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## **CHINA FINANCE INVESTMENT HOLDINGS LIMITED**

**中國金控投資集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 875)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of China Finance Investment Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2022 (the “**Corresponding Period**”).

#### **FINANCIAL HIGHLIGHTS**

The financial highlights of the Group for the Reporting Period are summarised as follows:

- The Group recorded a revenue from continuing operations of approximately HK\$1,439.4 million for the Reporting Period, representing an increase of approximately 44.0% from approximately HK\$999.4 million for the Corresponding Period.
- Gross profit of the Group from continuing operations during the Reporting Period was approximately HK\$45.6 million, representing a decrease of approximately HK\$2.2 million or 4.5%, as compared with approximately HK\$47.8 million for the Corresponding Period.
- Net profit of the Group for the Reporting Period was approximately HK\$51.4 million, representing an increase of approximately HK\$11.3 million or 28.2%, from approximately HK\$40.1 million for the Corresponding Period.
- Basic earnings per share from continuing operations was HK 12.47 cents for the Reporting Period (Corresponding Period: loss per share of HK 15.58 cents).

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

For the year ended 31 December 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>			
Revenue	4	<b>1,439,402</b>	999,356
Cost of sales		<b>(1,393,805)</b>	(951,590)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>45,597</b>	47,766
Other income and gains	5	<b>49,816</b>	10,858
Selling and distribution expenses		<b>(6,151)</b>	(4,294)
Administrative and other expenses		<b>(48,862)</b>	(67,038)
Reversal of impairment losses/(impairment losses) on trade receivables		<b>6,682</b>	(32,161)
(Impairment losses)/reversal of impairment losses on other receivables		<b>(11,783)</b>	6,570
Impairment losses on deposits		<b>(30,293)</b>	(1,582)
Gain on disposal of subsidiaries		<b>69,648</b>	–
Finance costs	6	<b>(19,100)</b>	(13,385)
		<hr/>	<hr/>
<b>Profit/(loss) before taxation</b>	7	<b>55,554</b>	(53,266)
Income tax expense	8	<b>(4,154)</b>	(6,805)
		<hr/>	<hr/>
<b>Profit/(loss) for the year from continuing operations</b>		<b>51,400</b>	(60,071)
<b>Discontinued operations</b>			
Profit for the year from discontinued operations, net of tax		–	100,140
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>51,400</b>	40,069
		<hr/> <hr/>	<hr/> <hr/>
<b>Other comprehensive (expense)/income, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operations		<b>(13,641)</b>	(26,728)
– Exchange difference reclassified to profit or loss upon disposal of subsidiaries		<b>(12,753)</b>	10,160
		<hr/>	<hr/>
<b>Other comprehensive expense for the year, net of tax</b>		<b>(26,394)</b>	(16,568)
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Total comprehensive income for the year</b>		<b>25,006</b>	23,501
<b>Profit for the year attributable to:</b>			
Owners of the Company		47,293	41,037
Non-controlling interests		4,107	(968)
		<b>51,400</b>	40,069
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		20,821	24,469
Non-controlling interests		4,185	(968)
		<b>25,006</b>	23,501
<b>Earnings/(loss) per share (HK cents)</b>	<i>10</i>		
<b>From continuing and discontinued operations</b>			
<b>Basic</b>		<b>12.47</b>	10.82
<b>Diluted</b>		<b>12.23</b>	10.53
<b>From continuing operations</b>			
<b>Basis</b>		<b>12.47</b>	(15.58)
<b>Diluted</b>		<b>12.23</b>	N/A
<b>From discontinued operations</b>			
<b>Basis</b>		<b>N/A</b>	26.4
<b>Diluted</b>		<b>N/A</b>	25.7

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		30,442	35,646
Right-of-use assets		18,881	7,678
Goodwill		1,457	1,457
Interests in associates		296	305
Other receivables		–	115,679
		<u>51,076</u>	<u>160,765</u>
<b>Current assets</b>			
Inventories		129,610	18,842
Trade and other receivables	11	1,135,753	880,299
Pledged bank deposits		2,192	64,539
Bank and cash balances		7,654	9,300
		<u>1,275,209</u>	<u>972,980</u>
<b>Current liabilities</b>			
Trade and other payables	12	419,042	360,152
Promissory notes		16,339	16,339
Bank and other borrowings		339,563	243,387
Lease liabilities		2,659	4,974
Deferred income		1,301	1,782
Income tax payables		10,173	6,805
		<u>789,077</u>	<u>633,439</u>
<b>Net current assets</b>		<u>486,132</u>	<u>339,541</u>
<b>Total assets less current liabilities</b>		<u>537,208</u>	<u>500,306</u>

