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## **Yangzhou Guangling District Taihe Rural Micro-finance Company Limited**

**揚州市廣陵區泰和農村小額貸款股份有限公司**

*(A joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 1915)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **FINANCIAL HIGHLIGHTS**

- (1) For the six months ended 30 June 2024, Yangzhou Guangling District Taihe Rural Micro-finance Company Limited (the "**Company**", together with its subsidiaries (the "**Group**")) recorded interest income of approximately RMB26.0 million, representing a decrease of approximately 0.4% as compared to approximately RMB26.1 million in the corresponding period in 2023.
- (2) For the six months ended 30 June 2024, loss after tax of the Group amounted to approximately RMB9.4 million, as compared with the loss after tax of approximately RMB12.8 million for the six months ended 30 June 2023. The decrease in loss was primarily attributable to the decrease in the loss of subsidiaries and decrease in impairment loss of goodwill and guarantees in the current period.
- (3) As at 30 June 2024, the balance of outstanding loans (before allowance for impairment losses) of the Group amounted to approximately RMB934.5 million, representing an increase of approximately 1.1% as compared to approximately RMB924.0 million as at 31 December 2023.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company hereby announces the unaudited interim consolidated results of the Group for the six months ended 30 June 2024, together with the unaudited comparative figures for the corresponding period in 2023 as follows:

## Interim Condensed Consolidated Statement of Profit or Loss

Six months ended 30 June 2024

(Amounts expressed in RMB unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 <i>(unaudited)</i>	2023 <i>(unaudited)</i>
Interest income	5	<b>26,039,961</b>	26,136,280
Interest expense	5	<b>(46,530)</b>	(37,948)
Interest income, net	5	<b>25,993,431</b>	26,098,332
Impairment losses on loans and accounts receivables and other assets		<b>(33,900,099)</b>	(33,896,751)
Impairment losses on goodwill		—	(2,059,114)
Guarantee losses		<b>(204,895)</b>	(1,812,055)
Administrative expenses		<b>(4,230,284)</b>	(5,241,041)
Other income and gains		<b>28,455</b>	855,844
Other expenses		<b>(5,834)</b>	(124,526)
<b>LOSS BEFORE TAX</b>	6	<b>(12,319,226)</b>	(16,179,311)
Income tax benefit	7	<b>2,955,666</b>	3,412,940
<b>LOSS FOR THE PERIOD</b>		<b>(9,363,560)</b>	(12,766,371)
ATTRIBUTABLE TO:			
Owners of the parent		<b>(9,212,032)</b>	(12,441,421)
Non-controlling interests		<b>(151,528)</b>	(324,950)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic (RMB)		<b>(0.02)</b>	(0.02)
Diluted (RMB)		<b>(0.02)</b>	(0.02)

# Interim Condensed Consolidated Statement of Comprehensive Income

Six months ended 30 June 2024

*(Amounts expressed in RMB unless otherwise stated)*

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<b>LOSS FOR THE PERIOD</b>	<b>(9,363,560)</b>	<b>(12,766,371)</b>
<b>Other comprehensive income</b>		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Net loss on equity instruments designated at fair value through other comprehensive income	<b>(396,063)</b>	—
<b>Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods</b>	<b>(396,063)</b>	—
<b>Other comprehensive loss for the period, net of tax</b>	<b>(396,063)</b>	—
<b>Total comprehensive loss for the period, net of tax</b>	<b>(9,759,623)</b>	<b>(12,766,371)</b>
ATTRIBUTABLE TO:		
Owners of the parent	<b>(9,343,389)</b>	(12,441,421)
Non-controlling interests	<b>(416,234)</b>	(324,950)

# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

(Amounts expressed in RMB unless otherwise stated)

	Notes	As at 30 June 2024 (unaudited)	As at 31 December 2023 (audited)
<b>ASSETS</b>			
Cash and cash equivalents		29,671	279,027
Loans and accounts receivables	10	861,487,569	872,746,195
Equity investments designated at fair value through other comprehensive income		—	396,063
Property, plant and equipment	11	401,370	626,431
Right of use assets	12	667,455	800,362
Deferred tax	13	19,336,501	11,503,618
Other assets	14	337,171	565,949
<b>TOTAL ASSETS</b>		<b>882,259,737</b>	<b>886,917,645</b>
<b>LIABILITIES</b>			
Deferred income		—	26,855
Income tax payable		5,512,637	1,135,663
Liabilities from guarantees	15	2,468,461	2,263,566
Lease liabilities	16	846,892	1,535,362
Other liabilities	17	11,465,078	10,229,907
<b>TOTAL LIABILITIES</b>		<b>20,293,068</b>	<b>15,191,353</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	18	600,000,000	600,000,000
Reserves		112,993,799	113,100,746
Retained earnings		147,429,813	156,666,255
Equity attributable to owners of the parent		860,423,612	869,767,001
Non-controlling interests		1,543,057	1,959,291
<b>TOTAL EQUITY</b>		<b>861,966,669</b>	<b>871,726,292</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>882,259,737</b>	<b>886,917,645</b>

**Bai Li**  
Director

**Bo Wanlin**  
Director

# Interim Condensed Consolidated Statement of Changes In Equity

Six months ended 30 June 2024

(Amounts expressed in RMB unless otherwise stated)

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Paid in capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings	Total		
At 1 January 2023	600,000,000	54,417,191	49,484,934	9,302,558	–	164,899,227	878,103,910	2,086,934	880,190,844
Loss for the period and total comprehensive income	–	–	–	–	–	(12,441,421)	(12,441,421)	(324,950)	(12,766,371)
At 30 June 2023 (unaudited)	<u>600,000,000</u>	<u>54,417,191</u>	<u>49,484,934</u>	<u>9,302,558</u>	<u>–</u>	<u>152,457,806</u>	<u>865,662,489</u>	<u>1,761,984</u>	<u>867,424,473</u>
At 1 January 2024	600,000,000	54,417,191*	49,484,934*	9,302,558*	(103,937)*	156,666,255	869,767,001	1,959,291	871,726,292
Loss for the period	–	–	–	–	–	(9,212,032)	(9,212,032)	(151,528)	(9,363,560)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	(131,357)	–	(131,357)	(264,706)	(396,063)
Appropriation to general reserve	–	–	–	24,410	–	(24,410)	–	–	–
At 30 June 2024 (unaudited)	<u>600,000,000</u>	<u>54,417,191*</u>	<u>49,484,934*</u>	<u>9,326,968*</u>	<u>(235,294)*</u>	<u>147,429,813</u>	<u>860,423,612</u>	<u>1,543,057</u>	<u>861,966,669</u>

\* These reserve accounts comprise the consolidated reserves of RMB112,993,799 (31 December 2023: RMB113,100,746) in the interim condensed consolidated statement of financial position.

# Interim Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2024

(Amounts expressed in RMB unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(12,319,226)	(16,179,311)
Adjustments for:			
Depreciation and amortisation	13	357,968	769,101
Impairment losses on loans and accounts receivables and other assets		33,900,099	33,896,751
Impairment losses on goodwill		—	2,059,114
Guarantee losses	15	204,895	1,812,055
Accreted interest on impaired loans	5	(440,939)	(435,527)
Bank interest income		(101)	(2,069)
Net loss on disposal of property, plant and equipment and other assets		—	114,800
Interest expense	5	46,530	37,948
Foreign exchange gain, net		(2)	(8)
		<u>(21,991,226)</u>	<u>(19,963,179)</u>
Increase in loans and accounts receivable		(19,470)	1,358,088
(Increase)/decrease in other assets		1,208,317	(2,397,090)
Increase/(decrease) in other liabilities			
		<u>(1,281,123)</u>	<u>(1,038,992)</u>
Net cash flows from operating activities before interest and tax		985,886	1,072,742
Bank interest received		101	2,069
Income tax paid		(500,244)	(682,683)
		<u>485,642</u>	<u>390,059</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Purchases of property and equipment and other long-term assets		—	(37,382)
		<u>—</u>	<u>(37,382)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(735,000)	—
Net cash flows used in financing activities		(735,000)	—
		<u>(735,000)</u>	<u>—</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(249,358)	352,677
Cash and cash equivalents at beginning of the period		279,027	1,639,818
Effect of foreign exchange rate changes, net		2	8
		<u>2</u>	<u>8</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>			
		<u>29,671</u>	<u>1,992,503</u>

# Notes to Interim Condensed Consolidated Financial Information

30 June 2024

*(Amounts expressed in RMB unless otherwise stated)*

## 1. CORPORATE AND GROUP INFORMATION

Yangzhou Guangling District Taihe Rural Micro-finance Company Limited ("**Taihe Micro-credit**" or the "**Company**") was established as a limited liability company in the People's Republic of China (the "**PRC**") on 12 November 2008 based on "Su Jin Rong Ban Fa [2008] No. 47" issued by the Pilot Leading Group Office for Rural Micro-finance Organisations of Jiangsu Province.

