controlled corporation (Note (6))	3,500,000,000	10.08%
Hong Kong Baohui Toda Limited ("Baohui Toda")	Beneficial owner (Note (6))	3,500,000,000	10.08%

Notes:

- (1) The percentage was calculated based on the total number of 34,714,459,250 Shares in issue as at 30 June 2024.
- (2) 10,043,000,000 Shares were held by Vered Cayman, which is wholly-owned by Vered Investment, and which in turn is wholly-owned by Vered HK. Vered HK is wholly-owned by 薔薇控股(深圳)有限公司, which in turn is wholly-owned by 薔薇控股股份有限公司. By virtue of the SFO, Vered Investment, Vered HK, 薔薇控股(深圳)有限公司 and 薔薇控股股份有限公司 were deemed to have interests in the Shares held by Vered Cayman.

- (3) On 15 March 2024, Dahengqin HK entered into an agreement ("Agreement") with Vered Cayman and its holding company, 薔薇控股股份有限公司 (the sellers) in relation to (i) the intended sale and purchase of 10,043,000,000 Shares; and (ii) the assignment of all voting rights, powers and interests attached to the said shares to Dahengqin HK, subject to terms and conditions set out therein. As Dahengqin HK is wholly owned by Dahengqin PRC, by virtue of the SFO, Dahengqin PRC was deemed to have interests in the said Shares.
- (4) 5,034,511,390 Shares were held by Prosper Ascend, which is wholly-owned by Mr. Liu. By virtue of the SFO, Mr. Liu was deemed to have interest in the Shares held by Prosper Ascend.
- (5) CMI Financial and CMIHK held 2,860,000,000 Shares and 642,618,610 Shares, respectively. Both CMI Financial and CMIHK are wholly owned by CM Asia, which in turn are wholly owned by CMIG. By virtue of the SFO, CM Asia and CMIG were deemed to have interest in the Shares held by CMI Financial and CMIHK.
- (6) 3,500,000,000 Shares were held by Baohui Toda, which is wholly-owned by Mr. Shao. By virtue of the SFO, Mr. Shao was deemed to have interest in the Shares held by Baohui Toda.
- (7) All the interests disclosed above represent long positions in the Shares.

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any other persons (other than the Directors or the chief executive of the Company) who, as at 30 June 2024, had interests or short positions in the Shares and underlying Shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be extended into in the register required to be kept by the Company pursuant to section 336 of the SFO.

## **RIGHTS TO ACQUIRE COMPANY'S SECURITIES**

Save as otherwise disclosed in this report, at no time during the period under review was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## CORPORATE GOVERNANCE

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

The Company's corporate governance practices are based on the principles and code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

On 8 April 2024, Ms. Du Lina resigned as an executive Director with effect on the same day. Since then and until the date of this report, the Board comprised only male Directors. In order to achieve board diversity requirement pursuant to Rule 13.92 of the Listing Rules, the Company will appoint at least one female Director by no later than 31 December 2024.

Save as disclosed above, throughout the period under review, the Company complied with the CG Code.

### **Independent Non-Executive Directors, Audit Committee and Nomination Committee**

Reference is made to the announcement of the Company dated 13 March 2024 in relation to the resignation of Mr. Wen Yuanhua, Mr. Dong Hao and Mr. Jin Mingming as independent non-executive directors of the Company. Following the resignation as disclosed in the announcement, the Company had (i) two independent non-executive directors, which is below the minimum requirement under Rule 3.10(1) of the Listing Rules; (ii) the audit committee (the "Audit Committee") comprised two members, which did not meet the requirement under Rule 3.21 of the Listing Rules; and (iii) the nomination committee (the "Nomination Committee") did not comprise a majority of independent non-executive directors, which did not meet the requirement under Rule 3.27A of the Listing Rules.

For the remedial measures taken by the Board in response to the non-compliance with the Rules 3.10(1), 3.21 and 3.27A, the Board has used its best effort to identify suitable candidates to fill the vacancies of the independent non-executive directors and appointed Mr. Sun Junchen, Mr. Ko Ming Tung, Edward and Mr. Wong Ka Wai as independent non-executive directors of the Company and the appointment of each of them as members of each of the Audit Committee and Nomination Committee with effect from 22 March 2024. For details, please refer to the announcement of the Company dated 22 March 2024.

Following the appointment, the Company is in compliance with the requirements of (i) including at least three independent non-executive directors on the Board under Rule 3.10(1) of the Listing Rules; (ii) the Audit Committee comprising a minimum of three members under Rule 3.21 of the Listing Rules; and (iii) the Nomination Committee comprising a majority of independent non-executive directors under Rule 3.27A of the Listing Rules during the six months ended 30 June 2024 and up to date of this report.

### **Review of Accounts**

Disclosure of financial information in this report complies with Appendix D2 of the Listing Rules.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management the internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated financial statements, and the Audit Committee also has reviewed the unaudited interim condensed consolidated financial information of the Company for the six months ended 30 June 2024.

The Company's independent auditor, Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited), has reviewed the interim financial information for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. All the Directors have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2024.



## **OTHER INFORMATION**

### **Investigation by an independent forensic investigation company**

At the end of January 2024, the Board has approved and resolved the formation of an investigation committee to investigate (the "Investigation") the matters in relation to the alleged misconduct of Ms. Lin Le ("Ms. Lin"), the then chairperson of the Board and an executive director of the Company as contained in a complaint letter from a shareholder of the Company. The key purposes of the Investigation include the following: (1) to investigate whether Ms. Lin has violated the Listing Rules or any requirements of directors' duties during her tenure with the Company, resulting in any loss or damages to the Company, and (2) to investigate whether there are undisclosed related party transactions between the Company and any related parties of Ms. Lin, and investigate whether the undisclosed matters (if any) have resulted in any violations to the Listing Rules. An independent forensic investigation company has been engaged to conduct the Investigation, which was completed in May 2024. Further details in respect of key findings of the Investigation are set out in the announcement of the Company dated 24 May 2024.

### **Originating Summons issued by Ms. Lin**

On 28 February 2024, Ms. Lin, the then executive director of the Company, issued and filed an originating summons (the "Summons") against certain directors at the material time and the Company as the defendants.

On 8 May 2024, the Company received a letter from Ms. Lin's legal representative in respect of her intention to wholly discontinue the Summons against the Company. The Company will keep its shareholders and the public informed of any material development in connection with the above proceedings by way of further announcement(s) as and when appropriate. Please refer to the announcements of the Company dated 29 February 2024, 13 March 2024 and 24 May 2024 for further details of the Summons.