	<i>Note</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>3,823</b>	3,823
Reserves		<b>496,033</b>	475,212
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>499,856</b>	479,035
Non-controlling interests		<b>282</b>	(3,903)
		<hr/>	<hr/>
<b>Total equity</b>		<b>500,138</b>	475,132
		<hr/> <hr/>	<hr/> <hr/>
<b>Non-current liabilities</b>			
Bank and other borrowings		<b>8,770</b>	6,769
Lease liabilities		<b>19,180</b>	7,937
Deferred income		<b>9,120</b>	10,468
		<hr/>	<hr/>
		<b>37,070</b>	25,174
		<hr/>	<hr/>
		<b>537,208</b>	500,306
		<hr/> <hr/>	<hr/> <hr/>

## NOTES

For the year ended 31 December 2023

### 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted Company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business in Hong Kong is Unit 32A, 15/F, Star House, No. 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are assets and investment holding; growing, processing and trading of agricultural produce and trading of seafood and meat produce. The Group had disposed of its money lending business and securities brokerage business during the year ended 31 December 2022, which have been classified as discontinued operations.

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Sino Richest Investment Holdings Limited, a company incorporated in the British Virgin Islands, while the ultimate controlling party of the Company is Mr. Lin Yuhao, the executive director of the Company.

### 2.1 BASIS OF PREPARATION

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

The HKICPA has issued certain new and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2.2 provides information on any changes in accounting policies resulting from initial application to the extent that they are relevant to the Group for current and prior accounting periods reflected in the consolidated financial statements.

### 2.2 ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

#### (a) Application of new and amendments to HKFRSs

The Group has applied the following new and 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 2023, for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

**(b) New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

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

The directors of the Company anticipate that the application of all above amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

**3. SEGMENT INFORMATION**

Information reported to the most senior executive management, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses only on revenue analysis by nature of revenue and geographical location of customers.

Since this is the only one operating and reporting segment of the Group, which is agricultural, seafood and meet business, no segment information is presented other than entity-wide disclosures.

The Group had disposed of its money lending business and securities brokerage business during the year ended 31 December 2022, which have been classified as discontinued operations. The segment information reported below did not include any amounts for these discontinued operations.

**(i) Geographical information**

Over 90% (2022: over 90%) of the Group's non-current assets and revenue are located and generated in the People's Republic of China (the "PRC"). Accordingly, no further geographical information of non-current assets and revenue was disclosed.

(ii) **Information about major customers**

The Group's customer base included one (2022: two) customer with whom transactions have exceed 10% (2022: 10%) of its revenue during the year ended 31 December 2023 is set out below:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A <sup>1</sup>	756,094	285,536
Customer B <sup>1</sup>	N/A <sup>2</sup>	108,783

<sup>1</sup> Revenue from agricultural, seafood and meat business.

<sup>2</sup> The corresponding revenue did not contribute 10% of the total revenue of the Group.

**4. REVENUE**

An analysis of revenue is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Recognised at point in time:		
Sales of agricultural, seafood and meat produce	<u>1,439,402</u>	<u>999,356</u>

**5. OTHER INCOME AND GAINS**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
Government grants ( <i>note</i> )	35,377	2,589
Bank interest income	1,600	1,939
Gain on disposal of property, plant and equipment	–	265
Gain on early termination of lease	–	3,844
Other interest income	10,264	611
Services income	965	1,217
Sundry income	<u>1,610</u>	<u>393</u>
	<u>49,816</u>	<u>10,858</u>

*Note:* It represents the receipt of government grants for (i) the construction of property, plant and equipment, which is amortised to profit or loss on a straight-line basis over the estimated useful life of the relevant assets; and (ii) the trading of food for the year ended 31 December 2023 with no unfulfilled conditions and other contingencies attached to the receipts of those government grants.



## 6. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
Interest expenses on lease liabilities	2,061	1,655
Interest expenses on bank and other borrowings	17,039	10,244
Interest expenses on bills payables	–	1,486
	<u>19,100</u>	<u>13,385</u>

## 7. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation from continuing operations is arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Staff costs (including directors' emoluments):		
Salaries and allowances	9,289	9,437
Retirement benefit scheme contribution ( <i>note</i> )	817	795
Share-based payment expenses	–	15,616
	<u>10,106</u>	25,848
Auditor's remuneration		
– Audit services	850	650
– Non-assurance services	80	80
Cost of inventories recognised as an expense	1,382,945	944,347
Depreciation:		
– on property, plant and equipment	9,152	9,474
– on right-of-use assets	5,146	6,798
Write-off of property, plant and equipment	–	15,742
Loss on modification of other receivables	–	8,254
Write-off of inventories	652	–
Short-term lease expenses	428	–
Foreign exchange losses, net	95	9
Impairment losses/(reversal of impairment losses) on other receivables	11,783	(6,570)
(Reversal of impairment losses)/impairment losses on trade receivables	(6,682)	32,161
Impairment losses on deposits	30,293	1,582
	<u>–</u>	<u>15,616</u>
Share-based payment expenses:		
– Directors	–	6,933
– Employees	–	8,683
	<u>–</u>	<u>15,616</u>

*Note:* There were no forfeited contributions utilised during the years ended 31 December 2023 and 2022 to reduce future contributions.