According to the resolution of the shareholders' meeting on 8 August 2012 and "Yang Fu Jin [2012] No. 77" approved by the Yangzhou Municipal Government Financial Office, the Company was converted from a limited liability company to a joint stock company on 10 August 2012. Upon its conversion, the Company issued 260 million shares at a par value of RMB1 each to its shareholders, based on the asset appraisal result of RMB300.48 million in respect of its net assets in the financial statements as at 31 July 2012.

In May 2017, the Company conducted a public offering of overseas listed foreign shares ("**H shares**"). Upon the completion of the H share offering, the issued capital was increased to RMB600 million. The Company's H shares are listed on the Growth Enterprise Market of the Hong Kong Stock Exchange and the trading of its H shares commenced on 8 May 2017. Upon the approval of the Hong Kong Stock Exchange, the Company's H shares have been listed on the Main Board and delisted from the Growth Enterprise Market by way of Transfer of Listing since the last day of trading on 17 July 2019.

The Company obtained its business licence with Unified Social Credit No. 91321000682158920M. The legal representative of the Company is Bo Wanlin. Its registered office is located at Beizhou Road, Lidian Village, Guangling District, Yangzhou City.

The principal activities of the Company and its subsidiaries (the "**Group**") are including granting of loans to "Agriculture, Rural Areas and Farmers", providing service of financial guarantees, and acting as an agent providing automotive services and others.

In the opinion of the directors, the holding company and the ultimate holding company of the Group is Jiangsu Botai Group Co., Ltd., which is incorporated in the People's Republic of China.

## Information about subsidiary

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of registration and business	Legal status	Issued registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Hainan Luhang Lianche Technology Co., Ltd. (海南路航鏈車科技有限公司)	Chinese Mainland	limited liability company	RMB 100,000,000	100%	—	Internet and related services
Hainan Jialan Information Technology Co., Ltd. (海南迦藍信息技術有限責任公司)	Chinese Mainland	limited liability company	RMB 5,000,000	—	55%	Internet and related services
Shenzhen Taiyuan Biotechnology Co., Ltd. (深圳市泰源生物科技有限公司)	Chinese Mainland	limited liability company	RMB 90,000,000	100%	—	Internet and related services
Shenzhen Herun Biotechnology Co., Ltd. (深圳和潤生物科技有限公司)	Chinese Mainland	limited liability company	RMB 10,000,000	—	51%	Internet and related services

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.



### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IAS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any significant impact on the financial position or performance
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any significant impact on the financial position or performance of the Group.

- (c) Amendments to IAS7 and IFRS7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any significant impact on the interim condensed consolidated financial information.

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The nature and assumptions related to the Group's accounting estimates are consistent with those adopted in the Group's consolidated financial statements for the year ended 31 December 2023.

#### 5. INTEREST INCOME, NET

	Six months ended 30 June	
	2024	2023
Interest income on:		
Loans receivable	<b>26,039,860</b>	26,134,211
Cash at banks	<b>101</b>	2,069
Subtotal	<b>26,039,961</b>	26,136,280
Interest expense on:		
Lease liabilities	<b>(46,530)</b>	(37,948)
Subtotal	<b>(46,530)</b>	(37,948)
Interest income, net	<b>25,993,431</b>	26,098,332
Included: Interest income from impaired loans	<b>440,939</b>	435,527

#### 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 June	
	2024	2023
Impairment losses on loans and accounts receivables and other assets	<b>33,900,099</b>	33,896,751
Impairment loss on goodwill	—	2,059,114
Staff costs:		
Salaries, bonuses and allowances	<b>1,273,086</b>	1,529,910
Other social welfare	<b>302,050</b>	314,963
Auditor's remuneration	<b>600,000</b>	600,000
Service fee	<b>853,945</b>	488,739
Depreciation of property, plant and equipment	<b>225,061</b>	509,158
Depreciation of right-of-use assets	<b>132,907</b>	255,776

## 7. INCOME TAX BENEFIT

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
Current income tax	<b>4,877,217</b>	861,511
Deferred income tax	<b>(7,832,883)</b>	(4,274,451)
	<b>(2,955,666)</b>	(3,412,940)

A reconciliation of the tax benefit applicable to loss before tax using the statutory rate for the jurisdiction in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
Loss before tax	<b>(12,319,226)</b>	(16,179,311)
Tax at the applicable tax rate	<b>(3,079,807)</b>	(4,044,827)
Expenses not deductible for tax	<b>26,447</b>	198,146
Unrecognised tax losses	<b>96,877</b>	433,741
Adjustments on current income tax in respect of prior years	<b>817</b>	—
Total tax benefit for the period at the Group's effective tax rate	<b>(2,955,666)</b>	(3,412,940)

## 8. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2024 and 2023.

## 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the parent, and the weighted average number of ordinary shares in issue for the period as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	<b>(9,212,032)</b>	(12,441,421)
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation (i)	<b>600,000,000</b>	600,000,000
Basic and diluted loss per share	<b>(0.02)</b>	(0.02)

**(i) Weighted average number of ordinary shares**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
Issued ordinary shares at the beginning of the period	<b>600,000,000</b>	600,000,000
Weighted average number of ordinary shares at the end of the period	<b><u>600,000,000</u></b>	<b><u>600,000,000</u></b>

(i) There were no dilutive potential ordinary shares during the reporting period, and therefore, the diluted loss per share amount was the same as the basic loss per share amount.

**10. LOANS AND ACCOUNTS RECEIVABLES**

	<b>As at 30 June 2024</b>	As at 31 December 2023
Guaranteed loans	<b>934,239,316</b>	923,723,845
Collateral-backed loans	<b>67,013</b>	67,013
Unsecured loans	<b>149,845</b>	174,090
Loans receivable	<b>934,456,174</b>	923,964,948
Less: Allowance for impairment losses	<b>72,968,605</b>	51,218,753
Net loans receivable	<b><u>861,487,569</u></b>	<b><u>872,746,195</u></b>
Accounts receivable	—	—
Less: Allowance for impairment losses	—	—
Net accounts receivable	—	—
Total of loans and accounts receivables	<b><u>861,487,569</u></b>	<b><u>872,746,195</u></b>

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system (Five-tier Principle) and period-end staging classification.

<b>30 June 2024</b>				
<b>Internal rating grades</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Normal	<b>885,516,206</b>	—	—	<b>885,516,206</b>
Special mention	—	<b>5,423,110</b>	—	<b>5,423,110</b>
Sub-standard	—	—	<b>4,800,000</b>	<b>4,800,000</b>
Doubtful	—	—	<b>15,100,000</b>	<b>15,100,000</b>
Loss	—	—	<b>23,616,858</b>	<b>23,616,858</b>
Total	<b><u>885,516,206</u></b>	<b><u>5,423,110</u></b>	<b><u>43,516,858</u></b>	<b><u>934,456,174</u></b>
31 December 2023				
Internal rating grades	Stage 1	Stage 2	Stage 3	Total
Normal	873,476,485	—	—	873,476,485
Special mention	—	19,437,360	—	19,437,360
Sub-standard	—	—	11,110,000	11,110,000
Doubtful	—	—	16,716,275	16,716,275
Loss	—	—	3,224,828	3,224,828
Total	<b><u>873,476,485</u></b>	<b><u>19,437,360</u></b>	<b><u>31,051,103</u></b>	<b><u>923,964,948</u></b>

