CHINA INVESTMENTS HOLDINGS LIMITED
中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

INTERIM RESULTS FOR YEAR 2023

UNAUDITED CONSOLIDATED RESULTS

The board of directors (the "Directors") of China Investments Holdings Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2023 together with the comparative unaudited figures for the corresponding period in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Continuing operations			
Revenue	*3*	**414,276**	353,747
Cost of sales and services		**(256,504)**	(221,308)
Gross profit		**157,772**	132,439
Other operating income	*5*	**62,783**	69,208
Selling and distribution costs		**(6,267)**	(5,946)
Administrative expenses		**(101,248)**	(112,164)
Share of profit of an associate		**27,261**	8,379
Increase in fair value of financial assets at fair value through profit or loss		**–**	41,838
Finance costs	*6*	**(69,085)**	(62,992)
Profit before taxation		**71,216**	70,762
Income tax expenses	*7*	**(20,050)**	(24,183)
Profit for the period from continuing operations		**51,166**	46,579
Discontinued operation			
Profit/(loss) for the period from discontinued operation		**71**	(4)
Profit for the period	*8*	**51,237**	46,575

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2023

	Note	Six months ended 30 June 2023 HK$'000 (unaudited)	2022 HK$'000 (unaudited)
Other comprehensive expenses, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(111,527)**	(110,255)
Share of exchange difference of an associate		**(24,725)**	(25,648)
Other comprehensive expenses for the period, net of income tax		**(136,252)**	(135,903)
Total comprehensive expenses for the period		**(85,015)**	(89,328)
Profit for the period attributable to:			
Owners of the Company		**8,893**	12,916
Non-controlling interests		**42,344**	33,659
		51,237	46,575
Total comprehensive expenses for the period attributable to:			
Owners of the Company		**(76,370)**	(76,277)
Non-controlling interests		**(8,645)**	(13,051)
		(85,015)	(89,328)
Earnings per share	*10*		
From continuing and discontinued operations			
Basic		**HK0.52 cents**	HK0.75 cents
Diluted		**HK0.52 cents**	HK0.75 cents
From continuing operations			
Basic		**HK0.52 cents**	HK0.75 cents
Diluted		**HK0.52 cents**	HK0.75 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Notes	30 June 2023 HK$'000 (unaudited)	31 December 2022 HK$'000 (audited)
Non-current assets			
Investment properties		**1,055,175**	1,066,266
Property, plant and equipment		**1,176,884**	1,188,457
Goodwill		**123,596**	127,284
Intangible assets		**4,402**	–
Interests in an associate		**519,755**	517,219
Financial assets at fair value through profit or loss		**87,708**	91,875
Finance lease receivables	*11*	**3,062,221**	2,884,042
Rental deposits		**5,546**	5,668
Right-of-use assets		**910,924**	906,186
Deferred tax assets		**15,960**	15,132
		6,962,171	6,802,129
Current assets			
Inventories		**6,245**	8,769
Finance lease receivables	*11*	**1,192,877**	1,067,858
Trade and other receivables	*12*	**149,106**	166,623
Pledged bank deposits		**6,975**	24,956
Cash and bank balances		**1,300,322**	999,250
		2,655,525	2,267,456
Current liabilities			
Trade and other payables	*13*	**201,732**	215,913
Tax payables		**17,024**	27,384
Deposits received from customers	*11*	**10,884**	2,715
Lease liabilities		**49,621**	51,910
Borrowings		**2,113,696**	1,923,318
		2,392,957	2,221,240
Net current assets		**262,568**	46,216
Total assets less current liabilities		**7,224,739**	6,848,345

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2023

	Notes	30 June 2023 HK$'000 (unaudited)	31 December 2022 HK$'000 (audited)
Capital and reserves			
Share capital		**171,233**	171,233
Reserves		**765,428**	841,798
Equity attributable to owners of the Company		**936,661**	1,013,031
Non-controlling interests		**1,037,543**	1,079,754
Total equity		**1,974,204**	2,092,785
Non-current liabilities			
Borrowings		**3,723,217**	3,167,523
Convertible notes		**151,423**	143,833
Deferred income		**183,987**	215,049
Deferred tax liabilities		**53,553**	53,653
Deposits received from customers	*11*	**184,379**	164,778
Lease liabilities		**953,976**	1,010,724
		5,250,535	4,755,560
		7,224,739	6,848,345

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the Listing Rules") and with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements have not been audited by the Company's auditor but have been reviewed by the Company's audit committee.

The interim condensed consolidated financial statements have been prepared on the historical costs basis except for certain properties and financial instruments, which are measured at fair value, revalued amounts and amortised cost as appropriate.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.

The preparation of interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The interim financial statements and selected explanatory notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards.

2. PRINCIPAL ACCOUNTING POLICIES AND APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Except for the adoption of the revised HKFRSs stated below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

HKFRS 17	Insurance Contracts and related Amendments
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the revised HKFRSs has had no material effect on the Group's financial performance and positions for the current or prior accounting period. Accordingly, no prior period adjustment has been required.

The Group has not early applied new or revised HKFRSs that have been issued but are not yet effective.

3. REVENUE

Revenue represents the gross amounts received and receivable for revenue arising on big data business, civil explosives business, hotel operation, industrial parks and property development and wellness elderly care business, sales of goods by the Group to outside customers less return and allowances, gross rental income from investment properties, interest income generated from financial leasing and consultancy service income received from outsiders during the period.