## 8. INCOME TAX EXPENSE

Income tax relating to continuing operations has been recognised in profit or loss as follows:

	2023 HK\$'000	2022 HK\$'000
<b>Enterprise income Tax in the PRC</b>		
Provision for the year	<u>4,154</u>	<u>6,805</u>

## 9. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: nil).

## 10. EARNINGS/(LOSS) PER SHARE

### From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following:

The calculation of basic and diluted earnings/(loss) per share is based on the Group's profit attributable to the owners of the Company of approximately HK\$47,293,000 (2022: HK\$41,037,000) for the year ended 31 December 2023.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share is adjusted as follows:

Number of shares	2023	2022
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	379,257,038	379,257,038
Effect of dilutive potential ordinary shares arising from conversion of preference shares	15,150	15,150
Effect of dilutive potential ordinary shares arising from share options issued by the Company	<u>7,352,650</u>	<u>10,310,671</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>386,624,838</u>	<u>389,582,859</u>

## 11. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bills receivables	–	10,519
Trade receivables arising from trading of agricultural, seafood and meat produce	438,676	411,650
Less: accumulated impairment	(41,835)	(48,714)
Total trade receivables ( <i>Note</i> )	396,841	362,936
Total bills and trade receivables	396,841	373,455
Other receivables	278,776	331,510
Less: accumulated impairment	(14,223)	(2,440)
Total other receivables	264,553	329,070
Deposits and prepayments	506,185	294,986
Less: accumulated impairment	(31,826)	(1,533)
Total deposits and prepayments	474,359	293,453
	1,135,753	995,978
Less: current portion	(1,135,753)	(880,299)
Non-current portion	–	115,679

*Note:* The average credit period on sales of agricultural, seafood and meat produce is 60 days (2022: 60 days). As at 31 December 2023, the ageing analysis of trade receivables, based on the invoice date and net of impairment losses, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 60 days	264,388	236,405
61 – 120 days	46,023	63,563
Over 120 days	86,430	62,968
	396,841	362,936

## 12. TRADE AND OTHER PAYABLES

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Bills payables	<i>(a)</i>	<u>4,385</u>	<u>70,060</u>
Trade payables arising from trading of agricultural and meat produce	<i>(b)</i>	<u>279,956</u>	<u>110,464</u>
		<u>284,341</u>	<u>180,524</u>
Accruals, other payables and contract liabilities		<u>134,701</u>	<u>179,628</u>
		<u><b>419,042</b></u>	<u><b>360,152</b></u>

(a) As at 31 December 2023, the Group's bills payable are secured by the followings:

- (i) Pledged bank deposits of the Group amounted to approximately HK\$2,192,000 (2022: HK\$64,539,000); and
- (ii) Pledged bank deposits provided by Mr. Lin Yuhao, an executive director and substantial shareholder of the Company.

(b) Trade payables arising from trading of agricultural and meat produce principally comprise amounts outstanding for trade purchases and have an average credit period of 30 days (2022: 30 days). The ageing analysis of trade payables based on the invoice date at the end of reporting period is as follows:

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
0–60 days	<b>242,476</b>	29,788
61–120 days	<b>5</b>	35,890
Over 120 days	<u><b>37,475</b></u>	<u>44,786</u>
	<u><b>279,956</b></u>	<u><b>110,464</b></u>

### 13. SHARE CAPITAL

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Authorised:</b>		
150,000,000,000 (2022: 150,000,000,000) ordinary shares of HK\$0.01 each	<u>1,500,000</u>	<u>1,500,000</u>
10,000,000,000 (2022: 10,000,000,000) preference shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>		
379,257,038 (2022: 379,257,038) ordinary shares of HK\$0.01 each	<u>3,793</u>	<u>3,793</u>
3,030,000 (2022: 3,030,000) preference shares of HK\$0.01 each ( <i>note</i> )	<u>30</u>	<u>30</u>
<b>Total amount</b>	<u><u>3,823</u></u>	<u><u>3,823</u></u>
	<b>Number of shares</b>	<b>Amount <i>HK\$'000</i></b>
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u><u>379,257,038</u></u>	<u><u>3,793</u></u>

*Note:* The preference shares, which are non-redeemable with par value of HK\$0.01 each credited as fully paid up, were issued and allotted to vendors as part of the considerations for the acquisitions occurred during the year ended 31 December 2012. According to the terms of the preference share policy, one preference share is eligible to convert into one new ordinary share (adjusted from 3,030,000 ordinary shares to 15,150 ordinary shares as a result of capital reorganisations effective on 25 June 2018 and 15 April 2019) any time not earlier than one year from the date of issue. The preference shares have no right to share in any surplus assets or profit and no voting rights.