An analysis of changes in the outstanding exposures is as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>(12-month</b>	<b>(Lifetime</b>	<b>(Lifetime</b>	
	<b>ECL)</b>	<b>ECL)</b>	<b>ECL –</b>	<b>Total</b>
			<b>impaired)</b>	
Outstanding exposure as at 31 December 2023	<b>873,476,485</b>	<b>19,437,360</b>	<b>31,051,103</b>	<b>923,964,948</b>
Addition	<b>655,185,849</b>	–	–	<b>655,185,849</b>
Recovery	<b>(632,923,018)</b>	<b>(137,360)</b>	<b>(134,245)</b>	<b>(633,194,623)</b>
Transfers to Stage 2	<b>(10,223,110)</b>	<b>10,223,110</b>	–	–
Transfers to Stage 3	–	<b>(24,100,000)</b>	<b>24,100,000</b>	–
Amounts written off	–	–	<b>(11,500,000)</b>	<b>(11,500,000)</b>
At 30 June 2024	<b><u>885,516,206</u></b>	<b><u>5,423,110</u></b>	<b><u>43,516,858</u></b>	<b><u>934,456,174</u></b>
	Stage 1	Stage 2	Stage 3	
	(12-month	(Lifetime	(Lifetime	
	ECLs)	ECLs)	ECLs –	Total
			impaired)	
Outstanding exposure as at 31 December 2022	862,333,174	32,721,892	29,112,872	924,167,938
Addition	873,476,485	–	–	873,476,485
Recovery	(823,585,814)	(5,121,892)	(31,769)	(828,739,475)
Transfers to Stage 2	(19,437,360)	19,437,360	–	–
Transfers to Stage 3	(19,310,000)	(27,600,000)	46,910,000	–
Amounts written off	–	–	(44,940,000)	(44,940,000)
At 31 December 2023	<b><u>873,476,485</u></b>	<b><u>19,437,360</u></b>	<b><u>31,051,103</u></b>	<b><u>923,964,948</u></b>

An analysis of changes of the corresponding expected credit losses ("ECLs") is as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>(12-month</b>	<b>(Lifetime</b>	<b>(Lifetime</b>	<b>Total ECL</b>
	<b>ECL)</b>	<b>ECL)</b>	<b>ECL –</b>	<b>allowance</b>
			<b>impaired)</b>	
ECLs as at 31 December 2023	<b>31,357,806</b>	<b>2,297,540</b>	<b>17,563,407</b>	<b>51,218,753</b>
Net charge of the impairment	<b>5,260,702</b>	<b>595,026</b>	<b>27,394,124</b>	<b>33,249,852</b>
Transfers to Stage 2	<b>(312,344)</b>	<b>312,344</b>	–	–
Transfers to Stage 3	–	<b>(2,444,194)</b>	<b>2,444,194</b>	–
Amounts written off	–	–	<b>(11,500,000)</b>	<b>(11,500,000)</b>
At 30 June 2024	<b>36,306,164</b>	<b>760,716</b>	<b>35,901,725</b>	<b>72,968,605</b>

	Stage 1	Stage 2	Stage 3	
	(12-month	(Lifetime	(Lifetime	Total ECL
	ECLs)	ECLs)	ECLs –	Allowance
			impaired)	
ECLs as at 31 December 2022	26,346,594	3,759,619	17,247,977	47,354,190
Net charge of the impairment	6,195,048	(785,745)	43,395,260	48,804,563
Transfers to Stage 2	(593,864)	593,864	–	–
Transfers to Stage 3	(589,972)	(1,270,198)	1,860,170	–
Amounts written off	–	–	(44,940,000)	(44,940,000)
At 31 December 2023	<u>31,357,806</u>	<u>2,297,540</u>	<u>17,563,407</u>	<u>51,218,753</u>

## 11. PROPERTY, PLANT AND EQUIPMENT

	<b>Motor vehicles</b>	<b>Fixtures and furniture</b>	<b>Leasehold improvements</b>	<b>Total</b>
Cost:				
At 1 January 2023	1,911,877	1,909,975	10,753,082	14,574,934
Additions	—	1,584	35,797	37,381
Deductions	—	(88,841)	—	(88,841)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	1,911,877	1,822,718	10,788,879	14,523,474
Additions	—	—	—	—
Deductions	—	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2024	<u>1,911,877</u>	<u>1,822,718</u>	<u>10,788,879</u>	<u>14,523,474</u>
Accumulated depreciation:				
At 1 January 2023	1,911,877	1,415,136	9,613,245	12,940,258
Depreciation charge for the year	—	246,548	757,407	1,003,955
Deductions	—	(47,170)	—	(47,170)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	1,911,877	1,614,514	10,370,652	13,897,043
Depreciation charge for the period	—	73,979	151,082	225,061
Deductions	—	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2024	<u>1,911,877</u>	<u>1,688,493</u>	<u>10,521,734</u>	<u>14,122,104</u>
Net carrying amount:				
At 31 December 2023	<u>—</u>	<u>208,204</u>	<u>418,227</u>	<u>626,431</u>
At 30 June 2024	<u>—</u>	<u>134,225</u>	<u>267,145</u>	<u>401,370</u>



## 12. RIGHT OF USE ASSETS

	<b>Right-of-use assets</b>
Cost:	
At 1 January 2023	2,588,282
Additions	800,362
Deductions	—
	<hr/>
At 31 December 2023	3,388,644
Additions	—
Deductions	(2,588,282)
	<hr/>
At 30 June 2024	<u>800,362</u>
Accumulated depreciation:	
At 1 January 2023	2,068,734
Depreciation charge for the year	519,548
Deductions	—
	<hr/>
At 31 December 2023	2,588,282
Depreciation charge for the period	132,907
Deductions	(2,588,282)
	<hr/>
At 30 June 2024	<u>132,907</u>
Net carrying amount:	
At 31 December 2023	<u>800,362</u>
At 30 June 2024	<u>667,455</u>

### 13. DEFERRED TAX

#### (a) Analysed by nature

	As at 30 June 2024		As at 31 December 2023	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Impairment allowance	75,083,589	18,770,897	42,054,437	10,513,609
Liabilities from guarantees	2,468,461	617,115	2,263,566	565,892
Deferred income	—	—	26,855	6,714
Leases	12,770	3,193	—	—
Depreciation	(218,815)	(54,704)	(207,279)	(51,820)
Deductible losses	—	—	1,876,892	469,223
	<u>77,346,005</u>	<u>19,336,501</u>	<u>46,014,471</u>	<u>11,503,618</u>
Deferred income tax				

#### (b) Movements of deferred tax assets and liabilities

##### Deferred tax assets

	Impairment allowance	Liabilities from guarantees	Deferred income	Deductible losses	Leases liabilities	Total
At 1 January 2023	9,538,135	26,734	—	—	45,891	9,610,760
Recognised in profit or loss	975,474	539,158	6,714	469,223	154,199	2,144,768
At 31 December 2023	<u>10,513,609</u>	<u>565,892</u>	<u>6,714</u>	<u>469,223</u>	<u>200,090</u>	<u>11,755,528</u>
Recognised in profit or loss	8,257,288	51,223	(6,714)	(469,223)	(30,033)	7,802,541
At 30 June 2024	<u>18,770,897</u>	<u>617,115</u>	<u>—</u>	<u>—</u>	<u>170,057</u>	<u>19,558,069</u>

##### Deferred tax liabilities

	Depreciation of property and equipment	Right of use assets	Total
At 1 January 2023	138,844	—	138,844
Recognised in profit or loss	(87,024)	200,090	113,066
At 31 December 2023	<u>51,820</u>	<u>200,090</u>	<u>251,910</u>
Recognised in profit or loss	2,884	(33,226)	(30,342)
At 30 June 2024	<u>54,704</u>	<u>166,864</u>	<u>221,568</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	<b>At 30 June 2024</b>	As at 31 December 2023
Net deferred tax assets recognised in the statement of financial position	<b><u>19,336,501</u></b>	<u>11,503,618</u>

#### 14. OTHER ASSETS

	Note	<b>As at 30 June 2024</b>	<b>As at 31 December 2023</b>
Prepayments		<b>39,596</b>	58,324
Other receivables	(i)	<b>564,578</b>	565,320
Subtotal		<b><u>604,174</u></b>	<u>623,644</u>
Less: Allowance for other receivables		<b><u>267,003</u></b>	<u>57,695</u>
Total		<b><u>337,171</u></b>	<u>565,949</u>

Notes:

(i) Other receivables mainly represented receivables from third parties.