The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Revenue from contracts with customers recognised at a point in time:		
Construction of platform and operating income from big data business	**3,005**	296
Consultancy service income from financial leasing	**41,627**	46,401
Logistics income from civil explosives business	**4,094**	5,097
Operating income from industrial parks and property development	**10,790**	5,027
Operating income from wellness elderly care business *(Note i)*	**29,604**	22,276
Other income from hotel operation	**1,105**	532
Sales of emulsion explosives	**78,632**	78,636
	168,857	158,265
Revenue from contracts with customers recognised over time:		
Income on explosives engineering from civil explosives business	**19,510**	2,687
Service income from hotel operation	**3,723**	811
Service income from industrial parks and property development	**2,671**	2,306
Service income from wellness elderly care business *(Note ii)*	**44,091**	29,576
Technical service income from big data business	**1,904**	4,542
	71,899	39,922
Revenue from other sources:		
Interest income from financial leasing	**131,404**	114,483
Rental income from hotel property	**2,564**	2,443
Rental income from industrial parks and property development	**34,586**	33,046
Rental income from investment properties	**4,966**	5,588
	173,520	155,560
	414,276	353,747

Notes:

i It includes medical care service income, operating income from elderly care services platform and others.

ii It includes nursing care service income and service income from elderly care services platform.

4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into seven operating divisions – big data business, civil explosives business, financial leasing, hotel operation, industrial parks and property development, property investments and wellness elderly care business. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Big data business	–	industrial internet project platform construction, smart city construction and big data operation and management
Civil explosives business	–	manufacture and sale of emulsion explosives and explosives engineering
Financial leasing	–	provision of finance lease consulting services and financing services in the PRC
Hotel operation	–	hotel ownership and management
Industrial parks and property development	–	holding investment in the development and construction of industrial parks
Property investments	–	holding investment properties
Wellness elderly care business	–	comprehensive elderly care services

T-BOX® business was discontinued since year 2020. The segment information reported below does not include any amount for this discontinued operation.

4. SEGMENT INFORMATION (Continued)

Segment information about these operations is presented below:

	Segment Revenue		Segment Result	
	Six months ended 30 June		Six months ended 30 June	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Big data business	**4,909**	4,838	**(308)**	(869)
Civil explosives business	**102,236**	86,420	**10,627**	8,189
Financial leasing	**173,031**	160,884	**70,925**	60,537
Hotel operation	**7,392**	3,786	**(1,479)**	(4,586)
Industrial parks and property development	**48,047**	40,379	**22,009**	24,279
Property investments	**4,966**	5,588	**1,723**	320
Wellness elderly care business	**73,695**	51,852	**(4,682)**	(15,476)
Total	**414,276**	353,747	**98,815**	72,394
Bank interest income			**5,336**	4,455
Finance costs (excluding interest on lease liabilities)			**(43,232)**	(35,484)
Increase in fair value of financial assets at fair value through profit or loss			**–**	41,838
Net central administration cost			**(11,109)**	(11,015)
Net exchange loss			**(3,091)**	(7,149)
Professional fee			**(2,764)**	(2,656)
Share of profit of an associate			**27,261**	8,379
Profit before taxation			**71,216**	70,762
Income tax expenses			**(20,050)**	(24,183)
Profit for the period			**51,166**	46,579

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (six months ended 30 June 2022: Nil).

Segment result represents the profit/(loss) generated by each segment without allocation of bank interest income, finance costs (excluding interest on lease liabilities), increase in fair value of financial assets at fair value through profit or loss, net central administration cost, net exchange loss, professional fee and share of profit of an associate. This is the measure reported to the Group's management for the purposes of resources allocation and performance assessment.

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

	30 June 2023 *HK$'000* **(unaudited)**	31 December 2022 *HK$'000* (audited)
Segment assets		
Continuing operations		
Big data business	**27,445**	25,577
Civil explosives business	**383,307**	417,423
Financial leasing	**4,301,927**	4,002,208
Hotel operation	**113,936**	118,965
Industrial parks and property development	**2,325,742**	2,403,858
Property investments	**275,378**	285,596
Wellness elderly care business	**206,815**	113,435
Total segment assets	**7,634,550**	7,367,062
Pledged bank deposits	**6,975**	24,956
Cash and bank balances	**1,300,322**	999,250
Interests in an associate	**519,755**	517,219
Financial assets at fair value through profit or loss	**87,708**	91,875
Other unallocated assets	**68,386**	69,113
	9,617,696	9,069,475
Assets relating to discontinued operation	**–**	110
Consolidated assets	**9,617,696**	9,069,585
Segment liabilities		
Continuing operations		
Big data business	**10,359**	10,285
Civil explosives business	**116,303**	128,282
Financial leasing	**3,900,034**	3,367,952
Hotel operation	**2,483**	2,097
Industrial parks and property development	**2,003,592**	2,103,397
Property investments	**245,595**	84,348
Wellness elderly care business	**195,460**	110,682
Total segment liabilities	**6,473,826**	5,807,043
Convertible notes	**151,423**	143,833
Borrowings	**962,856**	969,060
Other unallocated liabilities	**54,403**	55,771
	7,642,508	6,975,707
Liabilities relating to discontinued operation	**984**	1,093
Consolidated liabilities	**7,643,492**	6,976,800

4. SEGMENT INFORMATION (Continued)

Other segment information

For the six months ended 30 June 2023

Continuing operations

	Big data business HK$'000 (unaudited)	Civil explosives business HK$'000 (unaudited)	Financial leasing HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Industrial parks and property development HK$'000 (unaudited)	Property investments HK$'000 (unaudited)	Wellness elderly care business HK$'000 (unaudited)	Total HK$'000 (unaudited)
Amortisation of intangible assets	**65**	**–**	**–**	**–**	**–**	**–**	**–**	**65**
Depreciation of property, plant and equipment	**659**	**7,948**	**521**	**4,047**	**4,154**	**1,310**	**2,235**	**20,874**
Depreciation of right-of-use assets	**–**	**227**	**–**	**–**	**15,636**	**–**	**140**	**16,003**
Additions to property, plant and equipment	**70**	**277**	**34**	**40**	**54,697**	**1,969**	**40,041**	**97,128**
Loss on disposal of property, plant and equipment	**–**	**11**	**–**	**83**	**–**	**–**	**–**	**94**
Allowance for expected credit losses on finance lease receivables	**–**	**–**	**6,354**	**–**	**–**	**–**	**–**	**6,354**

