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## **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)**

### **QUARTERLY UPDATE ANNOUNCEMENT**

This announcement is made by China Vered Financial Holding Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 13 May 2022 in relation to the Resumption Guidance; (ii) the quarterly update announcements of the Company dated 30 June 2022, 30 September 2022 and 30 December 2022; (iii) the announcement of the Company dated 31 August 2022 in relation to the delay in publication of the 2022 Interim Results and 2022 Interim Report; (iv) the announcement of the Company dated 13 September 2022 in relation to the key findings of the Investigation (the “**Independent Investigation Announcement**”); (v) the announcement of the Company dated 19 September 2022 in relation to the annual results of the Group for the year ended 31 December 2021 (the “**2021 Annual Results Announcement**”); (vi) the announcement of the Company dated 20 October 2022 in relation to the proposed change of auditor; (vii) the announcement of the Company dated 8 November 2022 in relation to the poll results of the adjourned annual general meeting of the Company (the “**Adjourned AGM**”); (viii) the announcement of the Company dated 22 November 2022 in relation to the recommendation of the Independent Investigation Committee; (ix) the announcement of the Company dated 31 January 2023 in relation to the interim results of the Group for the six months ended 30 June 2022 (the “**2022 Interim Results Announcement**”); (x) the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”); and (xi) the announcement of the Company dated 27 March 2023 in relation to the annual results of the Group for the year ended 31 December 2022 (the “**2022 Annual Results Announcement**”). Unless otherwise stated, capitalised term used in this announcement shall have the same meaning as those defined in the above relevant announcements.

## **RESUMPTION GUIDANCE**

As disclosed in the announcement of the Company dated 13 May 2022, the Company has received a letter from the Stock Exchange setting out the following Resumption Guidance:

- (i) conduct an appropriate Investigation into the Audit Issues, assess the impact on the Company's business operation and financial position, announce the investigation findings and take appropriate remedial actions;
- (ii) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (iii) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (iv) demonstrate its compliance with Rule 13.24 of the Listing Rules;
- (v) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules; and
- (vi) announce all material information for the Company's shareholders and investors to appraise the Company's position.

## **QUARTERLY UPDATE ON THE RESUMPTION PROGRESS**

### **Publication of the 2022 Interim Results Announcement, the 2022 Interim Report and the 2022 Annual Results Announcement**

The Company published the 2022 Interim Results Announcement, the 2022 Interim Report and the 2022 Annual Results Announcement on 31 January 2023, 17 February 2023 and 27 March 2023 respectively. The Company expects to publish its annual report for the year ended 31 December 2022 on or before 30 April 2023.

The auditors of the Company have expressed qualified opinions on the basis that they were unable to verify (i) the opening carrying value of an offshore fund as at 1 January 2022 and the timing of the relevant loss on investment recognised in relation to the investment in such offshore fund; and (ii) the opening carrying value of an investment fund as at 1 January 2022 and the timing of the fair value loss recognised in respect of the impairment assessment on the underlying loans held by such fund.

Save for the above, it is expected that the financial results for the year ending 31 December 2023 will no longer be qualified. The Board has been seeking advices from professional advisers on the matters relating to the audit modifications and legal advices on redemption of funds and recovery of the underlying loan facilities. Should the subjected funds be redeemed and loan facilities be recovered, the amount will be written-back to the

consolidated financial statements of the Company. As such, the Board is of the view that the audit modifications have been fully addressed and the Company is expecting a clean audit report for the financial year ending 31 December 2023 and onwards.

### **Independent Internal Control Review**

As disclosed in the previous announcements of the Company, the follow-up review on internal control procedures and final internal control report were expected to be issued in or around February 2023. Due to unforeseen circumstances, the follow-up review was delayed. The Company and the Internal Control Consultants are working closely to the final report by April 2023.

The Company is taking appropriate steps to fulfil the conditions in the Resumption Guidance and will update the shareholders and potential investors of the Company on, among others, the progress as and when appropriate. The Company will make announcements to update the shareholders and potential investors of the Company on any substantial development in relation to resumption of trading in the shares of the Company as and when appropriate.

### **UPDATE ON BUSINESS OPERATION**

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. Notwithstanding the suspension of trading in the shares of the Company, the Group is carrying on its business operations as usual. The Group will continue to closely monitor its financial position and business operations and make further announcement(s) as and when appropriate.

### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until the Company fulfils the resumption guidance.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**China Vered Financial Holding Corporation Limited**  
**Tan Zhenyu**  
*Chairman*

Hong Kong, 28 March 2023

*As at the date of this announcement, the Board comprises (1) Mr. Tan Zhenyu, Mr. Li Feng and Mr. Ni Xinguang as executive directors of the Company; (2) Mr. Zhang Boyang as non-executive director of the Company; and (3) Mr. Wen Yuanhua, Ms. Zhou Hui and Mr. Dong Hao as independent non-executive directors of the Company.*