### **Pre-emptive Rights**

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

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

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

On behalf of the Board

**China Vered Financial Holding Corporation Limited**

**Ng Kian Guan**

*Chairman*

Hong Kong, 27 August 2024

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000
Interest income		30,662	41,147
Commission and fee income		10,748	15,499
Investment income		9,643	2,614
<b>Total revenue</b>	7	<b>51,053</b>	59,260
Net gain on financial assets/liabilities	8	158,842	33,534
Other loss, net		(4,074)	(3,356)
Trading costs		(11,814)	(1,569)
Staff costs and related expenses		(115,847)	(39,540)
Premises expenses		(5,799)	(6,259)
Legal and professional fees		(6,760)	(9,313)
Depreciation		(760)	(898)
Information technology expenses		(2,832)	(3,355)
Expected credit losses ("ECL")	10	(54,368)	(32,093)
Write-off of other intangible assets		–	(902)
Other operating expenses		(7,696)	(9,934)
Share of post-tax loss of associates	15	(9,408)	(5,733)
Finance costs	11	(628)	(531)
<b>Loss before income tax</b>	6	<b>(10,091)</b>	(20,689)
Income tax expense	9	(10,494)	(15,710)
<b>Loss for the period</b>		<b>(20,585)</b>	(36,399)

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
	Note		
<b>(Loss)/profit attributable to:</b>			
— Owners of the Company		<b>(20,781)</b>	(37,582)
— Non-controlling interests		<b>196</b>	1,183
		<b>(20,585)</b>	(36,399)
		<b>HK Cents per share</b>	HK Cents per share
<b>Loss per share attributable to owners of the Company</b>			
<b>Basic loss per share</b>	13	<b>(0.06)</b>	(0.11)
<b>Diluted loss per share</b>	13	<b>(0.06)</b>	(0.11)

The notes on pages 35 to 66 form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>Loss for the period</b>	<b>(20,585)</b>	(36,399)
<b>Other comprehensive (loss)/income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value on equity instruments at fair value through other comprehensive income, net of tax	<b>(19,827)</b>	(92,806)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net change in fair value on debt instruments at fair value through other comprehensive income, net of tax	<b>(1,999)</b>	(39,646)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	<b>(59)</b>	25,796
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income	<b>1,581</b>	(77)
Exchange differences on translation of foreign operations	<b>(28,037)</b>	(19,469)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(48,341)</b>	(126,202)
<b>Total comprehensive loss for the period</b>	<b>(68,926)</b>	(162,601)
<b>Total comprehensive (loss)/income for the period attributable to:</b>		
— Owners of the Company	<b>(69,627)</b>	(163,296)
— Non-controlling interests	<b>701</b>	695
	<b>(68,926)</b>	(162,601)

The notes on pages 35 to 66 form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2024

	Note	30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	654	1,403
Right-of-use assets		–	2,444
Goodwill		5,079	5,079
Other intangible assets		–	–
Investments in associates	15	68,490	77,898
Rental and other deposits		2,613	3,130
Loan and interest receivables	19	–	79,900
Financial assets at fair value through profit or loss	16	2,375,331	2,096,875
Financial assets at fair value through other comprehensive income	17	275,664	336,434
Deferred tax assets	9	129,981	130,671
<b>Total non-current assets</b>		<b>2,857,812</b>	<b>2,733,834</b>
<b>Current assets</b>			
Margin receivables and other trade receivables	20	9,431	66,565
Other receivables, prepayments and deposits		45,994	66,005
Loan and interest receivables	19	200,624	129,986
Other interest receivables		2,943	13,195
Financial assets at fair value through profit or loss	16	351,412	387,672
Financial assets at fair value through other comprehensive income	17	43,390	16,013
Financial assets at amortised cost	18	1,895	2,412
Tax receivables		169	170
Deposits with brokers		224,950	213,008
Cash and cash equivalents		550,847	689,636
<b>Total current assets</b>		<b>1,431,655</b>	<b>1,584,662</b>
<b>Total assets</b>		<b>4,289,467</b>	<b>4,318,496</b>

		<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	21	<b>4,454,374</b>	4,454,374
Other reserves		<b>(89,647)</b>	(216,963)
Accumulated losses		<b>(367,517)</b>	(255,035)
		<b>3,997,210</b>	3,982,376
Non-controlling interests		<b>7,282</b>	6,581
<b>Total equity</b>		<b>4,004,492</b>	3,988,957
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	9	–	5,805
<b>Total non-current liabilities</b>		–	5,805
<b>Current liabilities</b>			
Accruals and other payables		<b>132,944</b>	161,758
Loan and interest payables	22	–	27,639
Financial liabilities at fair value through profit or loss	16	<b>12,695</b>	6,925
Current tax liabilities		<b>139,336</b>	124,793
Lease liabilities		–	2,619
<b>Total current liabilities</b>		<b>284,975</b>	323,734
<b>Total liabilities</b>		<b>284,975</b>	329,539
<b>Total equity and liabilities</b>		<b>4,289,467</b>	4,318,496
<b>Net current assets</b>		<b>1,146,680</b>	1,260,928
<b>Total assets less current liabilities</b>		<b>4,004,492</b>	3,994,762

The notes on pages 35 to 66 form an integral part of these condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company											
	Share capital	Capital reduction reserve	Shares held for share award plan	Special capital reserve	Foreign currency translation reserve	Statutory surplus reserve	Investment revaluation reserve non-recycling	Investment revaluation reserve recycling	Accumulated losses	Total	Non-controlling Interests	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2024</b>	4,454,374	140,850	(178,292)	726,699	(42,471)	1,542	(869,878)	4,587	(255,035)	3,982,376	6,581	3,988,957
<b>Comprehensive (loss)/income</b> (Loss/profit for the period)	-	-	-	-	-	-	-	-	(20,781)	(20,781)	196	(20,585)
<b>Other comprehensive (loss)/income</b>												
Net change in fair value of financial assets through other comprehensive income	-	-	-	-	-	-	(19,827)	(1,999)	-	(21,826)	-	(21,826)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(59)	-	(59)	-	(59)
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	1,581	-	1,581	-	1,581
Exchange differences on translation of foreign operations	-	-	-	-	(28,542)	-	-	-	-	(28,542)	505	(28,037)
<b>Total comprehensive (loss)/income for period ended 30 June 2024</b>	-	-	-	-	(28,542)	-	(19,827)	(477)	(20,781)	(69,627)	701	(68,926)
Transfer of gain on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	-	-	-	-	-	-	(2,130)	-	2,130	-	-	-
<b>Transactions with owners, recognised directly in equity</b>												
Release of shares held for share award plan upon granting awarded shares	-	-	178,292	-	-	-	-	-	(93,831)	84,461	-	84,461
<b>At 30 June 2024</b>	4,454,374	140,850	-	726,699	(71,013)	1,542	(891,835)	4,110	(367,517)	3,997,210	7,282	4,004,492