Movements of allowance for doubtful debts are as follows:

	<b>Six months ended 30 June 2024</b>	Year ended 31 December 2023
At beginning of the period/year	<b>57,695</b>	59,105
Charge for the period/year	<b>209,308</b>	35,825
Amount written off as uncollectible	<u>—</u>	<u>(37,235)</u>
At end of the period/year	<b><u>267,003</u></b>	<u>57,695</u>

As comparable companies with credit ratings for most of the counterparties are hard to identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group based on an ageing analysis of other receivables. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

Set out below are the maximum exposure to credit risk and expected credit losses on other receivables based on the ageing analysis.

Ageing analysis	30 June 2024			
	Gross carrying amount		Expected credit loss	
	Amount	Percentage	Amount	Expected credit loss rate
Up to 90 days	—	—	—	—
91 to 365 days	—	—	—	—
Over 365 days	<b>564,578</b>	<b>100.00%</b>	<b>267,003</b>	<b>47.29%</b>
Total	<b>564,578</b>	<b>100.00%</b>	<b>267,003</b>	<b>47.29%</b>

  

Ageing analysis	31 December 2023			
	Gross carrying amount		Expected credit loss	
	Amount	Percentage	Amount	Expected credit loss rate
Up to 90 days	2,625	0.46%	—	—
91 to 365 days	5,000	0.89%	—	—
Over 365 days	557,695	98.65%	57,695	10.35%
Total	565,320	100.00%	57,695	10.21%

## 15. LIABILITIES FROM GUARANTEES

Liabilities from guarantees are provisions made for the guarantees. The maximum exposure to credit risk on financial guarantee contracts is disclosed in note 22. All financial guarantee contracts are categorised based on their credit quality. The table below shows the changes in the ECLs for the outstanding exposure of guarantees.

	Stage 1 (12-month ECLs) Collectively assessed	Stage 2 (Lifetime ECLs) Collectively assessed	Total
ECLs as at 31 December 2022	106,934	—	106,934
New exposure	2,156,632	—	2,156,632
At 31 December 2023	2,263,566	—	2,263,566
New exposure	2,048,461	—	2,048,461
Exposure derecognised	(1,843,566)	—	(1,843,566)
Transfers to Stage 2	(420,000)	420,000	—
At 30 June 2024	2,048,461	420,000	2,468,461

## 16. LEASE LIABILITIES

The carrying amount of lease liabilities and the movements during the period are as follows:

	<b>As at 30 June 2024</b>	As at 31 December 2023
Carrying amount at 1 January	<b>1,535,362</b>	714,524
New leases	—	800,362
Accretion of interest recognised during the period	<b>46,530</b>	20,476
Payments	<b>(735,000)</b>	—
	<b><u>846,892</u></b>	<u>1,535,362</u>

## 17. OTHER LIABILITIES

	<b>As at 30 June 2024</b>	As at 31 December 2023
Employee payables	<b>3,883,529</b>	3,730,930
Accrued expenses	<b>2,245,050</b>	1,236,750
Payrolls payable	<b>467,060</b>	488,841
Other tax payables	<b>707,759</b>	610,970
Other payables	<b>4,161,680</b>	4,162,416
Total	<b><u>11,465,078</u></b>	<u>10,229,907</u>

## 18. SHARE CAPITAL

	<b>As at 30 June 2024</b>	As at 31 December 2023
Issued and fully paid	<b><u>600,000,000</u></b>	<u>600,000,000</u>

## 19. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Changes in liabilities arising from financing activities are as follows:

	Lease liabilities	Total
At 1 January 2023	714,524	714,524
New leases	800,362	800,362
Interest expense	20,476	20,476
At 31 December 2023	<u>1,535,362</u>	<u>1,535,362</u>
Repayment of lease liabilities	(735,000)	(735,000)
Interest expense	46,530	46,530
At 30 June 2024	<u>846,892</u>	<u>846,892</u>

### (b) Total cash outflow for leases:

The total cash outflow for leases included in the statement of cash flows is as follows:

	Six months ended 30 June	
	2024	2023
Within financing activities	<u>(735,000)</u>	—
Total	<u>(735,000)</u>	—

## 20. RELATED PARTY TRANSACTIONS

### (a) Leasing

	Notes	Six months ended 30 June	
		2024	2023
Depreciation of right-of-use asset	(i)	132,907	255,776
Interest expense on lease liabilities	(i)	46,530	37,948

Notes:

- (i) The Group entered into a lease contract in respect of the Group's office with an entity with significant influence over the Group. In January 2021, the Group has agreed with the lessor and renewed the lease contract. The leasing period was from 1 January 2021 to 31 December 2023. After the expiration, the Group has re-entered into a new lease contract with the lessor. The lease period is from 1 January 2024 to 31 December 2026.

The interest expense on lease liabilities and depreciation of right-of-use asset for the six months ended 30 June 2024 were RMB46,530 and RMB132,907, respectively (six months ended 30 June 2023: RMB37,948 and RMB255,776).

## (b) Key management personnel's remuneration

	Six months ended 30 June	
	2024	2023
Key management personnel's remuneration	<u>682,250</u>	<u>660,112</u>

## (c) Outstanding balances with related parties

Amounts due to related parties	Notes	As at 30 June 2024	As at 31 December 2023
Key management personnel Zhang Zhuo	(i)	<u>3,780,930</u>	<u>3,730,930</u>
Entity with significant influence over the Group: Liantai Guangchang	(ii)	<u>846,892</u>	<u>1,535,362</u>

Notes:

(i) Appointed as a non-executive director on 19 January 2024.

(ii) As at 30 June 2024, the outstanding balance of the Group's lease liability due to Jiangsu Liantai Fashion Shopping Mall Real Estate Co., Ltd. ("**Liantai Guangchang**") was RMB846,892 (as at 31 December 2023: RMB1,535,362).

## 21. SEGMENT INFORMATION

Almost all of the Group's revenue was generated from the provision of loans to small and medium-sized and micro enterprises ("**SMEs**") located at Yangzhou, Jiangsu Province in the PRC during the reporting period. There is no other main segment except for the loan business.

## 22. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

	As at 30 June 2024	As at 31 December 2023
Financial guarantee contracts	<u>53,000,000</u>	<u>63,000,000</u>

### **23. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group's financial assets which carried at cost or amortised cost mainly include cash at banks and from a third party, and loans receivable. The Group's financial liabilities mainly include lease liabilities and other payables. Due to the short remaining period or periodical repricing that reflects the market price, the carrying amounts of these financial assets and liabilities approximate to their fair values.

### **24. EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the reporting period.

### **25. APPROVAL OF THE FINANCIAL INFORMATION**

The interim condensed consolidated financial information has been approved and authorised for issue by the Company's board of directors on 23 August 2024.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the six months ended 30 June 2024, the Group continued to pursue business opportunities and strengthen its market position. For the six months ended 30 June 2024, the Group recorded interest income of approximately RMB26.0 million, representing a decrease of approximately 0.4% as compared to approximately RMB26.1 million in the corresponding period in 2023; and loss after tax of approximately RMB9.4 million, as compared with the loss after tax of approximately RMB12.8 million for the six months ended 30 June 2023. The decrease in loss was primarily attributable to the decrease in the loss of subsidiaries and decrease in impairment loss of goodwill and guarantees. As at 30 June 2024, the Group's balance of outstanding loans (before allowance for impairment losses) amounted to approximately RMB934.5 million, representing an increase of approximately 1.1% as compared to approximately RMB924.0 million as at 31 December 2023, which means no significant change in the loan scale. The total assets of the Group as at 30 June 2024 were approximately RMB882.3 million, representing a decrease of approximately 0.5% as compared to approximately RMB886.9 million as at 31 December 2023, and net assets were approximately RMB862.0 million as at 30 June 2024, representing a decrease of approximately 1.1%, as compared to approximately RMB871.7 million as at 31 December 2023.