For the six months ended 30 June 2022

Continuing operations

	Big data business HK$'000 (unaudited)	Civil explosives business HK$'000 (unaudited)	Financial leasing HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Industrial parks and property development HK$'000 (unaudited)	Property investments HK$'000 (unaudited)	Wellness elderly care business HK$'000 (unaudited)	Total HK$'000 (unaudited)
Depreciation of property, plant and equipment	726	8,840	371	4,726	4,262	1,395	1,307	21,627
Depreciation of right-of-use assets	–	25	–	–	16,675	–	–	16,700
Additions to property, plant and equipment	38	6,763	420	13	108,914	594	3,045	119,787
Loss on disposal of property, plant and equipment	–	–	–	33	–	670	–	703
Allowance for expected credit losses on finance lease receivables	–	–	8,873	–	–	–	–	8,873

4. SEGMENT INFORMATION (Continued)

Geographic Segments

The Group's big data business, civil explosive business, financial leasing, hotel operation, industrial parks and property development and wellness elderly care business are located in the People's Republic of China (the "PRC"), other than Hong Kong.

Property investments are located in both the PRC and Hong Kong.

The Group's revenue from external customers by location of operation and information about its non-current assets by location of assets are detailed below:

	Revenue from external customer		Non-current assets*	
	Six months ended 30 June		30 June	31 December
	2023	2022	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
The PRC	414,276	353,459	2,151,867	2,168,899
Hong Kong	–	288	18,504	18,504
	414,276	353,747	2,170,371	2,187,403

* *Non-current assets excluded deductible value added tax, deferred tax assets, financial assets at fair value through profit or loss, finance lease receivables, goodwill, interest in an associate, rental deposits, right-of-use assets and unallocated non-current assets.*

5. OTHER OPERATING INCOME

Other operating income included the following items:

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Bank interest income	**5,336**	4,455
Compensation and government subsidies received		
– Direct government grant	**1,393**	243
– Recognition of deferred income	**42,182**	54,398
Dividend income from financial assets at fair value through profit or loss	**726**	–
Income from lending of emulsion matrix and industrial detonation cords production capacity	**2,424**	2,853
Effective interest income from rental deposits	**142**	302

6. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Handling fee	**1,933**	1,158
Interest on *(Note)*:		
– Bank loans	**28,764**	22,211
– Convertible notes	**7,590**	7,000
– Lease liabilities	**25,853**	27,508
– Loan from immediate holding company	**2,283**	2,283
– Loan from an non-controlling interest	**672**	717
– Other loans	**1,990**	2,115
	67,152	61,834
	69,085	62,992

Note:

Interest on borrowings under finance costs is arrived at after deducting capitalised interest of approximately HK$7,574,000 (six months ended 30 June 2022: approximately HK$7,009,000) and cost of borrowings from financial leasing included in costs of sales and services of approximately HK$86,604,000 (six months ended 30 June 2022: approximately HK$83,598,000) from total interest expenses recognised in the period of approximately HK$161,330,000 (six months ended 30 June 2022: approximately HK$152,441,000).

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Tax charges comprise:		
Current tax:		
Provision for PRC Enterprise Income Tax	**21,864**	23,617
(Over)/under provision in previous year:		
PRC Enterprise Income Tax	**(2,285)**	1,899
Deferred tax:		
Temporary differences arising in current period	**471**	(1,333)
	20,050	24,183

Hong Kong profits tax is calculated at the rate of 16.5% (six months ended 30 June 2022: 16.5%) on the estimated assessable profits for the six months ended 30 June 2023, except for the first HK$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered tax rate regime with effect from the year of assessment 2018/2019.

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the six months ended 30 June 2023 (six months ended 30 June 2022: 25%).

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Continuing operations		
Profit for the period has been arrived at after crediting/(charging):		
Auditor's remuneration		
Audit service	**(800)**	(800)
Non-audit service	**(200)**	(100)
Amortisation of intangible assets	**(65)**	–
Depreciation of property, plant and equipment	**(22,121)**	(22,878)
Depreciation of right-of-use assets	**(16,003)**	(16,700)
Net loss on disposal of property, plant and equipment	**(96)**	(703)
Net exchange loss	**(3,091)**	(7,149)
Operating lease charges	**(112)**	(152)
Allowance for expected credit losses on finance lease receivables	**(6,354)**	(8,873)
Allowance for expected credit losses on trade receivables	**(1,536)**	–
Cost of borrowings from financial leasing included in costs of sales and services	**(86,604)**	(83,598)
Cost of inventories recognised as expense	**(105,097)**	(100,324)
Total staff costs		
Director's emoluments	**(2,477)**	(2,611)
Other staff costs	**(82,674)**	(84,472)
Retirement benefit schemes contributions for other staffs	**(6,310)**	(5,452)
Termination benefits	**–**	(22)
	(91,461)	(92,557)
Gross rental income from investment properties	**39,552**	38,634
Less: Direct operating expenses from investment properties that generated rental income during the period	**(212)**	(181)
Direct operating expenses from investment properties that did not generated rental income during the period	**(453)**	(1,044)
	38,887	37,409

9. DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the profit attributable to the owners of the Company of approximately HK$8,893,000 (six months ended 30 June 2022: profit of approximately HK$12,916,000) and on the number of 1,712,329,142 ordinary shares (six months ended 30 June 2022: 1,712,329,142 ordinary shares) in issue during the period.

