信達國際控股有限公司

CINDA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 111

Interim Report 2024

15 years+ 商界展關懷 caringcompany

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Contents

GLOSSARY

In this report, unless the context otherwise requires, the following expressions have the following meanings:

"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which, for the purpose of this report, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"China Cinda"	China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1359)
"China Cinda Group"	China Cinda and its associates
"Cinda Securities"	Cinda Securities Co., Ltd., a company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601059), a 78.67% non wholly-owned subsidiary of China Cinda and an indirect controlling shareholder of the Company
"Cinda Securities (H.K.)"	Cinda Securities (H.K.) Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Cinda Securities and a direct controlling shareholder of the Company
"Company"	Cinda International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 111)
"Director(s)"	the director(s) of the Company
"ED(s)"	the executive Director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"INED(s)"	the independent non-executive Director(s) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time

GLOSSARY

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Company
"Remuneration Committee"	the remuneration committee of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
"Share(s)"	ordinary share(s) with par value of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET CONDITIONS

In the first half of the year 2024, from political aspect, the ongoing Russia-Ukraine conflict and Israel's military actions against Hamas in Palestine showed no sign of subsiding, instead, the situation might even be escalating; these conflicts have stricken the global supply chains, causing a sluggish recovery progress in economic activities and striking inflation. The former president of the United States (the "U.S."), Donald Trump, was attacked by a gunman during his speech, inserting uncertainty to the presidential election to be held in the second half of this year in the U.S. On the economic front, economies of different countries have shown varying degrees of recovery in the post-COVID era. Some countries have been continuously increasing interest rates to curb inflation; others, such as Japan, still maintain low interest rates. After several rounds of interest rate hikes by the Federal Reserve of the U.S. (the "Fed"), U.S. inflation saw a pause in its retreat in the first quarter, leading to a slight cooling of the U.S. economy, a mild slowdown in the labor market, yet the path to fighting against inflation remains fluctuating and uncertain. In the first quarter, with the pause in retreat of U.S. inflation, the core consumer price index (the "CCPI") remained at 3.8% for two consecutive months, but started to decline again from the second quarter, falling to 3.3% in June. The Fed kept the interest rate unchanged in June, as expected by the market. Officers forecasted a median interest rate of 5.1% by the end of this year, which implies only one rate cut within the year, less than the three rate cuts predicted during the meeting in March. This has filled the market with uncertainty.

Due to the slow pace of U.S. inflation decline with no clear rate cut timeline, the U.S. dollar index rose by 1.3% in the second quarter, with a total increase of 4.5% in the first half of the year. The yields on U.S. treasury bonds of various terms fluctuated upwards in the first half of the year, with the yields of the 10-year and 2-year treasury bonds reaching 4.7% and 5% respectively once again in the second quarter; individual developments were observed in the U.S. stocks in the second quarter, with Dow Jones Industrial Average (DJIA) falling by 1.7%, and S&P Index and Nasdaq Index rising 3.9% and 8.3% respectively within the quarter. The three major indices rose cumulatively between 3.8% and 18.1% in the first half of the year.

In Europe, the CCPI in the eurozone has been kept below 3% year-on-year increase since March. As expected by the market, the European Central Bank cut interest rates by 0.25% in June, reducing the deposit rate to 3.75% and the main refinancing rate to 4.25%. To summarise the first half of the year, the pan-European Stoxx 50 index, German stocks and British stocks rose between 5.6% and 8.9%, while French stocks fell by 0.8%.

As to the bond market, while the Fed's rate hike cycle nears its end, coupled with the continuous introduction of policies to stabilize the real estate industry and some high-risk real estate enterprises making progress in restructuring, the Chinese offshore U.S. dollar bonds rebounded, among which, Markit iBoxx Asian Chinese U.S. Dollar Bond Index rose by 1.7% in the second quarter, with cumulative increase of 3.3% in the first half of the year, while Markit iBoxx Asian Chinese U.S. Dollar High-yield Bond Index and Markit iBoxx Asian Chinese U.S. Dollar Real Estate High-yield Bond Index rose by 5.1% and 14% respectively in the second quarter, with cumulative increase of 11.8% and 30.8% in the first half of the year.