	Attributable to owners of the Company											
	Share capital	Capital reduction reserve	Shares held for share award plan	Special capital reserve	Foreign currency translation reserve	Statutory surplus reserve	Investment revaluation reserve non-recycling	Investment revaluation reserve recycling	Accumulated losses	Total	Non-controlling Interests	Total Equity
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
<b>At 1 January 2023</b>	4,454,374	140,850	(178,764)	726,699	(29,443)	1,542	(764,779)	29,109	(230,012)	4,149,576	5,624	4,155,200
<b>Comprehensive (loss)/income</b>												
(Loss)/profit for the period	-	-	-	-	-	-	-	-	(37,582)	(37,582)	1,183	(36,399)
<b>Other comprehensive (loss)/income</b>												
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(92,806)	(39,646)	-	(132,452)	-	(132,452)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	25,796	-	25,796	-	25,796
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(77)	-	(77)	-	(77)
Exchange differences on translation of foreign operations	-	-	-	-	(18,981)	-	-	-	-	(18,981)	(488)	(19,469)
<b>Total comprehensive (loss)/income for the period ended 30 June 2023</b>	-	-	-	-	(18,981)	-	(92,806)	(13,927)	(37,582)	(163,296)	695	(162,601)
Transfer of gain on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	-	-	-	-	-	-	(182)	-	182	-	-	-
<b>At 30 June 2023</b>	4,454,374	140,850	(178,764)	726,699	(48,424)	1,542	(857,767)	15,182	(267,412)	3,886,280	6,319	3,992,599

The notes on pages 35 to 66 form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Cash used in operations	<b>(53,423)</b>	(124,155)
Purchases of financial assets at fair value through profit or loss	<b>(371,420)</b>	(396,114)
Purchases of financial assets at fair value through other comprehensive income	<b>(101,121)</b>	(170,728)
Proceeds from disposal of financial assets at fair value through profit or loss	<b>277,836</b>	231,133
Proceeds from disposal of financial assets at fair value through other comprehensive income	<b>112,689</b>	95,592
Proceeds from redemption of financial assets at amortised cost	<b>–</b>	29,305
Proceeds from other financial liabilities at fair value through profit or loss	<b>2,480</b>	–
Settlement of other financial liabilities at fair value through profit or loss	<b>(5,229)</b>	–
Bank and other interest received	<b>33,375</b>	33,719
Dividend received	<b>9,643</b>	2,614
Interest paid	<b>(1,620)</b>	(282)
Income tax paid	<b>(994)</b>	(372)
<b>Net cash used in operating activities</b>	<b>(97,784)</b>	(299,288)

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
<b>Cash flows from investing activities</b>		
Increase in investments in associates	–	(902)
Distribution of capital received from an associate	–	1,548
Dividend received from an associate	–	1,399
Purchases of property, plant and equipment	<b>(16)</b>	(96)
<b>Net cash (used in)/from investing activities</b>	<b>(16)</b>	1,949
<b>Cash flows from financing activities</b>		
(Repayment of)/proceeds from loan payables	<b>(26,647)</b>	22,803
Principal elements of lease rentals paid	<b>(2,619)</b>	(4,322)
<b>Net cash (used in)/from financing activities</b>	<b>(29,266)</b>	18,481
<b>Net decrease in cash and cash equivalents</b>	<b>(127,066)</b>	(278,858)
Cash and cash equivalents at the beginning of the period	<b>689,636</b>	1,028,332
Effect of exchange rate changes	<b>(11,723)</b>	(16,140)
<b>Cash and cash equivalents at the end of the period</b>	<b>550,847</b>	733,334

The notes on pages 35 to 66 form an integral part of these condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### 1 General information

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

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

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

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

The financial information relating to the year ended 31 December 2023 that is included in the condensed consolidated financial statements for the six months ended 30 June 2024 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

### 2 Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Group”).

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and in compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated financial statements were reviewed by the Audit Committee of the Company. The Board of Directors of the Company has approved the condensed consolidated financial statements for issue on 27 August 2024.

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### 3 Accounting policies

The accounting policies applied in preparing these condensed consolidated financial statements are the same as those applied in preparing the consolidated financial statements for the year ended 31 December 2023, as disclosed in the Annual Report for 2023.

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

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

- Amendments to HKAS 1, Classification of Liabilities as Current or Non-current
- Amendments to HK Interpretation 5, Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
- Amendments to HKAS 1, Non-current Liabilities with Covenants
- Amendments to HKAS 7 and HKFRS 7, Supplier Finance Arrangements
- Amendments to HKFRS 16, Lease Liability in a Sale and Leaseback

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

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

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

### 4 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

The accounting policies, basis of presentation and methods of computation used in preparing this unaudited condensed consolidated interim financial information are consistent with those followed in preparing the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the new or amended HKFRSs and HKASs which are first effective or available for early adoption for accounting periods beginning on or after 1 January 2024.

## 5 Financial risk management and financial instruments

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management 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 2023.

There have been no material changes in the risk management policies since year end.

### 5.2 Credit risk

The gross carrying amount of loan and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables and thus the maximum exposure to loss, is as follows:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Loan and interest receivables</b>		
Stage 1 — Unimpaired and without significant increase in credit risk	9,804	97,186
Stage 2 — Significant increase in credit risk	80,409	–
Stage 3 — Credit-impaired	372,486	376,010
<b>Total gross loan and interest receivables</b>	<b>462,699</b>	473,196
Less: ECL allowances	<b>(262,075)</b>	(263,310)
<b>Loan and interest receivables, net of ECL</b>	<b>200,624</b>	209,886
<b>Margin receivables</b>		
Stage 1 — Unimpaired and without significant increase in credit risk	1,877	54,779
Stage 2 — Significant increase in credit risk	–	–
Stage 3 — Credit-impaired	112,150	63,563
<b>Total gross margin receivables</b>	<b>114,027</b>	118,342
Less: ECL allowances	<b>(111,697)</b>	(63,566)
<b>Margin receivables, net of ECL</b>	<b>2,330</b>	54,776

## 5 Financial risk management and financial instruments (Continued)

### 5.2 Credit risk (Continued)

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Financial assets at amortised cost</b>		
Stage 1 — Unimpaired and without significant increase in credit risk	–	–
Stage 2 — Significant increase in credit risk	–	–
Stage 3 — Credit-impaired	<b>140,252</b>	140,378
<b>Total gross financial assets at amortised cost</b>	<b>140,252</b>	140,378
Less: ECL allowances	<b>(138,357)</b>	(137,966)
<b>Financial assets at amortised cost, net of ECL</b>	<b>1,895</b>	2,412
<b>Debt investments at fair value through other comprehensive income</b>		
Stage 1 — Unimpaired and without significant increase in credit risk	<b>69,967</b>	20,498
Stage 2 — Significant increase in credit risk	<b>3,019</b>	–
Stage 3 — Credit-impaired	<b>12,418</b>	16,013
<b>Total debt investments at fair value through other comprehensive income</b>	<b>85,404</b>	36,511
ECL allowances for debt investments at fair value through other comprehensive income	<b>(592,435)</b>	(592,750)
<b>Other interest receivables</b>		
Stage 1 — Unimpaired and without significant increase in credit risk	<b>2,699</b>	12,892
Stage 2 — Significant increase in credit risk	–	663
Stage 3 — Credit impaired	<b>21,693</b>	25,046
<b>Total gross other interest receivables</b>	<b>24,392</b>	38,601
Less: ECL allowances	<b>(21,449)</b>	(25,406)
<b>Other interest receivables, net of ECL</b>	<b>2,943</b>	13,195

## 5 Financial risk management and financial instruments (Continued)

### 5.3 Liquidity risk

Compared to 31 December 2023, the contractual undiscounted cash outflows for financial liabilities of the Group as at 30 June 2024 are as follows:

#### As at 30 June 2024

	On demand or less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Financial liabilities at fair value through profit or loss	12,695	-	-	-	12,695
Accruals and other payables	111,185	-	-	-	111,185
	<b>123,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123,880</b>

#### As at 31 December 2023

	On demand or less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Financial liabilities at fair value through profit or loss	6,925	-	-	-	6,925
Loan and interest payables	27,639	-	-	-	27,639
Lease liabilities	2,638	-	-	-	2,638
Accruals and other payables	123,405	-	-	-	123,405
	<b>160,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,607</b>



## 5 Financial risk management and financial instruments (Continued)

### 5.4 Fair value of financial assets and liabilities

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 30 June 2024 and 31 December 2023.