For the six months ended 30 June 2023 and 2022, no dilutive earning per share has been presented as the exercise of the convertible notes would have an anti-dilutive effect on the basic earnings per share.

11. FINANCE LEASE RECEIVABLES

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Analysed as:		
Current	**1,192,877**	1,067,858
Non-current	**3,062,221**	2,884,042
	4,255,098	3,951,900

	Minimum lease receivables		**Present value of minimum lease receivables**	
	30 June 2023	31 December 2022	**30 June 2023**	31 December 2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Finance lease receivables comprise:				
Within one year	**1,441,178**	1,296,733	**1,192,877**	1,067,858
Over one year but less than two years	**1,367,755**	1,244,705	**1,196,450**	1,076,433
Over two years but less than five years	**2,029,774**	2,005,456	**1,881,469**	1,868,137
Over five years	**51,379**	–	**48,143**	–
	4,890,086	4,546,894	**4,318,939**	4,012,428
Less: Unearned finance income	**(571,147)**	(534,466)	**N/A**	N/A
Present value of minimum lease payment receivables	**4,318,939**	4,012,428	**4,318,939**	4,012,428
Less: Allowance for expected credit losses	**(63,841)**	(60,528)	**(63,841)**	(60,528)
	4,255,098	3,951,900	**4,255,098**	3,951,900

11. FINANCE LEASE RECEIVABLES (Continued)

Movements of allowance for expected credit losses on finance lease receivables are as follows:

Allowance for expected credit losses	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
At 1 January 2023	**37,008**	**–**	**23,520**	**60,528**
Charged for the period	**6,252**	**–**	**102**	**6,354**
Exchange differences	**(1,970)**	**–**	**(1,071)**	**(3,041)**
At 30 June 2023	**41,290**	**–**	**22,551**	**63,841**

Allowance for expected credit losses	Stage 1	Stage 2	Stage 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2022	28,058	–	–	28,058
Movement within stages:				
Move to stage 3(i)	(337)	–	337	–
Charged for the year	11,464	–	24,205	35,669
Exchange differences	(2,177)	–	(1,022)	(3,199)
At 31 December 2022	37,008	–	23,520	60,528

(i) It was caused by a worsening credit-impaired receivable from the finance lease customer who was subject to a reorganisation process during the year ended 31 December 2022.

All leases are denominated in RMB. The terms of the finance leases range from less than 1 year to 7 years (31 December 2022: less than 1 year to 5 years). The effective interest rate of the finance leases range from 4.90% to 10.50% per annum (31 December 2022: 4.98% to 11.30% per annum).

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements needed to be recorded as at the end of the reporting period.

The finance lease receivables are secured by the leased assets, mainly leased plant and machinery, as at 30 June 2023. The Group is not permitted to sell, or repledge the collaterals of the finance lease receivables without consent from the lessees in the absence of default by the lessees.

Security deposits received from customers as at 30 June 2023 represent finance lease deposits received from customers, which will be repayable by end of the lease period of the respective finance leases. Deposits of approximately HK$195,263,000 (31 December 2022: approximately HK$167,493,000) have been received by the Group, in which deposits of approximately HK$10,884,000 (31 December 2022: approximately HK$2,715,000) were classified as current liabilities and the balances were classified as non-current liabilities, based on the final lease installment due date stipulated in the finance lease agreements. All deposits are non-interest bearing.

12. TRADE AND OTHER RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group allows an average credit period of 90 days to its customers.

The following is an aging analysis of the Group's trade and other receivables after deducting the allowance for expected credit losses presented based on invoice date at the end of the reporting period:

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**44,765**	51,634
61-90 days	**8,465**	7,148
91-120 days	**5,886**	5,175
Over 120 days	**24,097**	15,140
Trade receivables	**83,213**	79,097
Other receivables *(Note)*	**65,893**	87,526
	149,106	166,623

Note: It mainly includes deductible value added tax of approximately HK$14,204,000 and interest receivables from financial leasing business of approximately HK$27,808,000 (31 December 2022: deductible value added tax of approximately HK$24,505,000 and interest receivables from financial leasing business of approximately HK$26,305,000).

The Group does not hold any collateral or other credit enhancements over these balances.

13. TRADE AND OTHER PAYABLES

The credit period granted by the Group's suppliers ranges from 30 days to 90 days.

The following is an aging analysis of the Group's trade payables based on the invoice date at the end of the reporting period:

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**14,191**	18,376
61-90 days	**616**	935
91-120 days	**447**	389
Over 120 days	**15,330**	13,025
Trade payables	**30,584**	32,725
Other payables	**171,148**	183,188
	201,732	215,913

Other payables included the following items:

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Contract liabilities *(Note iii)*	**97**	289
Rental deposits received from customers	**28,868**	26,866
Receipts in advance from financial leasing	**30,352**	22,411
Other tax payable *(Note i)*	**36,073**	35,831
Staff salaries and welfare	**30,224**	50,962
Provision for termination benefits	**6,333**	8,350
Others *(Note ii)*	**39,201**	38,479
	171,148	183,188

Note:

i. Other tax payable mainly includes value added tax payables.

ii. Others include interest payables, accrued expenses and other temporary receipts.

13. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

iii. Movements of contract liabilities are as follows:

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(unaudited)	(audited)
At the beginning of the period/year	**289**	588
Decrease in contract liabilities as a result of recognising revenue during the period/year that was included in the contract liabilities at the beginning of the period/year	**(299)**	(638)
Increase in contract liabilities during the period/year	**112**	377
Exchange difference	**(5)**	(38)
At the end of the period/year	**97**	289

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

15. EVENTS AFTER REPORTING PERIOD

On 3 July 2023, Canton Greengold Financial Leasing Limited* ("Greengold Leasing"), a non-wholly-own subsidiary, entered into finance leases with limited liability companies incorporated in the PRC, independent third parties, to obtain the ownership of the assets from these companies at an aggregate consideration of RMB80,000,000 (equivalent to approximately HK$86,480,000), which would be leased back to these companies for their use and possession for a term of 5 years. Further details of the finance leases are set out in the Company's announcement dated 4 July 2023.

On 10 July 2023, upon the successful conclusion of the open tender on the Foshan Public Resources Trading Platform, Guangdong Province Funeng Power Co., Limited* ("Funeng Power"), a non-wholly-own subsidiary, entered into the engineering design, procurement and construction agreement ("EPC Agreement") with the Guangdong Sunkwh Energy Co., Ltd.* and Guangzhou Bochuang Electric Power Design Institute Co., Ltd.* (collectively referred to as the "Successful Bidders"), pursuant to which the Successful Bidders would be engaged as the general contractor for the survey, design, procurement and construction works and other incidental services for the photovoltaic project. The consideration payable by Funeng Power under the EPC Agreement was approximately RMB33,459,000 (equivalent to approximately HK$36,209,000). Further details of the EPC Agreement are set out in the Company's announcement dated 11 July 2023.

On 24 July 2023, Greengold Leasing entered into a finance lease with a limited liability company incorporated in the PRC, an independent third party, to obtain the ownership of the assets from this company at a consideration of RMB70,000,000 (equivalent to approximately HK$76,160,000), which would be leased back to this company for its use and possession for a term of 5 years. Further details of the finance lease are set out in the Company's announcement dated 24 July 2023.

On 25 July 2023, Greengold Leasing entered into a finance lease with a limited liability company incorporated in the PRC, an independent third party, to obtain the ownership of the assets from this company at a consideration of RMB5,000,000 (equivalent to approximately HK$5,455,000), which would be leased back to this company for its use and possession for a term of 3 years. Further details of the finance lease are set out in the Company's announcement dated 25 July 2023.

On 15 August 2023, Greengold Leasing entered into a finance lease with a limited liability company incorporated in the PRC, an independent third party, to obtain the ownership of the assets from this company at a consideration of RMB10,000,000 (equivalent to approximately HK$10,770,000), which would be leased back to this company for its use and possession for a term of 5 years. Further details of the finance lease are set out in the Company's announcement dated 15 August 2023.

On 15 August 2023, Greengold Leasing entered into a finance lease with a limited liability company incorporated in the PRC, an independent third party, to obtain the ownership of the assets from this company at a consideration of RMB35,000,000 (equivalent to approximately HK$37,695,000), which would be leased back to this company for its use and possession for a term of 8 years. Further details of the finance lease are set out in the Company's announcement dated 15 August 2023.

* *For identification purpose only*

RESULTS

BUSINESS REVIEW

Leveraging the restructuring of the welfare center of Nanhai District, the Group took over the operation of several public elderly care institutions sponsored by towns or sub-districts in the second half of 2022 according to its established strategy, significantly boosting the operating income of our elderly care and wellness business, representing a year-on-year increase of approximately HK$21,843,000. Meanwhile, we acquired a 51% equity interest in Zhaoqing Huaxin Blasting Engineering Co., Ltd. ("Huaxin") for our civil explosives business at the end of May 2022 to expand blasting operations, resulting in a year-on-year increase in operating income of approximately HK$15,816,000. In addition, our financial leasing business continued to develop, boosting operating income by approximately HK$12,147,000. Following the completion of the construction, delivery and operation of the first and second phases of the new energy industrial park in Danzao Town, Nanhai District, Foshan City, the PRC ("Danzao Industry Park"), income such as rental income from the industrial park saw a continuous increase, significantly enhancing the operating income by approximately HK$7,668,000. For the six months ended 30 June 2023, taking into account other factors, the Group recorded a total income of approximately HK$414,276,000, representing a substantial increase of 17.1% compared with that of last year.

The term of the 72% equity buyback contract of Guangdong Sino Rock Tyco Construction Co., Ltd. ("Sino Rock"), a subsidiary of the Company, was extended to 1 April 2025 last year, resulting in a significant increase in the fair value of the buyback contract equity of approximately HK$41,838,000, while there were no such non-recurring gains in the first half of the year. Still, the operating performance of all business operations improved in the post-Covid-19 era. Taking into account other factors, profit for the period increased by 10%, and net profit amounted to approximately HK$51,237,000.

ELDERLY CARE AND WELLNESS BUSINESS

The Group continued to develop a three-tier elderly care system comprising institutions, communities and households in Nanhai District. We successfully took over public elderly care institutions sponsored by towns or sub-districts in Nanhai District, and became the largest institutional elderly care brand in Foshan City. As at 30 June 2023, there were a total of 2,200 institutional nursing beds with an occupancy rate of 79%. Compared with that on 31 December 2022, the number of nursing beds increased by approximately 5%, but the occupancy rate slightly decreased by 4%. Currently, there are a total of 300 rehabilitation and nursing beds, with an average usage rate of 78%, representing an increase of 8% from that at the end of last year.

While steadily advancing the upgrading and expansion of elderly care facilities, the Group strengthened all aspects of elderly rehabilitation medical services and nursing homes. We not only improved equipment and human resources and actively expanded related business operations, but also provided more diverse, quality services through professional management. In order to further enhance our ability of integrating medical and care services, our rehabilitation hospital has launched a joint construction plan for regional medical and nursing alliance with the Nanhai District People's Hospital to promote a strong alliance between leading medical and nursing institutions in Nanhai District. We leveraged our brand effect to expand our presence in community– and home-based care services through market-oriented mixed-ownership reform.