In China, there was an economic recovery in the first quarter of 2024. The National Bureau of Statistics announced that the gross domestic product ("GDP") for the first quarter grew by 5.3% year-on-year, higher than the market's expected growth of 4.8%. However, the economic growth momentum slowed down in the second quarter, with GDP grew by 4.7% year-on-year during the period, lower than the market expectation of 5.1%. The cumulative GDP growth for the first half of the year was 5.0% year-on-year, below the market expectation of 5.2%. Fixed assets investment grew by 3.9% year-on-year in the first six months, while value added of industry grew by 6.0%, both of which were in line with expectations. Consumer spending was weak, with the total retail sales of consumer goods for the first six months increased by 3.7% year-on-year, lower than expected. The Government Work Report maintained the GDP growth target for 2024 at around 5%. However, in view of the lack of effective demand, weak social expectations and a multitude of hidden risks, it is expected that fiscal and monetary policy support will still be needed to ensure stable economic growth.

MANAGEMENT DISCUSSION AND ANALYSIS

As to the stocks market in China, the Shanghai Stock Exchange Composite Index ("Shanghai Composite Index") experienced a volatile trend, falling to 2,635 points in February, a record low since March 2019, then rebounding, but facing pressure again in the second quarter, closing at 2,967 points, with a decline by 2.4%. For the first half of the year, the Shanghai Composite Index edged down 0.3%. There was a return of capital to the A-share market in the first quarter of 2024, but a net outflow of RMB29.6 billion in the second quarter, which concluded the first half of the year with a net inflow of northbound capital of RMB38.6 billion, representing a reversal of the outflow pattern in the second half of 2023. Regarding the RMB exchange rate, as the inversion of the interest rate spread between China and the U.S.'s 10-year government bonds continued, the interest spread between China and the U.S. widened significantly to 219 basis points by the end of June. RMB continued to face downward pressure, with both onshore RMB ("CNY") and offshore RMB ("CNH") falling by 0.6% in the second quarter. For the first half of the year, CNY and CNH fell by 2.3% and 2.4%, respectively.

In Hong Kong, the pace of economic recovery was slower than expected due to the impact of the external environment. In the first quarter of 2024, GDP grew by 2.7% year-on-year, and rose by 2.3% on a quarter-to-quarter basis after seasonal adjustment, while the private consumption expenditure increased by 1.0% year-on-year in real terms during the period, being the smallest increase since the fourth quarter of 2022. Factors such as a longer-than-expected tightening cycle of the U.S. monetary policy, persistently high interest rates, tight financial conditions and geopolitical tensions continued to undermine economic confidence and activity, and caused pressure on investment, consumption and exports of goods.

In the first half of 2024, Hong Kong's stocks market experienced a trend that dropped initially but then rose. The Hang Seng Index closed at 17,719 points in the second quarter, increased by 7.1% from the first quarter, with a cumulative increase of 3.9% in the first half of the year. The Hang Seng China Enterprises Index closed at 6,332 points, increased by 9.0% in the second quarter, with a cumulative increase of 9.8% in the first half of the year. The Hang Seng TECH Index closed at 3,554 points, increased by 2.2% in the second quarter, with a cumulative decrease of 5.6% in the first half of the year. The turnover of Hong Kong stocks also experienced a trend that dropped initially but then rose, with the average daily turnover for the first six months of the year amounting to HK$110.4 billion, representing a year-on-year decrease of 4.5%. Southbound capital continued to flow in, with a net inflow of northbound capital of RMB238.3 billion in the second quarter, which led to a net inflow of RMB371.4 billion in the first half of the year.

In the Hong Kong's initial public offering ("IPO") market, high-interest rate environment was unfavorable for corporate valuations. IPO fundraising activity was inactive, while the average IPO fundraising size declined. In the first half of 2024, there were 30 new listings in Hong Kong, representing a year-on-year decrease of 9%. Capital raised was approximately HK$13.2 billion, representing a year-on-year decrease of 26%. The operating environment for local brokerages continued to be difficult. Data from the Stock Exchange showed that 19 brokerages ceased operations in the first half of 2024.