### The number of customers

Our customer base comprises primarily of small and medium-sized enterprises and micro enterprises as well as individual proprietors in Yangzhou City. Our customers are engaged in a variety of industries, and a majority of which are under the classification of AFR (三農) (i.e. agriculture, farmers and rural areas or, as the case may be, individuals or organizations engaged in agricultural businesses and/or rural development activities, and/or residing in rural areas) of the People's Bank of China. With high uncertainties in the economic environment and a sluggish real estate market, the operations of some customers of the Company involved in upstream and downstream real estate related industries are underperforming. Therefore, the Company remains its prudent business strategy, timely adjusts its customer base structure, reduces the credit granted to such customers with poor operating conditions and increases the credit limit to industrial supply chain customer base of related enterprises with lower risks. At the same time, the Company increased credit limits for some premium regular customers, resulting in continual increase in loan concentration for the first half of 2024, which also brought an ongoing improvement in the situation of new overdue loans in current period. The Company will keep balancing benefit and risk, and actively respond to changes of economic environment. For the six months ended 30 June 2023 and six months ended 30 June 2024, we granted loans to 137 and 135 customers, respectively.

## Loan portfolio by size

The following table sets forth our outstanding loans by size as at the dates indicated:

	As at 30 June 2024		As at 31 December 2023	
	RMB'000	%	RMB'000	%
<b>Less than or equal to RMB0.5 million</b>				
– Guaranteed loans	3,507	0.4	110	0.0
– Collateralized loans	67	–	67	0.0
– Unsecured loans	150	–	174	0.0
	<b>3,724</b>	<b>0.4</b>	351	0.0
<b>Over RMB0.5 million but less than or equal to RMB1 million</b>				
– Guaranteed loans	9,399	1.0	1,803	0.2
– Collateralized loans	–	–	–	–
	<b>9,399</b>	<b>1.0</b>	1,803	0.2
<b>Over RMB1 million but less than or equal to RMB2 million</b>				
– Guaranteed loans	12,815	1.4	48,212	5.2
– Collateralized loans	–	–	–	–
	<b>12,815</b>	<b>1.4</b>	48,212	5.2
<b>Over RMB2 million but less than or equal to RMB3 million</b>				
– Guaranteed loans	56,948	6.1	214,586	23.2
– Collateralized loans	–	–	–	–
	<b>56,948</b>	<b>6.1</b>	214,586	23.2
<b>Over RMB3 million but less than or equal to RMB4 million</b>				
– Guaranteed loans	125,251	13.4	105,604	11.4
– Collateralized loans	–	–	–	–
	<b>125,251</b>	<b>13.4</b>	105,604	11.4

	As at 30 June 2024		As at 31 December 2023	
	RMB'000	%	RMB'000	%
<b>Over RMB4 million but less than or equal to RMB5 million</b>				
– Guaranteed loans	525,994	56.3	379,172	41.1
– Collateralized loans	—	—	—	—
	<b>525,994</b>	<b>56.3</b>	379,172	41.1
<b>Over RMB5 million but less than or equal to RMB8 million</b>				
– Guaranteed loans	—	—	125,147	13.6
– Collateralized loans	—	—	—	—
	—	—	125,147	13.6
<b>Over RMB8 million but less than or equal to RMB10 million</b>				
– Guaranteed loans	200,325	21.4	49,090	5.3
– Collateralized loans	—	—	—	—
	<b>200,325</b>	<b>21.4</b>	49,090	5.3
<b>Total</b>	<b>934,456</b>	<b>100.0</b>	923,965	100.0

\* We started to grant loans over RMB3 million per client in 2023 based on “Su Jin Jian Fa [2022] No 40” issued by the Financial Supervision Administration of Jiangsu province.

### Loan portfolio by security

We accept (i) loans backed by guarantees, (ii) loans secured by collaterals, (iii) loans backed and secured by both guarantees and collaterals, and (iv) unsecured loans. The following table sets forth the balance of our outstanding loans by security as at the dates indicated:

	As at 30 June 2024		As at 31 December 2023	
	RMB'000	%	RMB'000	%
Guaranteed loans	934,239	100.0	923,724	100.0
Collateralized loans	67	0.0	67	0.0
Unsecured loans	150	0.0	174	0.0
<b>Total</b>	<b>934,456</b>	<b>100.0</b>	923,965	100.0

The following table sets forth details of the number of loans granted for the periods indicated by security:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
Guaranteed loans	<b>146</b>	137
Collateralized loans	—	—
included: Guaranteed and collateralized loans	—	—
Unsecured loans	—	—
<b>Total</b>	<b>146</b>	137

### Asset quality

With the aim of addressing credit risks that the Group is exposed to, we have put in place a standardized and centralized risk management system, and implemented the “separation of due diligence and approval (審貸分離)” policy.

We adopt a loan classification approach to manage our loan portfolio. We categorize our loans by reference to the “Five-Tier Principle” set forth in the Guideline for Loan Credit Risk Classification (貸款風險分類指引) issued by the China Banking and Insurance Regulatory Commission. According to the “Five-Tier Principle”, our loans are categorized as “normal”, “special-mention”, “substandard”, “doubtful” or “loss” according to the levels of risk. The following table sets forth our outstanding loans by the “Five-Tier Principle” categories as at the dates indicated:

### Provisioning policies and asset quality:

	<b>As at 30 June 2024</b>		As at 31 December 2023	
	<b>RMB'000</b>	<b>%</b>	<i>RMB'000</i>	<i>%</i>
Normal	<b>885,516</b>	<b>94.8</b>	873,477	94.5
Special-Mention	<b>5,423</b>	<b>0.6</b>	19,437	2.1
Substandard	<b>4,800</b>	<b>0.5</b>	11,110	1.2
Doubtful	<b>15,100</b>	<b>1.6</b>	16,716	1.8
Loss	<b>23,617</b>	<b>2.5</b>	3,225	0.4
<b>Total</b>	<b>934,456</b>	<b>100.0</b>	923,965	100.0

There was an increase in the Company’s non-performing loans because the real estate and ancillary markets remained in a depressed state in 2024, and some borrowers struggled to operate effectively within capital chain rupture. For details, please refer to the paragraph headed “Overview of loans impairment losses recognized” in this section.

## Loan quality analysis

The following table sets forth our loan quality analysis as at the dates indicated:

	<b>As at 30 June 2024</b>	As at 31 December 2023
Impaired loan ratio <sup>(1)</sup>	<b>4.7%</b>	3.4%
Balance of impaired loans (RMB'000)	<b>43,517</b>	31,051
Total amount of loans receivable (RMB'000)	<b>934,456</b>	923,965
	<b>As at 30 June 2024</b>	As at 31 December 2023
Allowance coverage ratio <sup>(2)</sup>	<b>167.7%</b>	165.0%
Allowance for impairment losses (RMB'000) <sup>(3)</sup>	<b>72,969</b>	51,219
Balance of impaired loans (RMB'000)	<b>43,517</b>	31,051
Provisions for impairment losses ratio <sup>(4)</sup>	<b>7.8%</b>	5.5%
	<b>As at 30 June 2024</b>	As at 31 December 2023
Balance of overdue loans (RMB'000)	<b>48,940</b>	50,488
Total amount of loans receivable (RMB'000)	<b>934,456</b>	923,965
Overdue loan ratio <sup>(5)</sup>	<b>5.2%</b>	5.5%

Notes:

- (1) Represents the balance of impaired loans divided by the total amount of loans receivable.
- (2) Represents the allowance for impairment losses on all loans divided by the balance of impaired loans. The allowance for impairment losses on all loans includes provisions provided for loans which are assessed collectively and provisions provided for impaired loans which are assessed individually. Allowance coverage ratio indicates the level of allowance we set aside to cover the probable loss in our loan portfolio.
- (3) Allowance for impairment losses reflects our management's estimate of the probable loss in our loan portfolio.
- (4) Represents the allowance for impairment losses divided by the total amount of loans receivable. Provisions for impairment losses ratio measures the cumulative level of provisions.
- (5) Represents the overdue loans, being loans with whole or part of the principal and/or interest that was overdue for one day or more, divided by the total amount of loans receivable.

## **FINANCIAL REVIEW**

### **Interest income**

Our interest income decreased by approximately 0.4% from approximately RMB26.1 million for the six months ended 30 June 2023 to approximately RMB26.0 million for the six months ended 30 June 2024. The Group's interest income on loans receivable is mainly affected by two factors: the daily balance of loans receivable and the effective interest rates that the Group charges to its customers. The Group's average daily balance of loans receivable increased from approximately RMB916.0 million for the six months ended 30 June 2023 to approximately RMB925.3 million for the six months ended 30 June 2024, mainly attributable to the fact that the Company invested all cash interest income generated from operation in the loan business after paying for daily operating expenses. After considering the effect of loan write-offs, the daily balance of loan receivables increased slightly during the period. However, current real economy remains in a downward cycle, and the effective interest rate of loans granted by the industry has concurrently declined. In order to protect the interest of shareholders and maintain market share, we lowered the effective interest rate of loans charged to our customers. Meanwhile, the effective interest rate per annum slightly decreased from 5.7% for the six months ended 30 June 2023 to 5.6% for the six months ended 30 June 2024.