#### As at 30 June 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
<b>Finance assets at fair value through profit or loss</b>				
— Unlisted equity investments	—	—	1,805,064	1,805,064
— Unlisted investment funds	—	—	522,940	522,940
— Unlisted debt investment	—	—	51,299	51,299
— Listed equity investments	181,105	143,310	—	324,415
— Listed debt investments	—	13,325	—	13,325
— Convertible loan	—	—	9,700	9,700
<b>Total</b>	<b>181,105</b>	<b>156,635</b>	<b>2,389,003</b>	<b>2,726,743</b>
<b>Finance assets at fair value through other comprehensive income</b>				
— Unlisted investment funds	—	—	103,818	103,818
— Listed equity investments	76,347	53,485	—	129,832
— Listed debt investments	—	85,404	—	85,404
<b>Total</b>	<b>76,347</b>	<b>138,889</b>	<b>103,818</b>	<b>319,054</b>
<b>Total assets</b>	<b>257,452</b>	<b>295,524</b>	<b>2,492,821</b>	<b>3,045,797</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
— Other financial liabilities	—	—	12,695	12,695
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>12,695</b>	<b>12,695</b>

## 5 Financial risk management and financial instruments (Continued)

### 5.4 Fair value of financial assets and liabilities (Continued)

As at 31 December 2023

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
— Unlisted equity investments	—	—	1,592,505	1,592,505
— Unlisted investment funds	—	—	582,385	582,385
— Unlisted debt investment	—	—	57,603	57,603
— Listed equity investments	136,768	58,064	—	194,832
— Listed debt investments	—	44,223	—	44,223
— Convertible loan	—	—	12,999	12,999
<b>Total</b>	<b>136,768</b>	<b>102,287</b>	<b>2,245,492</b>	<b>2,484,547</b>
<b>Financial assets at fair value through other comprehensive income</b>				
— Unlisted investment funds	—	—	108,762	108,762
— Listed equity investments	90,812	116,362	—	207,174
— Listed debt investments	—	36,511	—	36,511
<b>Total</b>	<b>90,812</b>	<b>152,873</b>	<b>108,762</b>	<b>352,447</b>
<b>Total assets</b>	<b>227,580</b>	<b>255,160</b>	<b>2,354,254</b>	<b>2,836,994</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
— Other financial liabilities	—	6,925	—	6,925
<b>Total liabilities</b>	<b>—</b>	<b>6,925</b>	<b>—</b>	<b>6,925</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as financial assets at fair value through profit or loss.

## 5 Financial risk management and financial instruments (Continued)

### 5.4 Fair value of financial assets and liabilities (Continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Unlisted investment funds classified as level 3 is principally due to their underlying investments are unlisted equity or unlisted debt investments.

Below is the table setting out quantitative information about fair value measurements using significant unobservable inputs (Level 3).

Equity investments	Fair value as at 30 June 2024 HK\$'000	Valuation techniques	Unobservable inputs	Range	Sensitivity of fair value to changes in unobservable inputs/ Relationship of unobservable inputs to fair value
Unlisted equity investments	<b>1,292,143</b>	Market approach	Price to sales ratio	5.69x	10% increase or decrease in the price to sales ratio, the fair value would be increased by HK\$129 million or decreased by HK\$128 million, respectively
			Discount rate for lack of marketability	11.84%	0.5% increase or decrease in discount rate for lack of marketability, the fair value would be decreased by HK\$7.3 million or increased by HK\$7.3 million, respectively
	<b>372,004</b>	Market approach	Price to book ratio	2.98x	10% increase or decrease in price to book ratio, the fair value would be increase by HK\$6.7 million or decrease by HK\$5.9 million, respectively
	<b>22,549</b>	Market approach	Volatility of comparable companies	37.52%	The higher the volatility, the lower the fair value
Unlisted investment funds	<b>118,368</b>	Recent transaction	n/a	n/a	n/a
	<b>626,758</b>	Net asset value	n/a	n/a	n/a
	-	Adjusted net asset value (Note a)	n/a	n/a	n/a
Unlisted debt investment	<b>51,299</b>	Income approach	Discount rate	6.08%	The higher the discount rate, the lower the fair value
Convertible loan	<b>9,700</b>	Income approach	Discount rate	15.26%	The higher the discount rate, the lower the fair value
			Volatility of comparable companies	45.04%	The higher the volatility, the higher the fair value
Other financial liabilities	<b>12,695</b>	Net asset value	n/a	n/a	n/a

## 5 Financial risk management and financial instruments (Continued)

### 5.4 Fair value of financial assets and liabilities (Continued)

Equity Investments	Fair value as at 31 December 2023 HK\$'000	Valuation techniques	Unobservable inputs	Range	Sensitivity of fair value to changes in unobservable inputs/ Relationship of unobservable inputs to fair value
Unlisted equity investments	1,177,975	Market approach	Price to sales ratio	5.2x	10% increase or decrease in the price to sales ratio, the fair value would be increased by HK\$116 million or decreased by HK\$116 million, respectively
			Discount rate for lack of marketability	7.96%	0.5% increase or decrease in discount rate for lack of marketability, the fair value would be decreased by HK\$6.3 million or increased by HK\$6.3 million, respectively
	342,169	Income approach	Volatility of comparable companies	38.23%	5% increase or decrease in the volatility of comparable companies, the fair value would be increased by HK\$2.0 million or decreased by HK\$2.1 million, respectively
	25,489	Market approach	Volatility of comparable companies	47.81%	The higher the volatility, the lower the fair value
	46,872	Recent transaction	n/a	n/a	n/a
Unlisted investment funds	687,147	Net asset value	n/a	n/a	n/a
	4,000	Recent transaction	n/a	n/a	n/a
	–	Adjusted net asset value (note a)	n/a	n/a	n/a
Unlisted debt investment	57,603	Income approach	Discount rate	13.13%	The higher the discount rate, the lower the fair value
Convertible loan	12,999	Income approach	Discount rate	19.30%	The higher the discount rate, the lower the fair value
			Volatility of comparable companies	47.55%	The higher the volatility, the higher the fair value

Note a: Adjusted net asset value represents adjustments on the net asset value of the fund by making impairment on certain investments of the fund.