A substantial increase was recorded in the operating income of wellness elderly care business. For the six months ended 30 June 2023, the segment recorded an operating income of approximately HK$73,695,000, representing a continuous increase of 42.1% over the same period of last year. Our elderly care and wellness business is still undergoing reform and upgrading. For the six months ended 30 June 2023, we recorded a year-on-year decrease of 69.7% in operating losses to approximately HK$4,682,000. We expect a further improvement in performance in the second half of the year by enhancing the brand effect of integrating medical and care services and introducing new fee standards for reasonable price adjustments.

FINANCIAL LEASING BUSINESS

Despite the fact that its financial leasing business was under intense pressure arising from market competition, the Group focused on serving clients from environmental protection related industries, strove to offer more environmental leasing products, and adjusted existing environmental leasing products to better suit the existing market environment. The Group sought progress in stability, carried out risk management, and remained focused on the environmental industry to develop financial leasing business. We have set up a professional financial leasing team familiar with the environmental industry to more effectively conduct risk assessment on environmental clients, control business risks in line with the Group's risk appetite, carry out stringent pre-lease review of financial leasing projects to select the best from the good, and implement post-lease management and supervision to reduce the risk of bad debts and ensure income. In addition, the Group continuously strove to cut capital costs and successfully issued the first green bonds in Foshan City. Thanks to the joint efforts of all employees of the financial leasing segment in developing quality municipal environmental services in Nanhai District, Foshan and across the country, the segment recorded a year-on-year increase of 7.6% in operating income to approximately HK$173,031,000, and an increase of 17.2% in operating profit to approximately HK$70,925,000 for the six months ended 30 June 2023.

BIG DATA BUSINESS

The Group will continue to vigorously develop big data business to expand its business coverage and extend its industry chain. During the period, our wholly-owned subsidiary Guangdong Sinsing Technology Ltd. ("Sinsing Technology") actively sought mergers and acquisitions with industrial synergistic effects, and improved the industrial Internet segment to achieve full industry chain development, with the aiming of becoming a first-class industrial Internet full-chain service provider in the Greater Bay Area. In the first half of the year, it acquired a 51% equity interest in Guangdong XRIS Technology Co., Ltd.(廣東新瑞智安科技有限公司), which, in combination with the experience in lean management and lean digital consulting services for enterprises, can generate synergies and help the Group expand its presence in the field of lean digital transition services in the manufacturing industry, explore new market segments, as well as enhance industry awareness and overall market competitiveness. In the meantime, our technical team mainly completed new product development and project product enhancement in the first half of the year, including the improvement and upgrading of the identification interface, parsing page, and project service performance. To date, there are a total of 2,428 registered enterprises, with the number of identifiers registered and the number of identifier decoding exceeding 4.5 billion and 790 million, respectively. With regard to intellectual property rights, Sinsing Technology completed two patent approvals, namely Methods, Systems, Devices and Electronic Equipment for Managing the Receipt and Distribution of Goods and Matching Methods, Devices, Electronic Equipment and Storage Media for Mobile Accessories in the first half of the year. At the same time, it had three new patent candidates for which applications had been submitted, thereby continuously improving its corporate image and market competitiveness. In June this year, Sinsing Technology ranked 132nd among 2023 Top 500 Industrial Internet Enterprises. Although existing projects have gradually come to an end. After the epidemic, the economic recovery of traditional manufacturing industry in the short term is at a slow pace; manufacturing services market conditions have yet to be improved; and market competition is further intensified, making enterprises more cautious in decision making. The Company makes effort in expanding new project business, carrying out mergers and acquisition, optimizing the products and improving management efficiency. The operating income for the year has a slight year-on-year growth of 1.5% to approximately HK$4,909,000. With costs under strict control, operating loss was narrowed by 64.6% to approximately HK$308,000 from that of the same period of last year.

CIVIL EXPLOSIVES BUSINESS

As the domestic mining business and infrastructure engineering especially the real estate civil explosives market barely recovered during the period, market demand remained sluggish. Taking into account industry dynamics and its own conditions, Guangdong Tiannuo Investments Co., Ltd. ("Tiannuo") committed itself to exploring a suitable solution for mixed assembly capacity to empower its transition and quality development. Internally, it accelerated the construction of independent channels to achieve utmost capacity, renovated the latex matrix production line and purchased mixed loading vehicles, so as to improve the internal conditions for independent release of mixed assembly capacity. Externally, it expedited the expansion of market business, actively explored methods for multi-channel cooperation, and sought new opportunities for development. Consequently, preliminary consensus has been reached regarding three large-scale mining projects, creating external conditions for the independent release of mixed assembly capacity. Upon the acquisition of Huaxin at the end of May last year, our civil explosives business was extended to blasting operations, gradually achieving mixed assembly capacity and effectively increasing business efficiency. For the six months ended 30 June 2023, operating income surged by 18.3% to approximately HK$102,236,000, and operating profit by 29.8% to approximately HK$10,627,000.

INVESTMENTS IN PROPERTIES AND INDUSTRIAL PARKS

Upon the completion and joint acceptance inspection of the Dan Qing Garden rental housing project, the Danzao New Energy Industrial Park project, together with the first and second phases of the industrial park in operation, covered a total of approximately 398,700 m^2. The leased areas of the first and second phases of the industrial park reached approximately 171,700 m^2 and approximately 58,500 m^2, respectively, representing an occupancy rate of approximately 93% and approximately 53%. The occupancy rates are on a steady rise, and are expected to grow on an ongoing basis in the second half of the year supported by the Dan Qing Garden rental housing project. For the six months ended 30 June 2023, the industrial park and property development segment recorded an increase of approximately 19% in operating income to approximately HK$48,047,000 over the same period of last year, and a decrease of 9.3% in operating profit to approximately HK$22,009,000 over last year due to a decrease in subsidy income of approximately HK$8,406,000.