## 14. EVENTS AFTER THE REPORTING PERIOD

### Proposed Change of Company Name

Reference is made to the announcement of the Company dated 11 January 2024. On 11 January 2024, the Board proposed to change the English name of the Company from “China Finance Investment Holdings Limited” to “Congyu Intelligent Agricultural Holdings Limited” and to change the Chinese name of the Company (being the secondary name) from “中國金控投資集團有限公司” to “從玉智農集團有限公司” (the “**Proposed Change of Company Name**”) which have been used for identification purpose only. The Proposed Change of Company Name is to reflect the streamline in the principal activities of the Group and strengthen the Company’s corporate image and identity.

The Proposed Change of Company Name is subject to the passing of a special resolution by the Shareholders at the general meeting and the approval by the Registrar of Companies in Bermuda. The Company will also carry out the necessary registration and/or filing procedures with the Companies Registry in Hong Kong.

As at the date of this announcement, the date for the general meeting to approve the Proposed Change of Company Name has not been fixed. A circular containing, amongst other things, further information regarding the Proposed Change of Company Name together with a notice of the general meeting will be despatched to the Shareholders as soon as practicable.

## 15. DISCONTINUED OPERATIONS

During the year ended 31 December 2022, the Group entered into several sale and purchase agreements to dispose of (i) Trade Zone Global Limited and its subsidiaries; (ii) Robust Canton Limited and its subsidiaries; and (iii) Shenzhen Taihengfeng Technology Company Limited and its subsidiaries, which carried out all of the Group’s money lending business and securities brokerage business.

## DIVIDEND

The Board does not recommend the payment of any dividend for the years ended 31 December 2023 and 2022 to the holders of both ordinary shares and preference shares of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group was principally engaged in growing of agricultural produce, trading of agricultural and meat produce, poultry, seafood and prepared food in the PRC (“**Agricultural and Meat Business**”) during the Reporting Period.

#### Agricultural and Meat Business

The Group’s Agricultural and Meat Business benefited from China’s post-pandemic economic recovery. The Group has been actively developing its trading of seafood and poultry business during the Reporting Period. Meanwhile, the Group strengthened its revenue stream and enlarged its customer base by commencing to supply food produce, including agricultural and meat produce, poultry and seafood to supermarkets and other customers in the PRC and commencing online sales. As a result, during the Reporting Period, revenue from the Agricultural and Meat Business increased by approximately 44.0%, from approximately HK\$999.4 million for the Corresponding Period to approximately HK\$1,439.4 million for the Reporting Period. During the Reporting Period, the Agricultural and Meat Business recorded a gross profit of approximately HK\$45.6 million (2022: HK\$47.8 million).

After years of cultivation, soil quality of the Group’s farmlands in Ningxia Hui Autonomous Region (“**Ningxia**”) has been in serious decline because of the previous cultivation methods and use of chemical fertilisers, which prevents the lands from regenerating. The restoration of the soil condition could not be easily achieved by artificial intervention and it normally takes years for the soil condition to recover. Besides, the climate in Ningxia is comparatively immoderate, making it unsuitable for year-round cultivation of agricultural produce. Therefore, during the Reporting Period, the Group decided to dispose of its business in Ningxia which enabled the Group to reallocate its resources and focus on other production bases. The Group entered into a sale and purchase agreement with an independent third party (the “**Purchaser**”) during the Reporting Period, pursuant to which the Group has agreed to sell and the Purchaser has agreed to purchase the entire equity interest in Ningxia Cypress Jade Agricultural Development Limited\* (寧夏從玉農業開發有限公司) (the “**Target Company**” and together with its subsidiaries, the “**Target Group**”) at the consideration of approximately RMB0.1 million (the “**Disposal**”). As all the applicable percentage ratio(s) for the Disposal does not exceed 5%, the Disposal does not constitute a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Directors (including the independent non-executive Directors) considered that the Disposal has no material negative impact on the Group’s financial position, and the consideration of the Disposal was arrived at arm’s length negotiations between the parties on normal commercial terms, and was fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Disposal has already been completed. Upon completion of the Disposal, the Company ceased to hold any equity interest in the Target Group and the Target Group ceased to be subsidiaries of the Company. Accordingly, the financial results of the Target Group were no longer consolidated into the consolidated financial statements of the Group.

Looking ahead, the Group will continue to control its costs, utilise its existing resources and collaborate with business partners to further strengthen the cultivation and trading of agricultural, poultry, seafood and prepared food with high potential for development, or pursue acquisitions when opportunities arise.

### **Investment in an associate**

The Group held 40% equity interest in Shenzhen Congyu Wanxing Technology Agriculture Co. Ltd.\* (深圳市從玉萬興科技農業有限公司) (“**Congyu Wanxing**”) and Jiamusi Congyu Modern Agriculture Co. Ltd.\* (佳木斯從玉現代農業有限公司) (“**Jiamusi Congyu**”), respectively.