In the market of the U.S. dollar bonds issued by Chinese enterprises, the total issuance size of offshore bonds issued by Chinese enterprises in the first half of 2024 amounted to approximately US$93.6 billion, representing a year-on-year increase of 6%. After excluding the portion involving default restructuring in the real estate sector, the actual issuance size of offshore bonds issued by Chinese enterprises in the first half of the year amounted to approximately US$88.4 billion. In the first half of 2024, a total of 234 Chinese enterprises successfully issued 534 offshore bonds, with an average size of approximately US$130 million per bond. In terms of the proportion of issuance size by segment, the proportion of sovereign bond, urban investment bond and industrial debenture in the primary market all increased, reaching 24%, 25% and 11% (at the end of 2023: 17%, 18% and 8%), respectively, while the proportion of financial bond declined slightly to 31%.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

In the first half of 2024, the Group adhered to the previous operation strategy and as the fully licensed securities institutions established outside China within the system of China Cinda. As the hub connecting to international capital markets and overseas asset management centre of the China Cinda Group ecosphere, the Group provides cross-border investment banking services around the world with China concept as its focus. During the period, the Group developed each core business segment (i.e. asset management, corporate finance, sales and trading business and the reorganised reportable segment of fixed income investment). The asset management business increased in the scale of management, with the year-on-year growth in revenue mainly resulting from the completion of three new projects that generated advisory fee during the period; as for the corporate finance, there was a significant improvement in the debt issuance business, resulting in a year-on-year increase in revenue, while the revenue from sales and trading business was similar to the same period last year; revenue from fixed income investment increased as compared with the same period last year, mainly due to a 136% increase in the average size of bond investment as compared with the same period last year; and the share of results of associates was similar to the same period last year. Accordingly, as for the overall profit, the Group recorded a profit after tax of HK$13.13 million in the first half of the year, representing an increase of 4,589% as compared with the profit after tax of HK$0.28 million for the same period last year. The total revenue in the first half of 2024 amounted to HK$86.71 million (the first half of 2023: HK$69.73 million), representing an increase of 24% as compared with the same period last year, among which, the turnover was HK$89.28 million (the first half of 2023: HK$63.73 million), representing an increase of 41% as compared with the same period last year. Other income amounted to HK$3.07 million (the first half of 2023: HK$10.65 million), representing a decrease of 71% as compared with the same period last year. Other net loss amounted to HK$5.64 million (the first half of 2023: net loss of HK$4.65 million), representing an increase in loss of 21% as compared with the same period last year. As for expenses, the Group endeavored to control cost, cutting staff costs by 2% year-on-year, coupled with the voluntary reduction in other operating expenses, operating expenses (excluding commission expenses, finance costs and impairment provision) for the first half of the year amounted to HK$22.68 million (the first half of 2023: HK$27.91 million), representing a decrease of 19% as compared with the same period last year, while the finance costs increased by 18% as compared with the same period last year, mainly due to a 17% year-on-year increase in average borrowing amounts.

The Group recorded a share of profits from associates for the first half of the year amounted to HK$15.39 million (the first half of 2023: HK$15.74 million), representing a decrease of 2% as compared with the same period last year, mainly due to the decrease in the results of an associate engaging in fund management and private equity investment as compared with the same period last year, however, it was partly offset by a year-on-year increase in the results of another associate engaging in fund management and the absolute return fund it manages. As a result, in the first half of the year, the Group's profit before tax amounted to HK$19.36 million (the first half of 2023: HK$6.49 million), and the profit after tax attributable to equity holders amounted to HK$13.13 million (the first half of 2023: HK$0.28 million).