The rental income from other properties was approximately HK$4,966,000, representing a decrease of 11.1% from that of the same period of last year. Specifically, occupancy rate increased from approximately 86.27% last year to approximately 93.00% this year. However, due to the sluggish rental market, the average rent per m^2 for new tenants was lower than that of original tenants, and the overall RMB rental income approximated that for the same period of last year. Dented by RMB depreciation, rental income slightly decreased by 6.3% to approximately HK$4,966,000 from that of last year. The properties in Hong Kong remained vacant after the original tenants chose not to renew their leases upon expiration at the end of November 2022. As such, the rental income decreased year-on-year by approximately HK$288,000.

HOTEL BUSINESS

The tourism market began to pick up in the first half of the year. Guilin Plaza Hotel ("Guilin Plaza") focused on attracting tourists, in order to rapidly increase its reception volume and occupancy rate, hopefully to pre-Covid-19 level. For the six months ended 30 June 2023, through refined management of internal operations, strict cost control, and successful reduction of costs and expenses, the occupancy rate rebounded substantially by approximately 52.32% to approximately 63.93% compared with that of the same period of last year, while the average room rate approximated to that of the same period of last year, representing a decrease of approximately 11%. As a result of these and other factors, the segment's operating income soared by 95.2% to approximately HK$7,392,000 compared with that of the same period of last year, and operating loss was narrowed by 67.7% to approximately HK$1,479,000 compared with that of the same period of last year.

PROFIT FROM INVESTMENTS IN ASSOCIATES

The cost pressure on Changhai Power was lessened by the lower costs of raw coal and gas as compared to those at the end of last year and during the same period of last year. In addition, the increase in customer demand and sales volume after the epidemic resulted in a significant year-on-year increase in operating results. Accordingly, it recorded an operating profit of approximately HK$85,662,000 and contributed profit of approximately HK$27,261,000, representing a significant year-on-year increase of approximately 2.3 times.

FINANCIAL POSITION AND ANALYSIS

For the six months ended 30 June 2023, the Group had total assets of approximately HK$9,617,696,000 (31 December 2022: approximately HK$9,069,585,000), total liabilities of approximately HK$7,643,492,000 (31 December 2022: approximately HK$6,976,800,000), a gearing ratio (being total liabilities divided by total assets) of 79.5% (31 December 2022: 76.9%), net assets of approximately HK$1,974,204,000 (31 December 2022: approximately HK$2,092,785,000), and equity per share attributable to owners of the Company of approximately HK$54.70 cents (31 December 2022: approximately HK$59.16 cents).

The Group had net current assets of approximately HK$262,568,000 (31 December 2022: net current assets of approximately HK$46,216,000), a current ratio (being current assets divided by current liabilities) of approximately 1.11 times (31 December 2022: 1.02 times) and the Group had bank balance and cash of approximately HK$1,300,322,000 (31 December 2022: approximately HK$999,250,000), sufficient for capital requirements for future operation and new projects or business development of the Group.

PLEDGE OF ASSETS

As at 30 June 2023, properties of the Group for own use and investment, bank deposits, beneficial interest in a subsidiary held by the Group and the carrying value of finance lease receivables amounted to approximately HK$4,609,194,000, with approximately HK$3,651,550,000 of finance lease receivables pledged to banks as the security for bank borrowings granted to the Group (31 December 2022: properties of the Group for own use and investment, bank deposits, beneficial interest in a subsidiary held by the Group and the carrying value of finance lease receivables amounted to approximately HK$3,803,355,000, with approximately HK$2,782,574,000 of finance lease receivables pledged to banks).

FOREIGN EXCHANGE EXPOSURE

The Group's main operating income and costs are denominated in RMB. In the business operation of the Group, foreign exchange fluctuation in income and costs would be mutually offset. However, as the Hong Kong-based Group has injected a substantial amount of current borrowings into domestic wholly-owned subsidiaries in Mainland China and held a huge amount of monetary assets denominated in RMB, an exchange gain or loss would arise from the appreciation or depreciation of RMB. It is expected that an increase or a decrease of approximately HK$331,000 in the Group's profit for the year would arise if the exchange rate of RMB to HKD appreciates or depreciates by 5%. Over the few past years, RMB constantly showed an upward trend and gradually became stable in the second half of 2008, starting to fluctuate upward and downward repeatedly. The impact of the Sino-US trade war, deteriorating Sino-US relations and fluid epidemic dynamics in recent years, as well as the outbreak of the war between Russia and Ukraine last year, led to higher prices in fuel and food, etc. and aggravated inflation across the globe. The United States formally began its rate hike cycle to contain escalating inflation, boosting the appeal and relative strength of USD compared with other currencies. Although the adoption of pegged exchange rate by Hong Kong would alleviate the pressure of exchange loss in respect of HKD against USD, it would increase the risk of exchange loss arising from depreciation of RMB against HKD, resulting in an exchange loss of approximately HK$7,149,000 for last year. Although inflation alleviated to some extend in the first half of the year, the interest rates of HKD and USD remained high. In addition, the recovery of China's economy fell short of expectations, necessitating a cut in the RMB interest rate to stimulate economy growth. This underscored the difference in interest rate policies between China and the US, and detracted from the appeal of RMB. As a result, the depreciation pressure of RMB against USD and HKD persisted. Therefore, the Board believes that RMB will be immensely affected by Sino-US relations, fluid epidemic dynamics, the USD rate hike cycle and economic recovery in China in the short term, the path of which is hard to predict, but in the long run, it is expected that RMB will remain stable and will not expose the Group to significant and long term adverse foreign exchange risk. Accordingly, it is not necessary for the Group to hedge against foreign exchange risk at the moment.