During the Reporting Period, no revenue was recorded (2022: nil) as no business operation was conducted by Congyu Wanxing and Jiamusi Congyu (2022: nil).

### **FINANCIAL REVIEW**

During the Reporting Period, the Agricultural and Meat Business of the Group recorded a revenue of approximately HK\$1,439.4 million, representing an increase of approximately 44.0% from approximately HK\$999.4 million for the Corresponding Period. Gross profit of the Agricultural and Meat Business of the Group during the Reporting Period was approximately HK\$45.6 million, representing a decrease of approximately HK\$2.2 million or 4.5%, as compared with approximately HK\$47.8 million for the Corresponding Period. The increase in revenue was mainly due to an increase in sales of products with lower profit margin during the Reporting Period. As a result, the overall gross profit of the Group decreased during the Reporting Period.

Please refer to the paragraph headed “Business Review” above for further details on the reasons for the increase in revenue of the Agricultural and Meat Business.

The Agricultural and Meat Business of the Group recorded other income and gains in the net amount of approximately HK\$49.8 million during the Reporting Period, representing an increase of approximately HK\$38.9 million or 358.8%, as compared to approximately HK\$10.9 million for the Corresponding Period. Such increase was mainly attributable to the receipt of government grants for trading of food during the Reporting Period.

During the Reporting Period, selling and distribution expenses of the Agricultural and Meat Business increased by approximately HK\$1.9 million or 43.2% to approximately HK\$6.2 million (Corresponding Period: HK\$4.3 million). Such increase was mainly attributable to (i) an increase in depreciation of approximately HK\$0.9 million, (ii) an increase in distribution expenses of approximately HK\$0.7 million, and (iii) an increase in testing fee of approximately HK\$0.4 million during the Reporting Period.



Administrative and other expenses of the Agricultural and Meat Business decreased by approximately HK\$18.1 million or 27.1% to approximately HK\$48.9 million during the Reporting Period (Corresponding Period: HK\$67.0 million). Such decrease was mainly attributable to the absence of (i) share-based payment expenses amounting to HK\$15.6 million, (ii) losses on the write-off of property, plant and equipment amounting to HK\$15.1 million, and (iii) a loss on the modification of other receivables amounting to HK\$8.3 million during the Reporting Period, which was offset to some extent by the consultancy fees of approximately HK\$20.0 million for the business development strategy design services provided to the Group's food trading sector during the Reporting Period.

Reversal of impairment losses on trade receivables of approximately HK\$6.7 million (2022: impairment losses of HK\$32.2 million) was recognised for the Reporting Period. Impairment losses on other receivables of HK\$11.8 million were recognised for the Reporting Period (2022: net reversal of HK\$6.6 million). Impairment losses on deposits of approximately HK\$30.3 million were recognised for the Reporting Period (2022: HK\$1.6 million).

The gain on disposal of subsidiaries of approximately HK\$69.6 million recognised during the Reporting Period was due to the Group's disposal of its entire equity interest in the Target Company to the Purchaser.

The net profit of the Group for the Reporting Period was approximately HK\$51.4 million, representing an increase of approximately HK\$11.3 million or 28.3%, as compared to a net profit of approximately HK\$40.1 million for the Corresponding Period.

## **Liquidity and Financial Resources**

Apart from equity fund raising from the Company as detailed in the paragraph headed "Capital Structure and Gearing Ratio" below, the Group mainly financed its business operations with internally generated cash flows and general banking facilities during the Reporting Period.

As at the end of the Reporting Period, the Group had bank balances (including pledged bank deposits) and cash of approximately HK\$9.8 million (2022: HK\$73.8 million), mainly denominated in Hong Kong dollar and Renminbi ("RMB"). The Group's quick ratio (measured as total current assets less inventories, deposits and prepayments divided by total current liabilities) was approximately 0.85 times (2022: 1.04 times).

As at the end of the Reporting Period, the total borrowings of the Group, which comprised of promissory notes, bank and other borrowings denominated in Hong Kong dollar and RMB, amounted to approximately HK\$364.7 million (2022: HK\$266.5 million). Bills payables amounted to approximately HK\$4.4 million (2022: HK\$70.1 million) were secured by bank deposits of the Group and Mr. Lin Yuhao (the executive Director and substantial shareholder of the Company). As at 31 December 2023, borrowings of approximately HK\$339.6 million (2022: HK\$243.4 million) were repayable within one year. As at 31 December 2023, borrowings of approximately HK\$27.2 million (2022: HK\$27.2 million) and HK\$337.4 million (2022: HK\$239.3 million) were denominated in Hong Kong dollar and RMB, respectively. Borrowings of approximately HK\$305.6 million (2022: HK\$237.5 million) were charged at fixed interest rates as at 31 December 2023.