ASSET MANAGEMENT

In the first half of 2024, the asset management segment of the Group continued to operate under light-asset strategy. As the overseas asset management arm of China Cinda ecosphere connected with the international capital markets, the Group proactively developed its business revolving around the main business of China Cinda Group, concentrated its efforts to the troubled asset business, and actively explored cross-border wealth management business by strengthening marketised asset management business operations. During the period, this segment continued to explore and develop the withdrawing of special asset management projects and some domestic troubled asset funds. In the first half of the year, despite the scale of asset management increased by 6% to HK$53.90 billion from the same period last year, given the expiration of the service periods of partial existing asset management projects in the second half of last year or during the period and the decrease in rate of new projects under the fierce competition in the market, the fund management fee income was HK$24.75 million in the first half of the year, representing a year-on-year decrease of 2%; while three new projects that generated advisory fee were completed during the period and recorded a revenue of HK$9.00 million. As a result, the operating revenue of this segment for the period was HK$37.49 million (the first half of 2023: HK$32.22 million), representing an increase of 16% as compared with the same period last year. During the period, management fee receivables incurred an impairment loss of HK$4.67 million, resulting in a decrease of 14% to HK$15.30 million in profits of this segment for the period (the first half of 2023: HK$17.89 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group cooperated with associates actively to expand diversified businesses. The results of an associate engaging in private equity investment was negatively affected by market volatility, resulting in a year-on-year decline, which was partially offset by a year-on-year increase in the results of another associate engaging in fund management and the absolute return funds it manages. As a result, the Group's share of profits from associates for the first half of the year amounted to HK$15.39 million (the first half of 2023: HK$15.74 million).

CORPORATE FINANCE

The corporate finance business continued to serve clients with equity and debt issuance. In the first half of 2024, the Hong Kong IPO market remained weak, and the total amount raised also continued to be at a low level, only at HK$13.2 billion, representing a year-on-year decrease of 26%. During the period, the equity issuance business of this segment was deeply affected by the downturn of IPO market in Hong Kong, with slow progress of the cases on hand and failure to increase the project reserve, and only several underwriting and financial advisory and compliance advisory projects were completed. With respect to the debt issuance business, benefiting from the improved sentiment in the Chinese-funded offshore bond market, this segment was able to take advantage of the surge in the Chinese-funded offshore bond market during the period, completed 9 overseas issuance projects, and recorded underwriting fee income of HK$14.77 million in the first half of the year, representing an increase of 3,417% from HK$0.42 million for the same period last year. As a result, the operating revenue of this segment for the period was HK$17.38 million, representing an increase of 279% from HK$4.59 million for the same period last year, and the profits recorded by this segment for the period amounted to HK$7.04 million (the first half of 2023: loss of HK$8.23 million).

SALES AND TRADING BUSINESS

In the first half of the year, Hong Kong's securities market remained weak, and brokerages faced difficulties in operation. According to the data from the Stock Exchange, 19 brokerages ceased operations in the first half of 2024. As of 30 June, the Hang Seng Index closed at 17,719 points, a cumulative rise of 672 points, or 3.94%, from 17,047 points at the end of 2023. The average daily turnover was HK$110.4 billion, downed 4.5% from the same period last year. During the period, the operating revenue of this segment increased by 1% to HK$21.62 million from HK$21.47 million for the same period last year, of which the Group recorded a commission of HK$10.53 million (the first half of 2023: HK$10.04 million) and interest from securities financing and other income of HK$11.09 million (the first half of 2023: HK$11.43 million). In view of the lack of significant improvement in the Hong Kong securities market, the Group remained prudent in margin loans through strict risk control, instead of expanding the scale during the period. In the first half of the year, the loss of this segment reduced to HK$3.83 million (the first half of 2023: loss of HK$6.10 million) under strict control of operating expenses.

FIXED INCOME INVESTMENT

The fixed income investment business, a new reporting segment established during the period which previously reported under the asset management segment, has been reorganised to form a new single reportable segment, mainly focuses on complementing bond underwriting business and investing in Chinese-funded offshore bonds, with hold-to-maturity as the key investment strategy. In the first half of the year, this segment seized investment opportunities in Chinese-funded offshore bonds, and under strict risk control, the average bond position for the first half of the year was US$45.19 million, representing an increase of 136% as compared with the same period last year. As a result, the revenue of this segment for the period was HK$12.62 million, representing an increase of 149% from HK$5.06 million for the same period last year, and this segment recorded a profit of HK$4.55 million (the first half of 2023: HK$0.53 million) for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

