

Zijing International Financial Holdings Limited

紫荊國際金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8340)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Zijing International Financial Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

SUMMARY

- Revenue of the Group for the year ended 31 December 2022 amounted to approximately HK\$16.76 million (2021: approximately HK\$18.58 million).
- The loss attributable to owners of the Company for the year ended 31 December 2022 was approximately HK\$7.57 million compared with a profit attributable to owners of the Company of approximately HK\$5.83 million in 2021.
- The Directors do not recommend any final dividend for the year ended 31 December 2022.

CONSOLIDATED RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2022 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	<i>4(a)</i>	16,764	18,581
Other income	<i>4(a)</i>	233	1
Depreciation	<i>5(b)</i>	(3,952)	(1,863)
Staff costs	<i>5(a)</i>	(13,831)	(8,141)
Impairment losses on trade receivables		(581)	(64)
Other operating expenses		(5,893)	(2,523)
(Loss)/profit from operations		(7,260)	5,991
Finance cost		(309)	(100)
(Loss)/profit before taxation	<i>5</i>	(7,569)	5,891
Income tax expense	<i>6</i>	—	(58)
(Loss)/profit for the year attributable to owners of the Company		(7,569)	5,833
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		185	—
Other comprehensive income for the year, net of tax		185	—
Total comprehensive (loss)/income for the year attributable to owners of the Company		(7,384)	5,833 (Restated)
(Loss)/earnings per share (expressed in HK cents per share)			
— Basic and diluted	<i>7</i>	(11.83)	9.11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,171	27
Right-of-use assets		6,677	4,900
Rental and other deposits paid	8	698	1,052
		<u>8,546</u>	<u>5,979</u>
Current assets			
Trade and other receivables	8	10,103	5,396
Cash and cash equivalents		13,508	27,131
		<u>23,611</u>	<u>32,527</u>
Current liabilities			
Accrued expenses and other payables		1,217	220
Provision		140	—
Contract liabilities		—	1,685
Lease liabilities		2,311	2,853
Tax payable		58	58
		<u>3,726</u>	<u>4,816</u>
Net current assets		<u>19,885</u>	<u>27,711</u>
Total assets less current liabilities		<u>28,431</u>	<u>33,690</u>
Non-current liabilities			
Lease liabilities		4,376	2,051
Provision		—	200
		<u>4,376</u>	<u>2,251</u>
NET ASSETS		<u>24,055</u>	<u>31,439</u>
Capital and reserves			
Share capital		6,400	6,400
Reserves		17,655	25,039
TOTAL EQUITY		<u>24,055</u>	<u>31,439</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Attributable to the owners of the Company						
	Reserves					Subtotal	Total equity
	Share capital	Share premium	Merger reserve	Exchange reserve	Retained earnings/ losses (Accumulated)		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2021	6,400	11,887	9,900	—	(2,581)	19,206	25,606
Changes in equity for 2021:							
Profit for the year	—	—	—	—	5,833	5,833	5,833
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	5,833	5,833	5,833
Balance at 31 December 2021 and 1 January 2022	6,400	11,887	9,900	—	3,252	25,039	31,439
Changes in equity for 2022:							
Loss for the year	—	—	—	—	(7,569)	(7,569)	(7,569)
Other comprehensive income	—	—	—	185	—	185	185
Total comprehensive loss for the year	—	—	—	185	(7,569)	(7,384)	(7,384)
Balance at 31 December 2022	<u>6,400</u>	<u>11,887</u>	<u>9,900</u>	<u>185</u>	<u>(4,317)</u>	<u>17,655</u>	<u>24,055</u>

NOTES

1. GENERAL INFORMATION

Zijing International Financial Holdings Limited, formerly known as Vinco Financial Group Limited (the “Company”) was incorporated and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands and acts as an investment holding company. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 May 2008. The addresses of the registered office and principal place of business of the Company are Winward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and Units 502A, 503 and 503A, 5/F, Tower 2, Admiralty Centre, No. 18 Harcourt Road, Hong Kong respectively. The principal activity of the Company is investment holding and those of its subsidiaries are engaged in the provision of financial services in Hong Kong and Singapore.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as “the Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018–2020
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations

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

4. REVENUE, OTHER INCOME AND SEGMENT REPORTING

a) Revenue and other income

The principal activity of the Group is the provision of financial services in Hong Kong. Disaggregation of revenue is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Income from provision of corporate financial advisory service recognised over time	<u>16,764</u>	<u>18,581</u>
Other income:		
Interest income on financial assets measured at amortised cost	2	1
Government grants (Note i)	<u>231</u>	<u>—</u>
	<u>233</u>	<u>1</u>
	<u><u>16,997</u></u>	<u><u>18,582</u></u>

Note:

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

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its services contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for provision of financial advisory service that had an original expected duration of one year or less.

b) Segment reporting

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the board of directors of the Company, for the purpose of allocating resources to segments and assessing their performance, this is also the basis upon which the Group is arranged and organised.