### **Interest expense**

Our interest expense was RMB37,948 and RMB46,530 for the six months ended 30 June 2023 and 2024, respectively, all from recognised lease liabilities related to the lease contracts in respect of our office.

### **Impairment losses on loans and accounts receivables and other assets**

We had accrual of provision for impairment losses of approximately RMB33.9 million and RMB33.9 million for the six months ended 30 June 2023 and 2024, respectively. Such slight increase in accrual of provision for impairment losses was mainly due to the fact that the real estate and ancillary markets remained in a depressed state in 2024, and some borrowers struggled to operate effectively within capital chain rupture, leading to an increase in the Company's non-performing loans and provision for loans impairment losses.

## Overview of loans impairment losses recognized

The Company recorded impairments losses on loans receivable of RMB33.69 million for the six months ended 30 June 2024, the breakdown of the loan portfolio as at 30 June 2024 and impairments losses for the six months ended 30 June 2024 are as follows:

Item	Gross loan amount before written off (RMB million)	Allowance for impairment losses at the end of 2023 (RMB million)	Net charge of the impairment for the six months ended 30 June 2024 (RMB million)	Net carrying amount of loans (RMB million)
Newly impaired loans incurred for the six months ended 30 June 2024	24.10	2.45	16.59	5.06
Loans impaired before 2024 <sup>(Note 1)</sup>	30.92	17.56	10.80	2.56
Loans which were not impaired <sup>(Note 2)</sup>	890.94	31.21	5.86	853.87
<b>Total</b>	<b>945.96</b>	<b>51.22</b>	<b>33.25</b>	<b>861.49</b>

Notes:

- For loans impaired before 2024, the Company recognised impairment losses of RMB10.8 million in 2024 based on the latest status.
- The Company collectively assessed the loans which were not impaired, and recorded impairment losses amounted to RMB5.86 million for such loans for the six months ended 30 June 2024.

As illustrated above, the impairment loss on loans receivable recognised for the six months ended 30 June 2024 is primarily attributable to the newly impaired loans incurred in 2024:

Overdue days	Number of borrowers	Number of loans	Gross loan amount (RMB million)	Net charge of the impairment for the six months ended 30 June 2024 (RMB million)	Interest rate range	Type of security
Overdue more than 3 months and less than 6 months	2	2	4.80	1.84	4.35%~8.4%	Guarantee
Overdue more than 6 months and less than 12 months	8	8	19.30	14.75	6.6%~8.4%	Guarantee
Overdue more than 12 months	—	—	—	—	—	—
<b>Total</b>	<b>10</b>	<b>10</b>	<b>24.10</b>	<b>16.59</b>		

Except for the above-mentioned impaired loans, there were RMB5.42 million loans overdue less than 90 days but were not impaired as at 30 June 2024.

When entering into the relevant loan and repayment agreements, the Company strictly implemented a standardized process, which is set out on the page 37 to 38 of 2023 annual report. The Company tracks loan status by monitoring loan repayments and routine post-loan inspection, and first became aware of the factors, events and circumstances leading to the impairments when the event of loan defaults occurred or post-loan inspection indicates any abnormality.

In summary, the main reason leading to the increase in loan impairment losses on the Company's loan business is due to the fact that the real estate and ancillary markets remained in a depressed state in 2024, and some borrowers struggled to operate effectively within capital chain rupture, leading to an increase in the Company's non-performing loans and provision for loans impairment losses.

Based on the analysis of the financial position of the borrowers, the method and priority of the recourse, credit enhancements (e.g., collaterals and financial guarantees), etc., the management assessed the credit risk of the borrowers and the expected credit losses, and considered that the above assessment of the provision ratio is reasonable. The Company has taken into account the expected net realizable value of these collateral in measurement of expected credit losses.

The Board also concluded that the impairment charges on impaired loans were fair and reasonable after considering supportable information that is available without undue cost or effort as at 30 June 2024 mainly by reviewing:

- the method of determining the amount of the impairments;
- the results of the loan five categories;
- the ratios of loan quality including provisions for impairment losses ratio and allowance coverage ratio; and
- the analysis of changes in the local market environment and the main reasons for borrowers' defaults, as well as their ability to repay.

The detailed actions taken by the Company to ensure the recoverability of overdue loans are as follows:

In general, our customers are required to pay monthly interest on our loans and repay the principal amount of the loans upon maturity of the loan, and occasionally we may accept monthly instalments of part principal plus interest. To ensure timely payment, our account managers generally remind our customers of their payment obligations before the relevant due dates. We consider any loan with whole or part of principal and/or interest that was overdue for one day or more to be overdue.

When a loan principal is overdue; or any loan interest is still not repaid by the relevant month-end, our account manager will pay an on-site visit to remind the customer of the overdue situation, and assess the conditions and reasons for such overdue, make a preliminary assessment on the risk level, mitigation measures and the possibility of recovery of the loan, and report to the head of customer service department, the head of risk management department and our general manager.

If the overdue situation is not rectified after the visit and overdue continues for more than 20 days, our account manager together with a representative of our legal department will conduct another on-site visit to remind the default customer of his/her payment obligation.



If the overdue situation remains unresolved and continues for more than 45 days, we may arrange an on-site meeting with the default customer to negotiate a repayment plan for the overdue amount. If the customer persists in failing to follow through with the repayment plan, our risk management department and legal department will initiate the following steps to seek collection:

- having recourse to the guarantor: if repayment of a loan is guaranteed by a guarantor, we will demand the guarantor to repay the principal of the loan and any interests accrued thereon; or
- foreclosure of the collateral: for a loan secured by collateral, we will initiate foreclosure proceeding by applying to court to attach and preserve the collateral. Upon obtaining a favorable judgment, we will file an enforcement application with the court to realize the value of the collateral through auction or sale, and subsequently apply all or part of such value toward repayment of the loan.

### **Administrative expenses**

Our administrative expenses decreased by approximately 19.3% from approximately RMB5.2 million for the six months ended 30 June 2023 to approximately RMB4.2 million for the six months ended 30 June 2024. Such decrease was primarily due to the decrease in the staff costs of the Group's subsidiaries and promotion expenses generated from business expansion.

### **Other income, net**

We had net other income of RMB731,318 and RMB22,621 for the six months ended 30 June 2023 and 30 June 2024 respectively. Such decrease was primarily due to the decrease in commission income as a result of the decrease in the business scale of the Group's subsidiaries.

### **Income tax benefit**

Income tax benefit decreased by approximately 13.4% from approximately RMB3.4 million for the six months ended 30 June 2023 to approximately RMB3.0 million for the six months ended 30 June 2024. Such decrease was primarily due to the decrease in the Company's loss before tax.

### **Loss after tax**

We recorded a loss after tax of approximately RMB9.4 million for the six months ended 30 June 2024 as compared to approximately RMB12.8 million for the six months ended 30 June 2023, which was mainly due to the decrease in the loss of subsidiaries and decrease in impairment loss of goodwill and guarantees in the current period.

### **Total comprehensive loss**

We recorded a total comprehensive loss of approximately RMB9.8 million for the six months ended 30 June 2024 as compared to approximately RMB12.8 million for the six months ended 30 June 2023, which was mainly due to the decrease in the loss of subsidiaries and decrease in impairment loss of goodwill and guarantees in the current period.

## **Significant investments**

The Group has no significant investments during the six months ended 30 June 2024 and up to the date of this announcement.

## **Material acquisitions or disposals of subsidiaries, affiliated companies and joint ventures**

The Group has no material acquisitions or disposals of subsidiaries, affiliated companies and joint ventures during the six months ended 30 June 2024 and up to the date of this announcement.

## **Future plans for material investments or capital assets and expected sources of funding**

The Group has no specific future plans for material investments or capital assets during the six months ended 30 June 2024 and up to the date of this announcement.