## 5 Financial risk management and financial instruments (Continued)

### 5.4 Fair value of financial assets and liabilities (Continued)

There have been no significant transfers between level 1 and level 2 but a transfer from Level 2 to Level 3 due to a lack of observable market data for the period ended 30 June 2024.

There is no significant inter-relationship between unobservable inputs that materially affect fair values.

The following table presents the changes in level 3 items for the period/year ended 30 June 2024 and 31 December 2023 for recurring fair value measurements:

#### As at 30 June 2024

	Unlisted equity investment HK\$'000	Unlisted investment funds HK\$'000	Unlisted debt investments HK\$'000	Convertible bonds HK\$'000	Other financial liabilities HK\$'000	Total HK\$'000
<b>Assets/Liabilities</b>						
<b>Opening balance as</b>						
<b>at beginning of the year</b>	1,592,505	691,147	57,603	12,999	-	2,354,254
Purchases	77,144	66,815	-	-	-	143,959
Additions	-	-	-	-	(2,480)	(2,480)
Transfer to level 1	-	(30,068)	-	-	-	(30,068)
Transfer from level 2	-	-	-	-	(6,925)	(6,925)
Disposals	-	(111,189)	(3,114)	-	-	(114,303)
Repayment	-	-	-	-	5,229	5,229
Currency translation difference	(8,588)	(10,583)	-	(1,499)	-	(20,670)
Net gain/(loss) recognised in profit or loss*	144,003	25,580	(3,190)	(1,800)	(8,519)	156,074
Net loss recognised in other comprehensive income	-	(4,944)	-	-	-	(4,944)
<b>Closing balance as</b>						
<b>at the end of the period</b>	1,805,064	626,758	51,299	9,700	(12,695)	2,480,126
* includes unrealised gain/(loss) recognised in profit or loss attributable to balances held at the end of the reporting period	144,003	10,195	(3,201)	(1,800)	(7,000)	142,197

## 5 Financial risk management and financial instruments (Continued)

### 5.4 Fair value of financial assets and liabilities (Continued)

As at 31 December 2023

	Unlisted equity investments HK\$'000	Unlisted investment funds HK\$'000	Unlisted debt investments HK\$'000	Convertible loan HK\$'000	Total HK\$'000
<b>Assets</b>					
<b>Opening balance as at</b>					
<b>beginning of the year</b>	1,461,173	549,238	90,674	13,750	2,114,835
Purchases	58,175	134,705	-	-	192,880
Disposals	(11,303)	(5,638)	(45,377)	-	(62,318)
Transfer from derecognition of a consolidated investment fund	-	27,015	-	-	27,015
Disposals through derecognition of a consolidated investment fund	-	(1,579)	-	-	(1,579)
Currency translation difference	(1,472)	(1,919)	-	(751)	(4,142)
Net gain recognised in profit or loss*	85,932	27,212	12,306	-	125,450
Net loss recognised in other comprehensive income	-	(37,887)	-	-	(37,887)
<b>Closing balance as at</b>					
<b>the end of the year</b>	1,592,505	691,147	57,603	12,999	2,354,254
* includes unrealised gain recognised in profit or loss attributable to balances held at the end of the reporting period					
	85,932	27,270	12,127	-	125,329

## 5 Financial risk management and financial instruments (Continued)

### 5.5 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Margin receivables and other trade receivables
- Financial assets at amortised cost
- Loan and interest receivables
- Other interest receivables
- Other receivables and deposits
- Deposits with brokers
- Cash and cash equivalents
- Other payables
- Loan and interest payables

## 6 Segment information

Chief operating decision maker (“CODM”) has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The Group’s operating segments are as follows:

- the “asset management” segment representing provision of asset management services to clients;
- the “securities brokerage” segment representing provision of securities brokerage services, securities margin financing services to clients, underwriting services to corporate clients for their fund raising activities in equity and debt capital markets, financial advisory and financial arrangement services to clients; and
- the “investment holding” segment representing direct investments in investment funds, listed and unlisted debts and equities, alternative investments (such as real estate investments through investment funds) and private equities, and provision of loan financing services.

Each of the Group’s operating segments represents a strategic business unit that is managed by different business unit leaders. Information provided to the CODM is measured in a manner consistent with that in the condensed consolidated financial statements.

## 6 Segment information (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2024 and 2023 is as follows:

### Six months ended 30 June 2024

	Reportable segments				Unallocated amount HK\$'000 (Note)	Total HK\$'000
	Asset management HK\$'000	Securities brokerage HK\$'000	Investment holding HK\$'000	Total HK\$'000		
Interest income	-	4,205	14,475	18,680	11,982	30,662
Commission and fee income	8,154	267	1,740	10,161	587	10,748
Investment income	-	-	9,643	9,643	-	9,643
Revenue from external customers	8,154	4,472	25,858	38,484	12,569	51,053
Net gain on financial assets/liabilities	-	-	158,842	158,842	-	158,842
	8,154	4,472	184,700	197,326	12,569	209,895
Segment profit/(loss) before income tax	2,113	(47,264)	145,664	100,513	(110,604)	(10,091)
Other segment information:						
Depreciation of property, plant and equipment	-	(1)	(2)	(3)	(757)	(760)
Depreciation of right-of-use assets	-	-	-	-	(2,444)	(2,444)
Provision for ECL allowances	-	(48,130)	(6,238)	(54,368)	-	(54,368)
Staff costs and related expenses	(2,826)	(2,225)	(6,483)	(11,534)	(104,313)	(115,847)

### Six months ended 30 June 2023

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

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



## 6 Segment information (Continued)

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

### Six months ended 30 June 2024

	Hong Kong HK\$'000	The PRC HK\$'000	Japan HK\$'000	Canada HK\$'000	Total HK\$'000
Revenue from external customers	44,107	895	5,111	940	51,053
Net gain/(loss) on financial assets/liabilities	163,550	(2,908)	(1,800)	-	158,842
	<b>207,657</b>	<b>(2,013)</b>	<b>3,311</b>	<b>940</b>	<b>209,895</b>

### Six months ended 30 June 2023

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

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

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Hong Kong	24,451	29,664
The PRC	49,718	57,106
Japan	2	5
Canada	52	49
	<b>74,223</b>	<b>86,824</b>

## 7 Revenue

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
<i>Interest income (Note i):</i>		
Interest income from loan lending business	5,595	648
Interest income from margin financing business	4,187	2,983
Interest income from debt instruments at fair value through other comprehensive income	3,976	12,645
Interest income from financial assets at fair value through profit or loss	2,961	11,531
Interest income from debt instruments at amortised cost	–	628
Other interest income	13,943	12,712
	<b>30,662</b>	41,147
<i>Commission and fee income (Note ii):</i>		
Fee income from asset management	5,104	6,541
Advisory fee income	4,789	7,885
Commission income from securities brokerage	705	473
Loan arrangement fee income	–	600
Underwriting fee income	150	–
	<b>10,748</b>	15,499
<i>Investment income:</i>		
Dividend income	9,643	2,614
	<b>9,643</b>	2,614
	<b>51,053</b>	59,260

Note i: Total interest income calculated using effective interest method from loan lending business, margin financing business, financial assets at amortised cost and financial assets at fair value through other comprehensive income amounted to HK\$13,758,000 (six months ended 30 June 2023: HK\$16,904,000).