As at the end of the Reporting Period, the Group had capital expenditure commitments of HK\$2.1 million (2022: nil). Operating lease payments represent rental payable by the Group for office premises and farmlands. Leases were negotiated for fixed terms ranging from 2 to 26 years.

The Group will continue adopting a positive yet prudent approach in managing its financial resources. Should other opportunities arise, thus prompting the need for additional funding, the management believes that the Group is well-positioned to obtain financing on favourable terms.

## **CAPITAL STRUCTURE AND GEARING RATIO**

The Group assumes capital management to ensure that the business of the Group will continue as a going concern whilst maximising the return to Shareholders through the optimisation of its debt and equity balance. The Group's overall strategy remains unchanged from last year.

The Group reviews its capital structure on a regular basis. As a part of this review, the Group monitors capital on the basis of net debt to adjusted equity ratio, the ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "adjusted equity", as shown in the consolidated financial statement, plus net debt. The Group considers the cost of capital and the risks associated with issued share capital. To maintain or adjust the capital structure, the Group may adjust the ratio through dividend payments, issuing new shares, raising new debt financing or selling assets to reduce existing debts.

The Group has no equity fund raising activity during the Reporting Period and no ordinary shares of the Company were issued and allotted upon the exercise of share options granted by the Company.

The Company has 379,257,038 issued ordinary shares as at 31 December 2023.

As at 31 December 2023, the net debt to adjusted equity ratio was 0.42 (2022: 0.29). The Group's gearing ratio as at 31 December 2023 was 0.73 (2022: 0.56), which was measured as total debt to total shareholders' equity. The increase in the Group's gearing ratio was mainly due the increase in bank and other borrowings during the Reporting Period.

As at 31 December 2023, the outstanding balances of unsecured promissory notes issued by the Company to Mr. Lin Yuhao, an executive Director and Mr. Lin Yupa, a former Director, were HK\$16.3 million and HK\$10.9 million (classified to other borrowings) (2022: HK\$16.3 million and HK\$10.9 million), respectively.

## **SIGNIFICANT INVESTMENTS**

During the Reporting Period, the Group did not have any significant investments.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

Save for the disclosure under paragraph headed "Business Review", the Group did not have material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

## **CHARGES ON GROUP'S ASSETS**

As at 31 December 2023, certain bank deposits amounted to approximately HK\$2.2 million (2022: HK\$64.5 million) were pledged to secure bills payables of the Group.

## **FOREIGN EXCHANGE EXPOSURE**

The Group mainly earns revenue and incurs costs in Hong Kong dollars and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of RMB and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary.

## **CONTINGENT LIABILITIES**

As at 31 December 2023, the Group did not have any material contingent liabilities.

## **TREASURY POLICIES**

The objective of the Group's treasury policy is to ensure that there is sufficient cash and access to finance the Group's ongoing operations and to execute its current and future plans. The Group has adopted prudent treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. To manage liquidity risk, the management closely monitors the Group's liquidity position and uses their best endeavours to maintain sufficient cash and cash equivalents and credit facilities available to fulfill the payment obligations of the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 December 2023.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 31 December 2023, the Group had a total of 60 (2022: 60) full-time employees in Hong Kong and the PRC. Total staff costs (including Directors' emoluments) for the Reporting Period amounted to HK\$10.1 million (2022: HK\$25.8 million). The employees are remunerated with reference to each individual's qualification, experience, responsibility and performance, the performance of the Group and market practices. Apart from the basic remuneration package, staff benefits offered by the Group to its employees include contribution to discretionary bonus, the mandatory provident fund scheme (the "**MPF Scheme**") in Hong Kong and the central provident fund scheme (the "**Retirement Benefit Scheme**") in the PRC. The Group operates the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately. Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in the Retirement Benefit Scheme organised by the relevant local government

authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the Reporting Period. Contributions to the Retirement Benefit Scheme vest immediately. As at 31 December 2023, there was no forfeited contribution under the MPF Scheme and the Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years. The Company adopted a share option scheme on 6 June 2013 (the “**Scheme**”) with a valid period 10 years. Pursuant to the Scheme, the Board may, at its discretion, grant options to eligible employees, executive and non-executive directors (including independent non-executive directors) of the Group. The Scheme expired on 6 June 2023 and no further options should be offered or granted under the Scheme on or after 6 June 2023.

## **LITIGATION**

The Company has received a statement of claim from a former employee to claim approximately HK\$1.8 million arrears of salary plus interest. The related estimated financial impacts and provisions of the potential claim have already been recorded in the Group’s consolidated financial statements. During the Reporting Period, the Group has reached an agreement with the former employee and the Group has settled the claim amounting to HK\$1.8 million.

## **EVENTS AFTER THE REPORTING PERIOD**

Details of significant events occurring after the Reporting Period are set out in Note 14.