## **Foreign exchange risk**

The Group operates principally in the People's Republic of China (the "PRC") with only limited exposure to foreign exchange rate risk arising primarily from certain bank deposits denominated in Hong Kong dollars ("HKD"). The management will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises. As at 30 June 2024, the Group did not have any outstanding hedge instruments.

## **Liquidity, financial resources and capital structure**

As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB0.03 million (31 December 2023: approximately RMB0.279 million). The Group's gearing ratio, representing the ratio of total net debt (interest bearing liabilities excluding lease liability) divided by capital and net debt, was nil as at 30 June 2024 (31 December 2023: nil).

During the six months ended 30 June 2024, the Group did not use any financial instruments for hedging purposes.

## **Treasury policy**

The Company adopts a prudent financial management strategy in implementing the treasury policy and a sound liquidity position was maintained throughout the reporting period. The Group assesses its customers' credit and financial positions on an ongoing basis so as to minimize the credit risks. In order to control the liquidity risks, the Company would closely monitor the liquidity position of the Group to ensure its assets, liabilities and its liquidity structure would satisfy the funding needs from time to time.

## **Indebtedness and charges on assets**

The balance of lease liability was approximately RMB0.85 million as at 30 June 2024 (31 December 2023: approximately RMB1.5 million). The Group did not have any other indebtedness and charges on assets except for lease liability during the six months ended 30 June 2024.

## Contingent liabilities

Contingent liabilities not provided for in the financial statements were as follows:

	<b>As at 30 June 2024</b>	As at 31 December 2023
Financial guarantee contracts <i>(RMB)</i>	<b><u>53,000,000</u></b>	<u>63,000,000</u>

The Group provides financial guarantee services on an occasional basis.

## Off-balance sheet arrangements

The Group did not have any off-balance sheet arrangements during the six months ended 30 June 2024 and up to the date of this announcement.

## INTERIM DIVIDEND

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

## MATERIAL LITIGATION AND ARBITRATION

As at 30 June 2024, the Group was not involved in any material litigation or arbitration.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 16 full-time employees (31 December 2023: 18 full-time employees). The quality of our employees is the most important factor in maintaining a sustained development and growth of the Group and to improve the profitability of the Group. We offer a base salary with bonuses based on our employees' performance, as well as benefits and allowances to all of our employees as an incentive. The total employees remuneration of the Group for the six months ended 30 June 2024 was approximately RMB1.6 million (for the six months ended 30 June 2023: approximately RMB1.8 million). The Company devotes adequate resources to staff training on professional skills, operation process, knowledge, corporate culture and morality in order to enhance our staff's abilities and the social influence of the Company, including staff induction trainings and several professional skill trainings after induction every year.

## **SHARE SCHEME**

As at the date of this announcement, no share scheme has been adopted by the Company.

## **CORPORATE DEVELOPMENT STRATEGIES AND OUTLOOK**

The objective of the Company is to become a leading regional micro-finance company focusing on fulfilling the interim business financing needs of micro-enterprises and individual proprietors.

Since the beginning of this year, China has witnessed the gradual surface of the effects of a series of macroeconomic policies, the constant recovery of endogenous energy and the continuously improving social expectations, which will further enhance the steadily upward trend for economy boosted by consistently accumulating and increasing factors. Nevertheless, it is notable that the rising complicated, severe and uncertain external circumstances has impeded the foundation for the stably improving trend for economy.

Due to the prolonged slump in the real estate market, some of the Company's customers involved in real estate-related upstream and downstream industries are in poor operating conditions. The Company continues to maintain prudent business operations, adjust the structure of its customer groups in a timely manner, reduce credit extensions to these customers who are in poor operating conditions, and increase the credit line of the industrial supply chain customers base of affiliated enterprises with low risks. Meanwhile, the Company increased credit limits for some premium regular customers, resulting in a constant increase in loan concentration for the first half of 2024, which also brought continuous improvement in the situation of new overdue loans in current period. The Company will keep balancing benefit and risk, and actively respond to changes of economic environment.

The Chinese government has attached more significance to its work for three rural enterprises by improving the development, construction, and governance of rural industries, promoting urban-rural integration and coordinated development among regions, and vigorously optimizing economic distribution. Most of our customers who are engaged in the three rural industry will benefit from the supporting policies. We expect our customers will have a lower risk of default in repayment of loans. Meanwhile, we will stay cautious on the development of the economy, continue to assess its impacts on the financial position and operating results of the Group and take necessary actions to maintain the stability of its businesses, and has continued to implement more stringent risks control measures in order to reduce the expenditure and to achieve cost effectiveness. The Group will continue to develop steadily, seizing new opportunities and scaling our businesses to reach new levels of growth in order to maximize the protection of the shareholders' interests.

## Other Information

### DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, interests or short positions of the Directors, supervisors (the “**Supervisors**”) and the chief executive of the Company and their associates in any of the shares of the Company (the “**Shares**”), underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including circumstance of interests or short positions deemed or taken to have under such provisions of the SFO), or interests or short positions in the underlying shares and debt securities of the Company recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) were as follows:

#### Shares of the Company

Director/Supervisor	Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate shareholding percentage in the relevant class of Shares <sup>(2)</sup>	Approximate shareholding percentage in the total issued Shares <sup>(3)</sup>
Mr. Bo Wanlin	Interest in controlled corporation <sup>(4)(5)</sup>	180,200,000 Domestic Shares (L)	40.04%	30.03%
Ms. Bai Li	Beneficial owner	10,000,000 Domestic Shares (L)	2.22%	1.67%
Mr. Zhang Zhuo	Beneficial owner	30,000,000 Domestic Shares (L)	6.67%	5.00%

Notes:

- (1) The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in the domestic shares of the Company (the “**Domestic Shares**”).
- (2) The calculation is based on the number of 450,000,000 Domestic Shares in issue as at 30 June 2024.
- (3) The calculation is based on the total number of 600,000,000 Shares in issue as at 30 June 2024.
- (4) As at 30 June 2024, Jiangsu Botai Group Co., Ltd.\* (江蘇柏泰集團有限公司) (“**Botai Group**”) is directly interested in 180,200,000 Domestic Shares, representing approximately 40.04% shareholding interest in the relevant class of Shares in the Company. The disclosed interest represents the interest in the Company held by Botai Group which is in turn held as to approximately 33.33% by Mr. Bo Wanlin, approximately 25.00% by Mr. Bo Nianbin, approximately 25.00% by Ms. Bai Li and approximately 16.67% by Ms. Wang Zhengru (spouse of Mr. Bo Wanlin). Mr. Bo Wanlin controls more than one-third of the voting rights of Botai Group and is deemed to be interested in its interest in the Company by virtue of the SFO.
- (5) On 24 February 2021, Botai Group, the controlling shareholder (as defined in the Listing Rules) of the Company, pledged 45,000,000 Domestic Shares in favour of an independent commercial bank in the PRC as securities for bank facilities in the amount of RMB20,000,000.

## Associated Corporation

<b>Director/Supervisor</b>	<b>Associated Corporation</b>	<b>Nature of interest</b>	<b>Approximate shareholding percentage in the relevant class of Shares in the Associated Corporation</b>
Mr. Bo Wanlin	Botai Group	Beneficial owner <sup>(1)</sup>	33.33%
		Family interest of spouse <sup>(2)</sup>	16.67%
Ms. Bai Li	Botai Group	Beneficial owner <sup>(1)</sup>	25.00%
Mr. Bo Nianbin	Botai Group	Beneficial owner <sup>(1)</sup>	25.00%

Notes:

- (1) The disclosed interest represents the interests in Botai Group, the associated corporation which is owned as to approximately 33.33% by Mr. Bo Wanlin, approximately 25.00% by Mr. Bo Nianbin, approximately 25.00% by Ms. Bai Li and approximately 16.67% by Ms. Wang Zhengru (spouse of Mr. Bo Wanlin), respectively, as at 30 June 2024.
- (2) Mr. Bo Wanlin is the spouse of Ms. Wang Zhengru and is deemed to be interested in Ms. Wang Zhengru's interest in Botai Group by virtue of the SFO.

Save as disclosed above, as at 30 June 2024, none of the Directors, Supervisors and chief executive of the Company nor their associates had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept pursuant to section 352 of the SFO, or transactions of shares and debt securities otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix C3 to the Listing Rules.