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

During the year ended 31 December 2022, the Group commenced to develop an asset management business in Hong Kong. This resulted in a new operating segment in 2022. The comparative figures have been restated to conform with current year's presentation.

The Group's operations are currently organised into two (2021: one) reporting and operating segments under HKFRS 8, namely corporate financial advisory services and asset management services.

Segment revenue and results

	Segment revenue		Segment (losses) profits	
	Year ended 30 December		Year ended 30 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Corporate financial advisory services	16,764	18,581	5,924	10,551
Asset management services	—	—	(923)	(1,165)
Total	<u>16,764</u>	<u>18,581</u>	<u>5,001</u>	<u>9,386</u>
Unallocated expenses			<u>(12,570)</u>	<u>(3,495)</u>
(Loss)/profit before taxation			<u>(7,569)</u>	<u>5,891</u>

Other segment information

Other segment information included in the consolidated statement of profit or loss are as follows:

Amounts included in the measure of segment profit or loss:

For the year ended 31 December 2022

	Corporate financial advisory services	Asset management services	Unallocated	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income (included in other income)	2	—	—	2
Government grants (included in other income)	63	48	120	231
Depreciation of property, plant and equipment	(247)	—	(49)	(296)
Depreciation of right-of-use assets	(2,674)	—	(982)	(3,656)
Staff costs	(3,396)	(962)	(9,473)	(13,831)
Finance costs	(234)	—	(75)	(309)
Impairment losses on trade receivables	<u>(581)</u>	<u>—</u>	<u>—</u>	<u>(581)</u>

For the year ended 31 December 2021

	Corporate financial advisory services <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Interest income (included in other income)	1	—	—	1
Depreciation of property, plant and equipment	(29)	—	—	(29)
Depreciation of right-of-use assets	(1,834)	—	—	(1,834)
Staff costs	(5,273)	(580)	(2,288)	(8,141)
Finance costs	(100)	—	—	(100)
Impairment losses on trade receivables	(64)	—	—	(64)

Geographical information

The Group operates in two principal geographical areas — Hong Kong and Singapore.

Revenue from major customers

The Group's revenue from external customers by location of operations for years ended 31 December 2022 and 2021 are detailed below:

	Revenue from external customers	
	Year ended 31 December	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	14,388	18,581
Singapore	2,376	—
Total	16,764	18,581

Revenue from customers contributing 10% or more of the total revenue of the Group are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A	—	2,500
Customer B	—	2,000
Customer C	—	2,000

* The corresponding revenue did not contribute 10% or more of the Group's revenue for the year.

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
a) Staff costs (including directors' remuneration):		
Contributions to defined contribution retirement plan	332	194
Salaries and other benefits	<u>13,499</u>	<u>7,947</u>
	<u><u>13,831</u></u>	<u><u>8,141</u></u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
b) Other items:		
Auditor's remuneration		
— audit services	270	210
— non-audit service	<u>—</u>	<u>60</u>
	270	270
Depreciation of owned plant and equipment	296	29
Depreciation of right-of-use assets	3,656	1,834
Loss on disposal of property, plant and equipment	—	42
Impairment losses of trade receivables	<u>581</u>	<u>64</u>

6. INCOME TAX

Taxation in the consolidated statement of profit or loss and other comprehensive income

The provision for Hong Kong Profits Tax is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the year ended 31 December 2022, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for 2022 also takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2022/2023 subject to a maximum reduction of HK\$10,000 for each business. The Singapore Corporate Income Tax is determined by applying the Singapore tax rate of 17%.

No provision for Hong Kong Profits tax and Singapore Corporate Income Tax have been provided for in the financial statements as the Group had no estimated assessable profit for the year ended 31 December 2022.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to income tax in these jurisdictions.