Note ii: Commission and fee income is the only revenue arising from HKFRS 15, while interest income and investment income are under the scope of HKFRS 9. Included in revenue arising from contract with customers recognised at a point of time and over time were revenue of HK\$1,584,000 (six months ended 30 June 2023: HK\$5,486,000) and HK\$9,164,000 (six months ended 30 June 2023: HK\$10,013,000) respectively.

## 8 Net gain on financial assets/liabilities

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Net gain on financial assets/liabilities at fair value through profit or loss	<b>160,423</b>	33,457
Net (loss)/gain on disposal of financial assets at fair value through other comprehensive income	<b>(1,581)</b>	77
	<b>158,842</b>	33,534

## 9 Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period and taxation on profits assessable elsewhere have been calculated at the rates of income tax prevailing in the countries in which the Group operates respectively.

The PRC Enterprise Income Tax rate is 25% (six months ended 30 June 2023: 25%).

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong Profits Tax		
— charge for the period	<b>15,642</b>	7,290
— overprovision for prior year	<b>(138)</b>	–
Overseas income tax		
— under/(over)provision for prior year	<b>117</b>	(192)
Deferred tax		
— (credit)/charge for the period	<b>(5,127)</b>	8,612
	<b>10,494</b>	15,710

Deferred income taxes are calculated in respect of temporary differences under the liability method using the tax rates enacted or substantively enacted by the end of the reporting period.

## 9 Income tax (Continued)

The following is the analysis of the deferred tax balances for financial reporting purpose:

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Deferred tax assets	<b>129,981</b>	130,671
Deferred tax liabilities	–	(5,805)
	<b>129,981</b>	124,866

The movement in deferred tax assets and liabilities during the period/year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax losses HK\$'000	Fair value change HK\$'000	Depreciation allowances HK\$'000	ECL allowances HK\$'000	Provision HK\$'000	Total HK\$'000
At 1 January 2023	130,396	(6,562)	1,034	–	660	125,528
Credited/(charged) to profit or loss	2,835	(3,393)	520	42	(660)	(656)
Exchange difference arising from translation of foreign operations	–	(6)	–	–	–	(6)
At 31 December 2023 and 1 January 2024	133,231	(9,961)	1,554	42	–	124,866
Credited/(charged) to profit or loss	4,468	701	–	(42)	–	5,127
Exchange difference arising from translation of foreign operations	–	(12)	–	–	–	(12)
At 30 June 2024	<b>137,699</b>	<b>(9,272)</b>	<b>1,554</b>	–	–	<b>129,981</b>

## 10 Expected credit losses

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>ECL (reversed)/recognised in profit or loss during the period</b>		
— Debt investments at fair value through other comprehensive income	(59)	25,796
— Loan and interest receivables	(1,235)	(4,161)
— Margin receivables	48,131	—
— Financial assets at amortised cost	391	3,255
— Other interest receivables	7,140	7,203
	<b>54,368</b>	<b>32,093</b>

## 11 Finance costs

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Finance costs on repurchase agreements	609	348
Finance costs on lease liabilities	19	178
Finance costs on margin payables	—	5
	<b>628</b>	<b>531</b>

## 12 Dividends

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### 13 Loss per share

#### *Basic loss per share*

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$20,781,000 (six months ended 30 June 2023: loss of HK\$37,582,000) and the weighted average number of ordinary shares of approximately 33,688,504,000 (six months ended 30 June 2023: 32,979,049,000) in issue during the period (excluding the ordinary shares purchased by the Company under the share award plan).

#### *Diluted loss per share*

Diluted loss per share amount was the same as basic loss per share amount as there were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2024 and 30 June 2023.

### 14 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment with an aggregate cost of approximately HK\$16,000 (six months ended 30 June 2023: HK\$96,000).

Property, plant and equipment with a net book value of HK\$2,000 has been written off by the Group during the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$62,000), resulting in a loss on write-off of HK\$2,000 (six months ended 30 June 2023: loss of HK\$62,000).

### 15 Investments in associates

Set out below is the details of the associate as at 30 June 2024 which, in the opinion of the directors, is material to the Group.

Name of entity	Place of business	Country of incorporation	Percentage of ownership interest	Nature of the relationship	Measurement method
Grand Flight Hooyoung Investment L.P.	The PRC	Cayman Islands	30%	(Note)	Equity

Note: Grand Flight Hooyoung Investment L.P. is an investment fund registered in Cayman Islands, which invests in listed and unlisted companies in various industries, including internet payment, smart home systems and medical device research and development business. It allows the Group to be involved in different innovative markets, which offer unique growth opportunity.

## 15 Investments in associates (Continued)

The following table shows the financial information of Grand Flight Hooyoung Investment L.P..

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Revenue	-	-
(Loss)/profit	(22,454)	4,264
Total comprehensive (loss)/income	(22,454)	4,264

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
Current assets	160,478	183,066
Current liabilities	-	-
Net assets	160,478	183,066
Carrying amount of the associate in the consolidated financial statements (30%)	48,143	54,920

Aggregate financial information of associates that are not individually material:

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	20,347	22,978

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Aggregate amounts of the Group's share of those associates		
Loss	(2,481)	(3,425)
Total comprehensive loss	(2,481)	(3,425)

## 16 Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss

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

	<b>30 June 2024</b>	31 December 2023
	<b>HK\$'000</b>	HK\$'000
<b>Financial assets at fair value through profit or loss</b>		
Unlisted equity investments	<b>1,805,064</b>	1,592,505
Unlisted investment funds	<b>522,940</b>	582,385
Unlisted debt investment	<b>51,299</b>	57,603
Listed equity investments	<b>324,415</b>	194,832
Listed debt investments	<b>13,325</b>	44,223
Convertible loan	<b>9,700</b>	12,999
	<b>2,726,743</b>	2,484,547
Classified as:		
Non-current assets	<b>2,375,331</b>	2,096,875
Current assets	<b>351,412</b>	387,672
	<b>2,726,743</b>	2,484,547

	<b>30 June 2024</b>	31 December 2023
	<b>HK\$'000</b>	HK\$'000
<b>Financial liabilities at fair value through profit or loss</b>		
Other financial liabilities	<b>12,695</b>	6,925
Classified as:		
Current liabilities	<b>12,695</b>	6,925

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



## **16 Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss (Continued)**

### ***Investment in Shareholder Value Offshore Fund***

As at 30 June 2024, these financial assets included an investment in an unlisted investment fund namely Shareholder Value Offshore Fund (the "Fund"), which was managed by the Group's asset management subsidiary, namely China Vered Asset Management (Hong Kong) Limited ("CVAM"), whose carrying value amounted to zero (31 December 2023: zero). As of 30 June 2024 and 31 December 2023, the original cost of investment in the Fund amounted to HK\$139,007,000 with an accumulated fair value loss of HK\$139,007,000. According to the financial information of the Fund, it was noted that the Fund invested into two segregated portfolios (the "Subject Fund A" and the "Subject Fund B") through its master fund, Shareholder Value Fund (the "Master Fund").