LOOKING FORWARD

Looking forward to the second half of 2024, despite a cooling economy and the loosening job market in the U.S., the decline pace of inflation remains slow. The Fed adopts a cautious attitude towards cutting interest rates and there are still uncertainties in the path of interest rate cuts. Since September 2023, the Fed has kept the interest rate unchanged. According to the bitmap for June 2024, the median interest rates at the end of the year shall be 5.1%, implying that there will be only one rate cut during the year, which is less than three rounds as anticipated in the interest rate meeting in March. Even though Powell, the president of the Fed, has stated that cutting interest rates is not conditional upon the falling back of inflation to 2%, he reaffirmed that there is no sufficient confidence to start a cycle of interest rate cuts, and more evidence of inflation cooling is required. Therefore, the high interest rate environment may persist longer than expected, and continuously suppress the economic activities. In addition, the election of the presidents of the U.S. will be held in November this year, and the candidates hold a tough attitude against the PRC, suggesting a possible tense relationship between the U.S. and the PRC. The development of the presidential election will affect the performance of the capital market.

In Europe, the economy of eurozone shows a preliminary improvement, while the recovery is not solid. At the same time, the inflation in the zone declines and the conditions for an interest rate cut are relatively mature. As the European Central Bank implemented the interest rate cut earlier than the Fed, the potential interest rate cut in eurozone for the year may reach a greater extent as compared to the U.S.. Besides, the results of presidential election of France was released. Although the far-right party has been successfully prevented from taking office, the hung parliament is expected to affect the efficiency of governance, leading to an uncertain political outlook, which may drag down the development of asset market in eurozone.

In China, the economy has recovered to an extent for the first quarter of 2024, while its major economic data is slightly inferior than the market expectations since the second quarter. According to the Government Work Report, the GDP growth for 2024 is targeted to be maintained at around 5%. However, given the lack of effective demands, weak social expectations and a multitude of potential risks, it is expected that fiscal and monetary policies are still required to support the steady growth of the economy. Due to the incomplete nature of economic recovery of China, it shall be a long and arduous journey to realise the full recovery, which will limit the room for corporate profit growth. If China introduces policies beyond expectation in the second half of the year, foreign investors regain confidence in the market of China, and capital flows back into the market, it will invigorate the trading activities in the stock market of China.

In Hong Kong, the pace of economic recovery was slower than expected due to the impact of the external environment. In the first quarter of 2024, GDP grew by 2.7% year-on-year, while the private consumption expenditure increased by 1.0% year-on-year in real terms during the period, being the smallest increase since the fourth quarter of 2022. Since factors such as a longer-than-expected tightening cycle of the U.S. monetary policy, persistently high interest rates, tight financial conditions and geopolitical tensions continued to undermine economic confidence and activity, and caused pressure on investment, consumption and exports of goods, the Hong Kong government maintains its forecast on the full-year economic growth at 2.5% to 3.5%. According to statistics of the S&P Global in June, the seasonally-adjusted Regional Purchasing Managers' Index (PMI) for Hong Kong has declined for three consecutive months, dropping from 49.2 in May to 48.2 in June, falling below the 50 dividing line for two consecutive months, reflecting a further deteriorating business environment.

MANAGEMENT DISCUSSION AND ANALYSIS

The downside risks faced by the Hong Kong stock market in the second half of the year continue to include rising geopolitical risks, Sino-U.S. rivalries, a prolonged high-interest-rate environment and further tightening of U.S. dollar liquidity, which may lead to capital withdrawal from Hong Kong. In addition, the lack of endogenous momentum in China's economic activities has decelerated the progress of enterprises in earnings improvement, and the pressure on the capital chain in the real estate market in China has not been fully relieved, which will continue to suppress investors' risk appetite, waiting for a catalyst to reverse the market sentiment. Economically, driven by more frequent interconnection between China and Hong Kong, as well as the deepening integration of the "Guangdong-Hong Kong-Macao Greater Bay Area" initiatives, Hong Kong continues to serve as a bridgehead for foreign investment into China, and Hong Kong's offshore RMB business will benefit in the long run. At the same time, the continued deepening integration of China and Hong Kong stock and bond markets is conducive to steadily promoting the opening up of China's financial markets, and on the other hand, it is also conducive to consolidating the position of Hong Kong as an international financial center.