\* *For identification purpose only*

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2024, so far as the Directors are aware, each of the following persons has an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered into the register referred to in section 336 of the SFO:

Shareholder	Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate shareholding percentage in the relevant class of Shares <sup>(2)</sup>	Approximate shareholding percentage in the total issued share of the Company <sup>(3)</sup>
Botai Group <sup>(4)</sup>	Beneficial owner	180,200,000 Domestic Shares (L)	40.04%	30.03%
Ms. Wang Zhengru	Family interest of spouse <sup>(5)</sup>	180,200,000 Domestic Shares (L)	40.04%	30.03%
Jiangsu Liantai Fashion Shopping Mall Real Estate Co., Ltd.* (江蘇聯泰時尚購物廣場置業有限公司) ("Liantai Guangchang")	Beneficial owner	141,900,000 Domestic Shares (L)	31.53%	23.65%
Beijing Zhongting Limin Hospital Management Co., Ltd.* (北京中靈利民醫院管理有限公司) ("Beijing Zhongting")	Interest in controlled corporation <sup>(6)</sup>	141,900,000 Domestic Shares (L)	31.53%	23.65%
Shenzhen Gangfutong Financial Information Services Co., Ltd.* (深圳港付通金融信息服務有限公司) ("Shenzhen Gangfutong")	Beneficial owner	48,000,000 Domestic Shares (L)	10.67%	8.00%
Ms. Zheng Jingyue	Interest in controlled corporation <sup>(7)</sup>	48,000,000 Domestic Shares (L)	10.67%	8.00%
	Beneficial owner	364,000 H Shares (L)	0.24%	0.06%
Mr. Lu Qi	Beneficial owner	30,000,000 Domestic Shares (L)	6.67%	5.00%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the relevant class of Shares.
- (2) The calculation is based on the number of 450,000,000 Domestic Shares and 150,000,000 H Shares in issue as at 30 June 2024.
- (3) The calculation is based on the total number of 600,000,000 Shares in issue as at 30 June 2024.
- (4) On 24 February 2021, Botai Group, the controlling shareholder (as defined in the Listing Rules) of the Company, pledged 45,000,000 Domestic Shares in favour of an independent commercial bank in the PRC as securities for bank facilities in the amount of RMB20,000,000.

- (5) Ms. Wang Zhengru, the spouse of Mr. Bo Wanlin, is deemed to be interested in Mr. Bo Wanlin's interest in the Company by virtue of the SFO.
- (6) As at 30 June 2024, Liantai Guangchang is held as to approximately 65.00% by Beijing Zhongting, approximately 10.00% by Mr. Bo Wanlin, approximately 20.00% by Mr. Bo Nianbin and approximately 5.00% by Ms. Bai Li. Beijing Zhongting controls more than one-third of the voting rights of Liantai Guangchang and is deemed to be interested in its interest in the Company by virtue of the SFO.
- (7) Shenzhen Gangfutong is indirectly held as to 100% by Ms. Zheng Jingyue. Therefore, Ms. Zheng Jingyue is deemed to be interested in the 48,000,000 Domestic Shares held by Shenzhen Gangfutong by virtue of the SFO.

Save as disclosed above, as at 30 June 2024, so far as known to the Directors, no interests or short positions of substantial shareholders of the Company and other persons in any Shares and debentures or underlying Shares of the Company were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or were required to be entered into the register referred to in section 336 of the SFO.

## **PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER**

On 24 February 2021, Botai Group, the controlling shareholder (as defined in the Listing Rules), pledged 45,000,000 Domestic Shares in favour of an independent commercial bank in the PRC as securities for bank facilities in the amount of RMB20,000,000. The pledged Domestic Shares represent approximately 25.0% of the aggregate Domestic Shares held by Botai Group, approximately 10.0% of the total number of Domestic Shares in issue, and approximately 7.5% of the total Shares in issue on 30 June 2024.

## **PUBLIC FLOAT**

According to the information disclosed publicly and as far as the Directors are aware, during the six months ended 30 June 2024 and up to the date of this announcement, at least 25% of the issued shares of the Company are held by public shareholders and the Company has maintained the prescribed public float required by the Listing Rules.

## **CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS**

The Directors of the seventh session of the Board and the Supervisors of the seventh session of the board of Supervisors were elected or re-elected by the Shareholders at the annual general meeting of the Company held on 8 June 2023 for a term of three years (from 19 January 2024 to 18 January 2027). The term of office of the seventh session of the Board and seventh session of the board of Supervisors will expire in January 2027.

Save as disclosed above, there has been no change in the Directors' and Supervisors' information since the date of the 2023 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

The Group did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2024. As at 30 June 2024, the Company did not hold any treasury shares.



## INTERESTS IN COMPETING BUSINESS

### Directors' and Controlling Shareholders' Interest in Competing Business

As at the date of this announcement, Botai Group (a controlling shareholder of the Company (as defined in the Listing Rules)) held 8% interest in Yangzhou Guangling Zhongcheng Rural Bank Co., Ltd.\* (揚州廣陵中成村鎮銀行股份有限公司) ("**Zhongcheng Bank**").

Zhongcheng Bank principally engages in certain banking business such as taking public deposit; providing short term, medium term and long term loans; domestic exchange settlement; notes acceptance and discount; interbank borrowing; debit card issuing; issuing and cashing agency, undertaking governmental bond; accounts receivable and payable agency; and other business approved by China Banking Regulatory Commission ("**Banking Business**") in Guangling District of Yangzhou.

For further details on the general information of Zhongcheng Bank and the reasons that the Directors are of the view that the competition between the principal businesses of Zhongcheng Bank and the Company is limited and not extreme, please refer to the paragraph titled "Relationship with the Controlling Shareholders – other Businesses Invested by our Controlling Shareholders" in the Company's prospectus dated 24 April 2017.

Save as disclosed above, as at 30 June 2024, none of the controlling shareholders of the Company, Directors and their respective close associates has any interests in any business which directly or indirectly competes or is likely to compete with our principal business, which would require disclosure under Rule 8.10 of the Listing Rules.

## AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 31 January 2015 in accordance with Rules 3.21 to 3.23 of the Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with paragraphs D.3.3 and D.3.7 of Part 2 of the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the Group's financial reporting, risk management and internal control systems, oversee the audit process and to provide advice and comments to the Board. The Audit Committee consists of three independent non-executive Directors, being Mr. Xu Xuechuan, Ms. Zhang Lingling and Ms. Wang Chunhong. Mr. Xu Xuechuan currently serves as the chairman of the Audit Committee. The Audit Committee has reviewed this interim results announcement and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and was of the opinion that the preparation of such statements complied with the applicable accounting standards and requirements of the Stock Exchange and legal requirements, and that adequate disclosures have been made.

## CORPORATE GOVERNANCE

The Company has complied with the requirements of the Corporate Governance Code set out in Appendix C1 to the Listing Rules during the six months ended 30 June 2024 and up to the date of this announcement.

\* *For identification purpose only*

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Company adopted a code of conduct regarding securities transactions by Directors and the Supervisors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings as set out in the Model Code contained in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors and Supervisors, the Directors and Supervisors have confirmed that they have complied with such Code of Conduct and required standard of dealings during the six months ended 30 June 2024 and up to the date of this announcement. The Company continues and will continue to ensure compliance with the Code of Conduct.

## **EVENT AFTER THE REPORTING PERIOD**

Up to the date of this announcement, there has been no significant event relevant to the business or financial performance of the Group that comes to the attention of the Directors after the six months ended 30 June 2024.

## **INTERIM REPORT**

The interim report of the Company for the six months ended 30 June 2024 will be sent to the shareholders of the Company in the manner in which the shareholders of the Company have selected to receive corporate communications and made available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.gltaihe.com](http://www.gltaihe.com)) in September 2024.

By order of the Board  
**Yangzhou Guangling District Taihe Rural  
Micro-finance Company Limited**  
**Bo Wanlin**  
*Chairman*

Yangzhou, the PRC, 23 August 2024

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Bo Wanlin, Ms. Bai Li and Mr. Zhang Yi; two non-executive Directors, namely Mr. Bo Nianbin and Mr. Zhang Zhuo and three independent non-executive Directors, namely Mr. Xu Xuechuan, Ms. Zhang Lingling and Ms. Wang Chunhong.*