As at 30 June 2024 and 31 December 2023, taking into account the uncertainty on the recoverability of Subject Fund A and Subject Fund B and accordingly, the Group assessed the carrying value of the investment in the Fund as fully written down. The Group would continue to implement best efforts and take all possible actions to the recovery of the Fund's investment in relation to the Subject Fund A and the Subject Fund B in order to maximise the recoverable amount of the Group's interests in the Fund. Up to the date of this report, the above actions are still on-going and the assessment on the carrying value of the investment in the Fund remains unchanged.

In addition, on 7 June 2022, CVAM received a writ of summons (the "Writ of Summons") with an indorsement of claim issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by Orient Finance Holdings (Hong Kong) Limited, as plaintiff (the "Plaintiff"), against CVAM, as a defendant. On 5 August 2022, the Fund was also included as a defendant. Please refer to Note 24 to these condensed consolidated financial statements for additional disclosures regarding the contingent liabilities.

### ***Investment in Fund F***

As at 30 June 2024, these financial assets included an investment in an unlisted investment fund (the "Fund F"), which was managed by an external fund manager (the "Fund Manager E"), whose carrying value amounted to approximately HK\$67,936,000 (31 December 2023: HK\$67,976,000). The original cost of investment in the Fund F amounted to approximately HK\$77,981,000 with an accumulated fair value loss of approximately HK\$10,045,000 (31 December 2023: loss of HK\$10,005,000). Based on the fund documents of the Fund F, its investment objective is to invest in equity or debt securities of healthcare companies with disruptive technologies or products. According to the latest available financial information of the Fund F, it was noted that the main underlying assets included investments in unlisted equity securities of various healthcare companies.

## **16 Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss (Continued)**

### ***Investment in Fund F (Continued)***

At 31 December 2023 and up to the date of the approval of the consolidated financial statements for the year ended 31 December 2023 (the “2023 Consolidated Financial Statements”), the Group was unable to obtain updated and sufficient financial information and valuation performed in respect of underlying assets of the Fund F from the Fund Manager E. Details were set out in note 20 to the 2023 Consolidated Financial Statements.

During the six months ended 30 June 2024, the Group has taken active measures including discussion with the Fund Manager E to obtain documentary evidence in respect of the underlying assets of the Fund F. The Group was able to obtain certain updated financial information and valuation performed in respect of the underlying assets of the Fund F from the Fund Manager E. As such, the fair value of the Fund F as at the end of the reporting period was determined with reference to the net assets value approach based on the capital statement as at 30 June 2024 provided by the Fund Manager E. The Group considered that the basis applied in the fair value assessment of the Fund F represented their best estimate.

### ***Investment in Fund G***

As at 30 June 2024, these financial assets included an investment in an unlisted investment fund (the “Fund G”), which was managed jointly by CVAM and another third party co-manager (the “Co-manager”), whose carrying value amounted to approximately HK\$3,972,000 (31 December 2023: HK\$27,015,000).

On 7 November 2023, the Co-manager submitted an injunction application to restrain CVAM (including its directors, associates, servants, employees and agents) from procuring the withdrawal of proceeds pursuant to the redemption requests in respect of the Fund G without the prior consent of the investment committee of the Fund G according to relevant fund documents. On 24 May 2024, the High Court of Hong Kong handed down the decision to regrant the injunction until the final determination of the proceedings therein or further order of the court. Meanwhile, the court has stated in the decision that the granting of the injunction was simply to maintain the status quo and defer the withdrawal of funds in fulfilment of the remaining portion of the Company’s redemption requests. Therefore, up to 30 June 2024 and the date of this report, the payment of the last 5 confirmed redemptions, totaling approximately HK\$30,604,000, was still on hold due to the injunction and included in “Other receivables, prepayments and deposits” in the condensed consolidated statement of financial position.

Based on the advice from external legal advisors, the injunction is not a claim for monetary compensation or damage against CVAM. The Group’s management assessed that no present obligation exists at this stage. Accordingly, the Group has not made any provision for any claim arising from the injunction.

## 17 Financial assets at fair value through other comprehensive income

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

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
<b>Financial assets at fair value through other comprehensive income</b>		
Unlisted investment funds	<b>103,818</b>	108,762
Listed equity investments	<b>129,832</b>	207,174
Listed debt investments	<b>85,404</b>	36,511
	<b>319,054</b>	352,447
Classified as:		
Non-current assets	<b>275,664</b>	336,434
Current assets	<b>43,390</b>	16,013
	<b>319,054</b>	352,447

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

ECL allowances attributable to debt investments at fair value through other comprehensive income as at 30 June 2024 amounted to HK\$592,435,000 (31 December 2023: HK\$592,750,000). The decrease in ECL allowances of HK\$59,000 (six months ended 30 June 2023: increase of HK\$25,796,000) was recognised in the condensed consolidated statement of profit or loss during the period.

## **17 Financial assets at fair value through other comprehensive income (Continued)**

### ***Investment in Fund D***

As at 30 June 2024, these financial assets included an investment in an unlisted investment fund (the "Fund D"), which was managed by a licensed asset manager (an independent third party to the Group) (the "Third Party Manager C"), whose carrying value amounted to zero (31 December 2023: HK\$zero). According to the financial information of Fund D, it was noted that the underlying assets included a substantial portion of investments in two loans made by the Third Party Manager C. The Group identified that one of the two loans was made to a party related to the Third Party Manager C.

In September 2022, the Group submitted a written request for the redemption of the Fund D based on the subscription agreement. The Third Party Manager C requested for the extension of redemption date, however, the Group rejected such extension request. During the year ended 31 December 2023, the Third Party Manager C realised certain listed securities in the market and demanded repayment of the two loans upon maturity. However, the borrowers have not repaid any amount up to date.

As at 30 June 2024 and 31 December 2023, taking into account all available information obtained and the recovery efforts implemented, the Group considered the recoverable amount of the two loans was minimal and accordingly, the Group assessed the carrying value of the loans and interest receivables recorded in the Fund D as fully impaired and recorded as fair value loss. The fair value of the remaining net assets, including cash and other securities investment less liabilities recorded in the Fund D, was negative as at 30 June 2024 and 31 December 2023.

The Group would continue to implement all possible recovery efforts on the redemption in the Fund D and the recovery of the two loans in order to maximise the recoverable amount of the Fund D.