## **PROSPECTS**

The Group will seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in new lines of business with growth potential. The Group will pursue diversification in its business and income streams by exploring opportunities with exciting prospects which could complement or create potential synergies to its existing core operations.

To diversify its income streams and counter balance the cyclical nature of the Group’s Agricultural and Meat Business, the Company has been actively developing its trading of agricultural and meat produce, poultry, seafood and prepared food business and commencing supply of produce to supermarkets and online platforms in the PRC.

In order to expand its agricultural bases, the Group has established stable and long-term cooperation with various neighborhood farms and agricultural companies as well as agricultural companies in other provinces of the PRC, under which the Group is responsible for brand promotion, quality assurance, sales empowerment for these farms, agricultural companies and farmers. The Group implements “Farmers-Companies-Governments” model to achieve common prosperity and provide traceable green food from farm-to-table. The Group strives to build a food supply base in Guangdong-Hong Kong-Macau Greater Bay Area (the “**Greater Bay Area**”) to ensure safety and adequate food supply for the 120 million people in the Greater Bay Area. Meanwhile, the Group procures, processes and packs the agricultural produce supplied by farms and agricultural companies and then sells them to its customers through its established network of customers.

In order to broaden the sales channels of its agricultural produce, the Group has been exploring different cooperation models with various e-commerce operators and online sales platforms. Through such cooperation, the Group is expected to enhance the online sales of its agricultural and meat produce, poultry, seafood and prepared food, thus diversifying the revenue stream of the Group.

The Group has been actively expanding its sale of tea leaves business. During the Reporting Period, the Group joined the “Ten Thousand Stores Alliance,” which aimed at establishing a comprehensive industry chain service platform. The Group primarily focuses on agricultural products, with a particular emphasis on landmark products that represent the core of agricultural and local specialties. By connecting cooperative bases across the country and collaborating with the Ten Thousand Stores Alliance, the Group targets to reach thousands of households in the Greater Bay Area, with the objectives of contributing to the revitalisation of rural areas nationwide, promoting the “Vegetable Basket” and “Rice Bag” programmes and facilitating the distribution of other high-quality agricultural products to households in the Greater Bay Area. This undertaking also marks a significant milestone in the Group’s digital transformation journey. During the Reporting Period, the Group has actively procured a batch of tea leaves utilising these alliance stores as sales channel to expand its business revenue.

The Group has been collaborating with state-owned enterprises to broaden the Group’s sales channel and diversify the Group’s business offerings under its Agricultural and Meat Business, and strive to increase the Group’s profitability and bring more considerable returns to its Shareholders.

Meanwhile, the Group is seeking any vertical integration business opportunity to enhance its revenue stream, including but not limited to provide door-to-door delivery services for its agricultural, seafood and meat produce in the PRC.

Apart from the aforesaid, the Group will also consider other potential profitable businesses which could boost profitability in the future, including but not limited to, the Agricultural and Meat Business in the PRC and Hong Kong.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

During the Reporting Period, the Company’s corporate governance practices are based on the principles and the code provisions (“**Code Provisions**”) set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 (previously known as Appendix 14) to the Listing Rules (the requirements under which are applicable to the Company during the Reporting Period). During the Reporting Period, the Company has complied with the Code Provisions and mandatory disclosure requirements as set out in the CG Code except the deviations from Code Provisions C.1.6 of part 2 of the CG Code which provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders and C.2.1 of part 2 of the CG Code which provides that the roles and responsibilities of chairman and chief executive should be separated.



## General Meetings

Code Provision C.1.6 of part 2 of the CG Code provides that independent non-executive Directors and other non-executive Directors should attend the annual general meeting of the Company to gain and develop a balanced understanding of the views of the Shareholders. The independent non-executive Director, Ms. Zhu Rouxiang, did not attend the annual general meeting of the Company held on 28 June 2023 due to other commitments.

## Chairman and Chief Executive Officer

Code Provision C.2.1 of part 2 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The chairman and chief executive of the Company are not related to each other and there are clear divisions among their responsibilities with a view to achieving a balance of power and authority. Mr. Lin Yuhao is the chairman of the Board (the “**Chairman**”). The Chairman provides leaderships to the Board in terms of formulating policies and strategies, and discharges those duties set out in Code Provision C.2 of Part 2 of the CG Code. The chief executive of the Company has the overall responsibility of implementing the decisions, policies and strategies approved by the Board, and overseeing the Group’s business and operations. Currently, Mr. Lin Yuhao and Mr. Wu Ya serve as the co-chief executive officers of the Company. As Mr. Lin Yuhao is the Chairman and has served as the chief executive officer of the Group since 15 October 2021, such practice deviates from Code Provision C.2.1 of part 2 of the CG Code. The Board believes that vesting the roles of both the Chairman and the chief executive officer in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from Code Provision C.2.1 of part 2 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which comprises one executive Director, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Mr. Lin Yuhao and Mr. Wu Ya jointly serving as the co-chief executive officers of the Company can also share the responsibilities of the Group’s overall business development, operation and management work.