7. (LOSS)/EARNINGS PER SHARE

a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to the owners of the Company of approximately HK\$7,569,000 (2021: profit attributable to the owners of the Company of approximately HK\$5,833,000 and the weighted average of 64,000,000 (2021: 64,000,000 (restated)) ordinary shares in issue during the year.

b) Diluted (loss)/earnings per share

There were no dilutive potential ordinary shares in issue during the years ended 31 December 2022 and 2021, and diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

8. TRADE AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	9,865	5,440
Less: allowance for doubtful debts	<u>(645)</u>	<u>(64)</u>
	9,220	5,376
Prepayments and deposits	<u>1,581</u>	<u>1,072</u>
	<u>10,801</u>	<u>6,448</u>
Analysed as:		
Non-current	698	1,052
Current	<u>10,103</u>	<u>5,396</u>
	<u>10,801</u>	<u>6,448</u>

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on invoice dates, which approximate the revenue recognition dates, and net of allowance is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 3 months	3,894	4,376
After 3 months	5,326	1,000
	9,220	5,376

Trade receivables are due within 90 days (2021: 0–30 days) from the date of billing.

9. DIVIDENDS

The board did not recommend the payment of a final dividend for the years ended 31 December 2022 and 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the Group continued to focus on its principal business in relation to the provision of corporate finance related services, including but not limited to general corporate finance advisory, placing and underwriting as well as initial public offerings related projects. The Group has established a Singapore representative office through its newly incorporated wholly-owned subsidiary in Singapore to cope with the travel restrictions executed by the HKSAR Government during the COVID-19 pandemic. The staff in the representative office in Singapore can assist the Group to handle partial of the coordination works in South East Asia and maintain communication with existing customers and potential new customers in a more efficient and effective manner. In addition, the Group has been granted with the licences to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (“SFO”) in late March 2022. Through asset management operations, the Board believes that the Group could be benefits from receiving stable management fee income which could enhance the financial performance of the Group in the long run. No revenue was derived from this segment during the year under review.

During the year under review, the fifth wave of COVID-19 pandemic severely diminished the Hong Kong economy and interrupted the normal business transaction between Hong Kong and the Greater Bay Area as well as other Southeast Asia countries. The PRC’s economic growth continued to slow down indicated by a decline of official manufacturing purchasing managers’ index. In addition, the U.S. Federal Reserve accelerated its balance sheet reduction program and raised its benchmark interest rates seven times in 2022 which had adverse impact for corporate sector. The heightened geopolitical factors such as the Russia-Ukraine conflicts also affected the global stock market and investment sentiment. The Hong Kong stock market had been under pressure and the Hang Seng Index slumped to its lowest level since April 2009 at the end of October 2022. The continuous lockdowns and Omicron COVID-19 disruptions during 2022 severely dented the Group’s marketing activities and due diligence works. Some of the planned projects and marketing activities of the Group which were expected to be commenced and executed in the second half of 2022 have been delayed or temporarily postponed. The performance of the Group had thus been impacted.

According to the HKEX Market Statistic 2022, the number of new listed companies (i) in main board of the Stock Exchange (excluding the number of transfer of listing from GEM to main board) were 89 in 2022 as compared to that of 95 in 2021, representing a decrease of approximately 6.3%; (ii) in GEM was 0 in 2022 as compared to that of 1 in 2021, representing a decrease of approximately 100.0%; and (iii) transferred from GEM to main board was 1 in 2022 as compared to that of 2 in 2021, representing a decrease of approximately 50.0%, which demonstrated that the number of new listing applications were decreasing. In light of above, the overall performance of the Group had been affected in certain degree as a result of keen competition in pricing for corporate finance advisory services deals. Despite the unstable market situations, we have completed over 29 projects as of 31 December 2022. In early 2023, the HKSAR Government cancelled the arrangement of issuing isolation orders to infected persons and lifted the mask-wearing mandate starting 30 January 2023 and 1 March 2023 respectively. The Group believed that its business will resume as normal and looking forward to the expansion of the business following the resumption of social and economic normalcy in Hong Kong.