The Group will continue to strengthen the business synergy with Cinda Securities, and put more efforts in joint planning for integration of domestic and overseas financial services, and in fulfilling its role as a platform for Cinda Securities's offshore business. We will focus on the investment banking businesses including overseas issuance of bonds by domestic institutions, IPO of domestic companies in Hong Kong and overseas major assets restructuring of domestic institutions, the cross-border brokerage business for the full circulation of H shares, the creation of cross-border asset management products, and the establishment of a mechanism in which research departments of the two institutions to share their research resources to expand the cross-border integrated investment banking services.

Meanwhile, the Group will continue to focus on the main business of China Cinda Group and serve as fully licensed outside border securities institutions of the China Cinda ecosphere. The Group will continue to promote the development of each core business segment. On the one hand, we will further boost the development of our synergistic businesses, continue to optimise the internal management and enhance our asset capacity, while continuing to maintain sound and compliant operation. On the other hand, we will deepen the cooperation with Cinda Securities and China Cinda ecosphere in a bid to achieve win-win results. In respect of the asset management, the Group will continue to deepen its transformation and develop market-oriented asset management business by combining market trends and its own strengths. At the same time, in response to the direction and requirements for business development of the State and the Group, the Group will select specific tracks to explore equity investment and related asset management business with special opportunities. In respect of the sales and trading business, we will strive to increase our business volume and market share, expand domestic and overseas institutional, corporate and high-net-worth clients in a prudent and risk-averse manner; the Group's securities company will develop towards the direction of wealth management, diversify our products, focus on the development of "Guangdong-Hong Kong-Macao Greater Bay Area", and proactively accelerate the implementation of the southbound business of Cross-boundary Wealth Management Connect so as to meet the client's need in asset allocation. As for the corporate finance business, we will maintain the parallel development of equity and debt businesses. For the equity-related business, we will proactively provide sponsor and underwriting services and expand the merger and acquisition business by leveraging the resources of the Group. As for the debt-related business, the Group will continuously grasp the underwriting and investment opportunities of Chinese-funded offshore bonds, identify the needs of different types of clients for bond issuance and provide tailor-made issuance plans and services and catch issuing windows to serve the clients, so as to achieve the "equity-debt" integration. The fixed income investment business will continually serve as a supplement to the debt-related corporate finance business to seize the opportunities in investment of overseas bonds. In addition, the Group believes that the local market sentiment will remain positive for the second half of the year. The Group will strengthen the synergy and expand its market-oriented businesses through various initiatives by virtue of the solid foundations the Group has established. The Group's financial position remains sound, it is well-positioned to respond to the current difficult environment, and expects to capitalise on various market opportunities in the second half of 2024 to strengthen the full year results of the Group and bring long-term returns to the Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESOURCES

The Group maintained sound financial strength during the period, and all subsidiaries licensed by the SFC had liquid capital in excess of regulatory requirements. As of 30 June 2024, the Group had revolving loans and overdrafts facilities of HK$1,540 million from banks, of which a total of HK$630 million were utilised. In addition, the Group did not issue any bonds during the period.

FLUCTUATION IN FOREIGN EXCHANGE RATES

A majority of assets and liabilities of the Group are denominated in Hong Kong dollars and U.S. dollars to which Hong Kong dollars is pegged with. Some assets are denominated in RMB, mainly because the Group has two wholly-owned subsidiaries incorporated in China which account for all their assets and income in RMB. During the period, the monetary policies of China and the U.S. were in opposition, the interest rate differential between RMB and U.S. dollars widened, putting pressure on RMB against U.S. dollars in the short term. However, with the slowdown in interest rate hikes by the Fed, the implementation of stimulus policy for the domestic economy and the surplus remaining stable, the Group considered that the decline in exchange rate of RMB would be temporary and hedging was not cost-effective, therefore, there is no hedging against fluctuation in the exchange rate of RMB.

REMUNERATION AND HUMAN RESOURCES

As at 30 June 2024, the Group had a total number of 87 full-time employees, of which 42 were male and 45 were female, and 79 were based in Hong Kong office and 8 were based in our offices in China. The total remuneration costs of the Group for the six months ended 30 June 2024 are set out in Note 4 to the condensed consolidated financial statements.