With the support from all the other Directors and the company secretary, the Chairman ensures that all Directors are properly briefed on issues arising from Board meetings and receive adequate, complete and reliable information in a timely manner. The Board considers that there are adequate balance of power and safeguards in place and will review and monitor this situation periodically to ensure that present structure would not impair the balance of power of the Company.

The Company periodically reviews its corporate governance practices to ensure that the requirements of the CG Code are continuously satisfied. The key corporate governance principles and practices of the Company are summarised in this announcement.

## **INTERNAL CONTROL**

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the Shareholders and assets of the Company at all times. The Board is ultimately responsible for evaluating the effectiveness of its internal control and risk management systems. The internal controls system aims to help achieve the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives, being sought.

To facilitate the management and standardisation of internal operation, the Company has regulations in place that specify the responsibilities and scopes of anti-corruption works. Anti-corruption policy has been adopted and all employees of the Group have been required to strictly abide them. To encourage employees to report the improprieties they found or suspected, the Company has established appropriate whistleblowing procedures pursuant to its whistleblowing policy so as to provide a secure and fully confidential environment for employees to report the improprieties that they genuinely concerned.

### **Risk management and internal control**

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensures that the Group has established and maintained appropriate and effective risk management and internal control systems.

The audit committee of the Board ("**Audit Committee**") reviews the risk management and internal controls systems that are significant to the Group on an on-going basis including financial, operational and compliance controls. The Audit Committee would consider and discuss with the management of the Group in respect of the adequacy of resource, qualifications, experience and training of staff and external advisors of the Group's accounting and financial reporting departments and budget of the Group's accounting, auditing and financial reporting functions.

The management of the Group is responsible for designing, maintaining, implementing and monitoring the risk management and internal control systems to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle significant risks associated with its business. The Board would perform annual review on any significant change of business and the external environment and establish procedures to respond to the risks resulting from significant change of business and the external environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The management would identify the risks associated with the business of the Group by considering both internal and external factors and events which include politics, economy, technology, environmental, social and staff. Each of the risks has been assessed and prioritised based on their relevant impact and chance of occurrence. The relevant risk management strategies would be applied to each type of risks according to the assessment results. Types of risk management strategies are listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risk;
- Risk avoidance: change business process or objective so as to avoid risk;
- Risk sharing and diversification: diversify the effect of risk or allocate to different locations or products or markets;
- Risk transfer: transfer ownership and liability to a third party.

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulting from the risks. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company engages an external consultant to perform internal audit function and to review the effectiveness of the material controls (including financial, operational and compliance controls), internal control system, and risk management functions of the Company and the Group's major subsidiaries on a rotation basis annually. The Audit Committee and the Board, having reviewed the internal control and risk management review report for the Reporting Period, were reasonably satisfied that no material deficiencies or inadequacies existed or identified and the Company considers the risk management and internal control systems are effective and adequate for the Reporting Period. The Company has complied with the requirements under Code Provisions D.2.1 to D.2.5 and D.3.3 of part 2 of the CG Code relating to risk management and internal control.

During the Reporting Period, there were no changes in the nature and extent of the significant risks of the Group and no significant control failings or weaknesses that have been identified. The Board has received a confirmation from the management of the Company on the effectiveness and adequacy of the risk management and internal control systems.

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

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (previously known as Appendix 10) to the Listing Rules. Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the required standards of the said code during the Reporting Period.



## **BOARD COMMITTEES**

### **Audit Committee**

As at the date of this announcement, the Audit Committee comprises three members, all are independent non-executive Directors, namely Ms. Li Yang (Chairlady of Committee), Mr. Li Shaohua and Ms. Zhu Rouxiang.

The Audit Committee has reviewed the Group's consolidated results for the Reporting Period and the accounting principles and practices adopted by the Group and discussed risk management, internal control and financing reporting matters with management including a review of the consolidated financial statements for the Reporting Period.

### **SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on the preliminary announcement.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024, both days inclusive, during the period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrar, Tricor Tengis Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Monday, 27 May 2024.

### **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of the Company ([www.cfi.hk](http://www.cfi.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the Reporting Period will be despatched to the Shareholders and will be available at the above websites in due course.

By order of the Board  
**China Finance Investment Holdings Limited**  
**LIN Yuhao**  
*Chairman and Co-Chief Executive Officer*

Hong Kong, 28 March 2024

*As at the date of this announcement, the Board comprises five Directors, including one executive Director, namely Mr. Lin Yuhao; one non-executive Director, Ms. Han Xiuhong and three independent non-executive Directors, namely Mr. Li Shaohua, Ms. Zhu Rouxiang and Ms. Li Yang.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

*\* For identification purpose only*