FINANCIAL REVIEW

Results of the Group

For year ended 31 December 2022, the Group recorded a turnover of approximately HK\$16.76 million (2021: approximately HK\$18.58 million), representing a decrease of approximately 9.8% as compared to the corresponding period of last year, of which approximately HK\$14.39 million (2021: approximately HK\$18.58 million) and approximately HK\$2.37 million (2021: nil) was generated from the market in Hong Kong and Singapore respectively. The loss attributable to owners of the Company for the year ended 31 December 2022 was approximately HK\$7.57 million (2021: profit attributable to owners of the Company of approximately HK\$5.83 million). As compared to the last corresponding year, the loss incurred for the year under review was mainly attributable to (a) a decrease in revenue; (b) an increase in allowance for expected credit loss (“ECL”) for trade receivables; and (c) a significant increase in operating expenses which was mainly due to (i) one-off set up costs for the new representative office in Singapore; (ii) increase in the depreciation of right-of-use assets as the result of two new office premises were leased by the Group in Hong Kong and Singapore respectively; and (iii) increase in directors’ remuneration and staff costs, including the staff of the new Singapore representative office. The Board believes that the financial performance has been temporarily affected due to (i) withholding of certain projects as our clients’ financial performance have been deteriorated mainly because of the continuous weak business environment caused by the COVID-19 pandemic; and (ii) some of our potential projects have been delayed or postponed due to the travel restrictions as well as uncertainties about the extent and continuity of the epidemic during the year 2022. The Group remained in a healthy and sound liquidity position as at 31 December 2022.

At the end of the reporting period, the directors performed an impairment assessment on the trade receivables arising from corporate finance advisory services with reference to a valuation prepared by an independent professional valuer. Having performed the impairment assessment, the directors concluded that an allowance for ECL for trade receivables of approximately HK\$645,000 (2021: \$64,000) was required for the year ended 31 December 2022. As such, an additional allowance for ECL for trade receivables amounted to HK\$581,000 was recognised for the year ended 31 December 2022. The allowance for ECL for trade receivables were assessed on both individual and collective basis. The increase in allowance for ECL for trade receivables in the current year reflected the increase in credit risks since initial recognition.

As at 31 December 2022, the Group had total assets of approximately HK\$32.16 million (2021: approximately HK\$38.51 million). The net assets value of the Group was approximately HK\$24.06 million as at 31 December 2022 (2021: approximately HK\$31.44 million).

The Group stayed in a healthy and sound liquidity position. The cash and cash equivalents of the Group amounted to approximately HK\$13.51 million as at 31 December 2022. The Group's gearing ratio, defined as the Group's total borrowings divided by total equity, was nil. The Board will continue to follow a prudent treasury policy in managing its bank balances and cash and maintain a strong and healthy liquidity position to ensure that the Group is well positioned to achieve its business objectives and strategies.

Capital structure

The capital of the Group comprises only ordinary shares.

On 5 October 2022, the Board proposed to implement the share consolidation (the "Share Consolidation") by consolidating every ten existing issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company into one ordinary share of HK\$0.10 each. The Share Consolidation was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 2 November 2022 and all conditions precedent of the Share Consolidation have been fulfilled on 2 November 2022. The total number of issued shares became 64,000,000 upon the Share Consolidation became effective on 4 November 2022. Please refer to the announcements of the Company dated 5 October 2022 and 2 November 2022 and the circular of the Company dated 17 October 2022 for details.

Save as disclosed above, there was no change in the Company's capital structure during the year ended 31 December 2022.

Charge on Group's assets

As at 31 December 2022, the Group did not have any charge on its assets (2021: nil).

Exchange Rate Risk

The Group does not have a foreign currency hedging policy but foreign currency transactions have been translated into the functional currencies using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies were recognised in profit or loss. In the event of fluctuating foreign exchange rates, there is a risk exposure to that settlement of payment for customers and suppliers may not be reconciled. The exposed amount of foreign currencies would be monitored regularly, forward contracts would be entered for hedging the risks if considered necessary.

Information on employment

As at 31 December 2022, the Group had a workforce of 17 staff (2021: 19). The total staff costs, including the directors' emoluments, amounted to HK\$13.83 million for the year under review (2021: approximately HK\$8.14 million).

The Group's remuneration policies were determined by reference to market terms as well as the performance, qualification and experience of each individual staff.

Contingent liabilities

As at 31 December 2022, the Group did not have any significant contingent liabilities (2021: nil).

Significant investment

The Group did not hold any significant investment for the year ended 31 December 2022 (2021: nil).