OUTLOOK

The global economy remains unstable, and economic growth remains slow, while rate hikes dampened consumer spending and corporate investment, and threatened the stability of the financial system. With more economic uncertainties as a result of the war in Ukraine, the insufficient total demand in China, the new headwinds of economic restructuring and upgrading, the unsatisfactory operation of enterprises in various industries, the sluggishness of real estate development and construction, the Group is still committed to its strategic mission by proactively adjusting its deployment, cohesively pursuing its core business. The Group will constantly enhance its business activities, and steadily develop its business in elderly care and wellness, financial leasing, industrial parks/property investment, big data and civil explosives.

For our elderly care and wellness business, Guangdong Taoyuan Comprehensive Health Operation Company Limited ("Taoyuan Comprehensive Health") will continue to consolidate its elderly care business and strengthen its principal business. The Group will strengthen the standard operation and branding of its elderly care business, proactively expand its asset-light trustee operation, increase the number of operating beds, and seize the opportunity to become the first echelon in the Guangdong-Hong Kong-Macao Greater Bay Area, and in this way, it will introduce long-term strategic investors whose business will mutually empower the Group. In terms of medical and care services integration, the Group has been promoting care service with medical service and assisting medical service with care service by establishing a rehabilitation hospital focusing on geriatrics and rehabilitation and building a regional medical and care service consortium with the People's Hospital of the district. Our community care and household care business operations are based on the community-rooted Taoyuan Intelligent Recreation Port and are actively striving for market share. In addition, the Company is committed to serving the community while enabling our elderly care and wellness business to continue to grow and become an important contributor to the Company's profitability by further improving management, reducing costs, increasing efficiency, enhancing the quality and strengthening service quality.

For our big data business, the Group will continue its efforts to expand its market scale and accelerate the implementation of investments and acquisitions. The Group will continue to boost the scale of the identification application market by further solidifying its cooperation with ICT, FTU and operators, and actively striving for the construction of identification nodes and the declaration of special projects. The Group will also continue to make our service products the rigid demand of manufacturing enterprises and the government, create a quality manufacturing service brand and render "commonality" services to manufacturing enterprises as a collaborative partner, and promote the implementation of a new round of investment and acquisition projects. The Group will complete the launch of the new product DEMO and the Code for Success APP in light of the market demand and product feedback, and continue to diversify its product offering to promote the quality development of the Company. The Group will continue to be positioned as a first-class provider of industrial Internet platform services in the Guangdong-Hong Kong-Macao Greater Bay Area, actively engage in merger and acquisition initiatives and integration, and develop and become stronger in the tide of transformation and upgrading of Industry 4.0 in Nanhai, Foshan, the Guangdong-Hong Kong-Macao Greater Bay Area and in China.

For our financial leasing business, with the strategic goal of developing it into a leading domestic professional financial leasing company featuring environmental protection, the Group will continue to intensively tap into segments of the municipal environmental protection industry, vigorously tap into the upstream and downstream of its partners, and intensify its effort in the direct leasing business of environmental protection equipment and high-end equipment. To improve fund management, the Group will conduct effective management and replace existing high-cost financing to alleviate the pressure of concentrated repayment at maturity and the cost of funds; complete the rating of entities and strive to attain an AA rating after the completion of industrial and commercial changes. The Group will further strengthen its risk control management to mitigate the risk of doubtful debts and strive to attain an A rating for the annual classified supervisory rating.

For our civil explosives business, the Group will further pursue key reforms, actively carry out the technological transformation of clean energy to achieve energy conservation, emission reduction and cost reduction, and carry out reforms in operation and human resources management to continuously enhance the vitality of the Group's development. The Group has made every effort to complete creating conditions for the release of mixed assembly capacity and to establish cooperation in the operation of mixed assembly capacity, so as to substantially improve its future performance and contribute steady revenue streams to the Group in the future.

For our property and industrial park business, the Group will complement the first and second phases of the project with the rental housing project (Dan Qing Garden), and accelerate the development of the third and fourth phases of the project. Meanwhile, we will intensify promotion efforts in business attraction and introduce enterprises into the park to boost the occupancy rate of the park, so as to generate stable rental income and related gains for the Group.

In addition, the Group will aggressively explore opportunities to carry out investment and merger and acquisition of biopharmaceutical and high-tech enterprises or projects to seek leapfrog development of the business of the Company, thereby delivering good returns to the shareholders of the Company.

EMPLOYEES

The total number of employees of the Group is approximately 1,289 (31 December 2022: 990). The remuneration of the employees of the Group is determined on the basis of performance and responsibility of the employees. The Group provides education allowances to the employees.

INTERIM DIVIDEND

The Directors resolved not to declare payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE

The Company puts great emphasis on corporate governance which is reviewed and strengthened on a continued basis. The Company has adopted all the code provisions under the Corporate Governance Code ("the Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code on corporate governance practice. For the six months ended 30 June 2023, the Company has complied with all the code provisions under the Code.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer ("the Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. On specific enquiry made, all Directors have confirmed that, in respect of the six months ended 30 June 2023, they have complied with the required standard as set out in the Model Code.

AUDIT COMMITTEE

The audit committee comprising the three independent non-executive Directors of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including a general review of the audited consolidated financial statements for the six months ended 30 June 2023.

By Order of the Board of
China Investments Holdings Limited
He Xiangming
Chairman

Hong Kong, 30 August 2023

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. HE Xiangming (Chairman), Mr. FU Weiqiang (President) and Mr. YOU Guang Wu, one non-executive Director, namely Mr. SHI Xuguang and three independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. PENG Xinyu and Ms. LIN Junxian.

* *For identification purpose only*