The Group has always valued the nurturing of capable personnel and has taken various measures to recruit and retain personnel of high calibre, which ensures sufficient support for steady operations amidst business development. To encourage employees to deliver better performance and strengthen risk management and control, the Group sets annual performance and work targets for each business department and middle and back-end supporting department at the beginning of each year and regular staff assessments are carried out so as to provide a basis for bonus. Besides, the Group also gives due weight to staff trainings and provides the employees with educational allowances and leave, such as leave for professional examinations. The Group also organised professional training courses and lectures for the staff and account executives from time to time in furtherance of their comprehension of the updated knowledge pertinent to their work, certain of which were conducted through electronic video means. The Group has established a staff remuneration committee comprising the top management to conduct regular reviews over the remuneration policy of the Group and determine the remuneration package of each staff member, thereby ensuring that such pay and benefits are market-based.

CORPORATE GOVERNANCE AND OTHER INFORMATION

BOARD OF DIRECTORS

As at the date of this interim report, the Board comprises three EDs and three INEDs as follows:

EDs

Mr. Zhang Yi	*(Chairman)*
Mr. Zhang Xunyuan	*(Chief Executive Officer)*
Ms. Yan Qizhong	*(Chief Financial Officer) (appointed on 2 March 2024)*

INEDs

Mr. Zheng Minggao	
Ms. Hu Lielei	*(appointed on 27 July 2024)*
Mr. Zhao Guangming	*(appointed on 27 July 2024)*

INTERIM DIVIDEND

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as was known to the Directors and the chief executives of the Company, the following are details of the persons (other than Directors or chief executives of the Company) who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which need to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions

Name of substantial Shareholders	Capacity	Number of shares or underlying shares interested	Approximate % of the Company's total number of issued shares
Cinda Securities (H.K.)	Beneficial owner	403,960,200 *(Note)*	63.00%
Cinda Securities	Interest through a controlled corporation	403,960,200 *(Note)*	63.00%
China Cinda	Interest through a controlled corporation	403,960,200 *(Note)*	63.00%

Note: These shares were held by Cinda Securities (H.K.), Cinda Securities (H.K.) was wholly-owned by Cinda Securities which was a subsidiary of China Cinda. By virtue of the provisions of the SFO, Cinda Securities and China Cinda were deemed to be interested in all the Shares in which Cinda Securities (H.K.) was interested.

Save as disclosed above, as at 30 June 2024, the Company has not been notified by any persons (other than the Directors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

Facility Agreement 1

On 7 July 2016, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$300,000,000 (or its equivalent in US dollars or RMB) revolving term loan facility, together with the supplemental facility letters entered into between the parties on 28 May 2021 and 13 October 2023 respectively, the "Facility Agreement 1".

Pursuant to Facility Agreement 1, if written consent is not obtained from the bank, it shall be an event of default if any undertakings including, among others, the following is or proves to have been untrue or inaccurate in any material respect when made or repeated:

- China Cinda shall directly or indirectly beneficially own at least 50% of shareholding of the Company;
- Cinda Securities shall remain at least 50% owned by China Cinda;
- The Company shall remain at least 50% owned by Cinda Securities.

If an event of default under Facility Agreement 1 occurs, all the obligations of the Company to the bank shall become immediately due and payable on the bank's demand. The loan facility is subject to an annual review by the bank.

As at 30 June 2024, loan amount outstanding under Facility Agreement 1 was RMB158,307,000 (equivalent to HK$170,140,000) and HK$40,000,000.

Facility Agreement 2

On 25 October 2017, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$300,000,000 (or its equivalent in US dollars) revolving loan facility, together with the supplemental facility letters entered into between the parties on 27 April 2018 and 21 August 2023 respectively, the "Facility Agreement 2", under which certain specific performance obligation was imposed on the controlling Shareholder. The loan facility is subject to an annual review by the bank.

Pursuant to the Facility Agreement 2, it shall be an event of default if any undertakings including the following, among others, is or proves to have been untrue or inaccurate in any material respect when made or repeated:

- The Company shall ensure that the Company will remain more than 50% beneficially owned by Cinda Securities and Cinda Securities will remain a more than 50% beneficially owned subsidiary of China Cinda.
- The Company shall ensure that the State Council of the PRC shall hold directly or indirectly more than 50% shareholding of China Cinda.