Material acquisitions and disposals of subsidiaries and affiliated companies

During the year ended 31 December 2022, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Event after reporting period

On 27 February 2023, the Company and Aristo Securities Limited (the “Placing Agent”) entered into a placing agreement (the “Placing Agreement”), pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 12,800,000 new shares of the Company (the “Placing Share(s)”), to not less than six places (the “Places”) at the price of HK\$0.31 (the “Placing Price”) per Placing Share (the “Placing”). The gross proceeds from the Placing was amounted to approximately HK\$3.97 million and the net proceeds after deducting all relevant expenses from the Placing was amounted to approximately HK\$3.87 million. The Placing Agreement was lapsed on 17 March 2023. Details of the Placing were set out in the Company’s announcements dated 27 February 2023 and 17 March 2023.

Save as disclosed above, there was no significant event after the year ended 31 December 2022 and up to the date of this announcement.

Outlook

In December 2022, China ended its zero-COVID policy. Outlook for China and Hong Kong to combat the pandemic is encouraging and never at a better position since its outbreak three years ago. Both Chinese and HKSAR governments are administering efforts in resuming everything to normal. As at the time of compiling this report, the HKSAR Government had scrapped all the COVID-19 curbs in the city. The border with mainland China was restored. No travel restrictions were imposed to inbound and outbound visitors by countries worldwide. Given gradual resumption of more business activities, the economies of Hong Kong and mainland China are anticipated to continue on a gradual recovery path in 2023. For the China’s economy, the management expects that there shall be more programmes and directives to boost the economy after the new top government leadership appointments are being confirmed at the first meeting of the 14th National People’s Congress. On the other hand, the recent financial budget unveiled by the Financial Secretary of the HKSAR Government in which numbers of measures were revealed to boost economic recovery after the COVID-19 pandemic.

Looking ahead, the management believes that the prospects remain uncertain, depending on the development of pandemic and geopolitical risk factors. In response to the uncertainty in the Hong Kong economy, the Group will take conservative and prudent business strategies in order to support daily business operations and to cope with the economic uncertainty in the near future, as well as identifying and exploring other business opportunities to achieve stable return.

Nevertheless, as Hong Kong is one of the leading financial centers in the world, the management remains optimistic about the prospects of the financial services industry in the mid to long run. Over the years, we have built strong ties with customers and professional parties. We provide quality advisory services to our customers and maintain services quality satisfaction. The Group will continue to focus on the corporate finance advisory services as well as IPO-related projects, the Board believes the business of the Group is viable and sustainable. Meanwhile, the Group will also continue to seek for business opportunities in other financial related services so as to generate greater value for the shareholders. Despite the challenging business environment for the Group as discussed above, the Directors are more optimistic now and believe the world economies will be resuming step by step.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices.

Throughout the financial year ended 31 December 2022 the Group had complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules (the “CG Code and Report”), except for the deviations to Code Provision A.2.1 as explained in the Corporate Governance Report which will be included in the annual report to be published by the Company in due course.

The board of Directors (the “Board”) has continued to monitor and review the Group’s progress in respect of corporate governance practices to ensure compliance.

AUDIT COMMITTEE

The Company’s Audit Committee was formed on 22 April 2008 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company’s internal control procedures and annual report, financial statements, half-year reports and quarterly reports and to provide advice and comments thereon to the board of Directors. The Audit Committee currently comprises three independent non-executive Directors, Ms. Lau Mei Suet, Mr. Choi Tak Fai and Ms. Lee Pui Ching. The Audit Committee members have reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2022 and have provided advice and comments thereon.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 24 May 2023 to Tuesday, 30 May 2023, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming annual general meeting, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 23 May 2023.

By order of the Board
Zijing International Financial Holdings Limited
Lee Chun Wai
Chairman and Executive Director

Hong Kong, 29 March 2023

As at the date hereof, the Board comprises Mr. Lee Chun Wai and Mr. Lee Chan Wah being the executive Directors; and Dr. Leung Kin Cheong Laurent being the non-executive Director; and Mr. Choi Tak Fai, Ms. Lee Pui Ching and Ms. Lau Mei Suet being the independent non-executive Directors.

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at <https://www.hkexnews.hk> for at least 7 days from the date of its posting and on the website of the Company at <http://www.hklistco.com/8340>.