## 18 Financial assets at amortised cost

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Financial assets at amortised cost Over 12 months past due	<b>140,252</b>	140,378
Less: ECL allowances	<b>(138,357)</b>	(137,966)
	<b>1,895</b>	2,412
Classified as: Current assets	<b>1,895</b>	2,412

As at 30 June 2024, these financial assets at amortised cost include note receivables with effective interest rates at 7.6% per annum (31 December 2023: 7.6% per annum). Interest income derived from financial assets at amortised cost was recognised and presented under “Interest income from debt instruments at amortised cost” in Note 7 to these condensed consolidated financial statements.

ECL allowances attributable to financial assets at amortised cost as at 30 June 2024 amounted to HK\$138,357,000 (31 December 2023: HK\$137,966,000). The increase in ECL allowances of HK\$391,000 (six months ended 30 June 2023: HK\$3,255,000) was recognised in the condensed consolidated statement of profit or loss during the period.

## 19 Loan and interest receivables

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

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Not past due or less than 1 month past due	<b>90,213</b>	97,186
1–3 months past due	–	–
3–6 months past due	–	1,773
6–12 months past due	<b>1,760</b>	–
Over 12 months past due	<b>370,726</b>	374,237
	<b>462,699</b>	473,196
Less: ECL allowances	<b>(262,075)</b>	(263,310)
	<b>200,624</b>	209,886
Classified as:		
Non-current assets	–	79,900
Current assets	<b>200,624</b>	129,986
	<b>200,624</b>	209,886

As at 30 June 2024, these loan receivables bear interest at fixed rates ranging from 10% to 15% per annum (31 December 2023: 10% to 15% per annum). Interest income derived from loan receivables was recognised and presented under “Interest income from loan lending business” in Note 7 to these condensed consolidated financial statements.

ECL allowances attributable to loan and interest receivables as at 30 June 2024 amounted to HK\$262,075,000 (31 December 2023: HK\$263,310,000). The decrease in ECL allowances of HK\$1,235,000 (six months ended 30 June 2023: HK\$4,161,000) was recognised in the condensed consolidated statement of profit or loss during the period.

## 20 Margin receivables and other trade receivables

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Margin receivables	<b>114,027</b>	118,342
Less: ECL allowances	<b>(111,697)</b>	(63,566)
	<b>2,330</b>	54,776
Trade receivables arising from asset management business and underwriting business	<b>9,901</b>	14,589
Less: ECL allowances	<b>(2,800)</b>	(2,800)
	<b>7,101</b>	11,789
	<b>9,431</b>	66,565

As at 30 June 2024, loans to margin clients are secured by client's pledged Hong Kong-listed securities at fair value of approximately HK\$7,752,000 (31 December 2023: HK\$430,937,000) which can be sold at the discretion of a subsidiary of the Group to settle margin call requirements imposed by their respective securities transactions. The loans are repayable on demand and bear interest at commercial rates.

ECL allowances attributable to margin receivables as at 30 June 2024 amounted to HK\$111,697,000 (31 December 2023: HK\$63,566,000). The increase in ECL allowances of HK\$48,131,000 (six months ended 30 June 2023: HK\$Nil) was recognised in the condensed consolidated statement of profit or loss during the period.

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

ECL allowances attributable to other trade receivables as at 30 June 2024 amounted to HK\$2,800,000 (31 December 2023: HK\$2,800,000). No ECL allowances (six months ended 30 June 2023: HK\$Nil) was recognised in the condensed consolidated statement of profit or loss during the period.

## 20 Margin receivables and other trade receivables (Continued)

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

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Other trade receivables		
0–90 days	2,720	2,358
91 days to 1 year	3,141	8,190
Over 1 year	4,040	4,041
	<b>9,901</b>	14,589

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

## 21 Share capital

*Ordinary shares, issued and fully paid:*

	Number of shares '000	Share capital HK\$'000
<b>At 31 December 2023, 1 January 2024 and 30 June 2024</b>	<b>34,714,459</b>	<b>4,454,374</b>



## 22 Loan and interest payables

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Repurchase agreements	-	26,647
Interest payables	-	992
	<b>-</b>	<b>27,639</b>

The above borrowings are repayable as follows:

	<b>30 June 2024 HK\$'000</b>	31 December 2023 HK\$'000
Within 1 year	-	27,639

As at 30 June 2024, the Group does not have any borrowings. As at 31 December 2023, the borrowings in respect of repurchase agreements bore interest at fixed rates ranging from 5.31% to 7.02% per annum. The carrying amount of the pledged bonds classified as financial assets at fair value through profit or loss was approximately HK\$75,233,000.

### 23 Related party transactions

In addition to those related party transactions disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the period:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Fee income received from asset management (Note i)	661	695
Underwriting fee income (Note ii)	150	–
Dividend income (Note iii)	2,873	591

Note i: During the period ended 30 June 2024, the Group has received fund management fee income of HK\$661,000 from certain related party funds (six months ended 30 June 2023: HK\$695,000). Fund management fee was determined with reference to the market rate offered to other third party investor of the fund.

Note ii: During the period ended 30 June 2024, the Group has received underwriting commission income of HK\$150,000 (six months ended 30 June 2023: HK\$Nil) from Vered Investment Co., Ltd, a non-controlling shareholder of the Company, which issued a corporate bond. A subsidiary of the Company acted as sole lead arranger in the offering and received a fee in accordance with the terms of relevant agreements.

Note iii: During the period ended 30 June 2024, the Group has received dividend income of HK\$2,873,000 from certain related party funds (six months ended 30 June 2023: HK\$591,000). Dividend income is determined with reference to market rate offered to other third party investors of the relevant funds.

## 24 Contingent liabilities

On 7 June 2022, CVAM received the Writ of Summons with an indorsement of claim issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by the plaintiff against CVAM, as a defendant. Details of the receipt of Writ of Summons are set out in the Company's announcement dated 10 June 2022. Subsequently, on 5 August 2022, the Fund was also included as a defendant.

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

The Group has sought legal advice in respect of the litigation. At the end of the reporting period and up to the date of this report, based on the information available and the advice from external legal advisors, the Group's management assessed that whether any present obligation exists is still subject to high uncertainty. Accordingly, the Group has not made any provisions for any claim arising from the litigation, other than the related legal and other costs.

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

Save as disclosed above and elsewhere in these condensed consolidated financial statements, as at 30 June 2024, the Group and the Company did not have any significant contingent liabilities (31 December 2023: Nil).

## 25 Commitments

### *Capital commitments*

The Group has entered into contracts to commit investing into certain unlisted investment funds. The aggregate non-cancellable capital commitments as at 30 June 2024 amounted to approximately HK\$55,025,000 (31 December 2023: HK\$260,656,000).

## 26 Events after the reporting period

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

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**Forvis Mazars CPA Limited**  
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**forv/s  
mazars**

To the board of directors of

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

*(incorporated in Hong Kong with limited liability)*

#### **Introduction**

We have reviewed the interim financial information set out on pages 26 to 66, which comprises the condensed consolidated statement of financial position of China Vered Financial Holding Corporation Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2024 and the related condensed consolidated statements of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month then ended and notes to the interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



### **Scope of Review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”* issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

### **Forvis Mazars CPA Limited**

*Certified Public Accountants*

Hong Kong, 27 August 2024