If an event of default under the Facility Agreement 2 occurs, the bank may demand repayment in full all outstanding advances together with the interest accrued thereon and all other sums payable by the Company under the Facility Agreement 2.

As at 30 June 2024, loan amount outstanding under Facility Agreement 2 was HK$157,000,000.

Facility Agreement 3

On 27 June 2018, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$150,000,000 (or its equivalent in US dollars or RMB) revolving loan facility. On 3 April 2023, a supplemental facility letter to the facility agreement (the facility agreement together with the supplemental facility letter, collectively the "Facility Agreement 3") was entered into between the parties. Pursuant to Facility Agreement 3, as one of the conditions of the loan facility, China Cinda shall maintain directly or indirectly management control over the Company. Upon the breach of any of the conditions, the loan facility is repayable in full on demand by the bank. The loan facility is subject to an annual review by the bank.

As at 30 June 2024, HK$150,000,000 has been drawn under Facility Agreement 3.

Facility Agreement 4

On 7 September 2018, Cinda International Securities Limited ("CISL", a wholly-owned subsidiary of the Company) as borrower and the Company as guarantor entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$200,000,000 general banking facilities (the "Facility Agreement 4"). As one of the undertakings of the general banking facilities, China Cinda shall remain the single largest beneficiary shareholder (directly or indirectly) of the Company. Breach of any of the conditions will constitute an event of default under the Facility Agreement 4, upon which all amounts (including principal and interest) due or owing by CISL to the bank shall become immediately due and payable. The general banking facilities is subject to an annual review by the bank.

As at 30 June 2024, loan amount outstanding under Facility Agreement 4 was nil.

Facility Agreement 5

On 24 September 2020, the Company as borrower accepted a facility letter (together with the revised facility letter entered into between the parties on 19 September 2023, the "Facility Agreement 5") issued by a licensed bank in Hong Kong, pursuant to which a HK$120,000,000 (or US dollars equivalent) revolving loan facility would be made available by the bank to the Company subject to the terms and conditions of the Facility Agreement 5. Pursuant to the Facility Agreement 5, default will be triggered if any default events occurred, including breach of any one of the following loan undertakings, among others, (i) China Cinda shall directly or indirectly hold or control not less than 50% shareholding of the Company; and (ii) the Ministry of Finance of the PRC shall directly or indirectly hold or control not less than 50% shareholding of China Cinda. The bank may demand repayment in full all outstanding advances together with the interest accrued thereon and all other sums payable by the Company under the Facility Agreement 5 if default is being triggered. The loan facility is subject to an annual review by the bank.

As at 30 June 2024, loan amount outstanding under Facility Agreement 5 was nil.

Facility Agreement 6

On 10 February 2022, the Company as borrower confirmed its acceptance of the facility letter ("Facility Agreement 6") issued by a licensed bank in Hong Kong. Pursuant to the Facility Agreement 6, the bank agrees to make available to the Company an US$40,000,000 (or its equivalent in Hong Kong dollars) revolving loan facility. Pursuant to the Facility Agreement 6, default will be triggered if events of default occurred, including breach of anyone of the following loan undertakings, among others: (i) China Cinda shall hold beneficially not less than 50% of the shareholding interest in Cinda Securities; (ii) Cinda Securities shall hold beneficially not less than 50% of the shareholding interest in the Company; and (iii) the Ministry of Finance of the PRC shall hold beneficially not less than 50% of the shareholding interest in China Cinda. If an event of default under the Facility Agreement 6 occurs, the bank may demand immediate repayment of all outstanding amounts and require provision of immediate cash cover (in the amount notified by the bank) for any future or contingent liabilities. The loan facility is subject to an annual review by the bank.

As at 30 June 2024, HK$10,000,000 has been drawn under Facility Agreement 6.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and applicable code provisions set out in the CG Code.

During the six months ended 30 June 2024, the Company has applied the principles of and complied with all the applicable code provisions set out in the CG Code.

The Board continues to monitor and review the Group's corporate governance practices to ensure compliance.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct for Directors' dealing in its securities. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards at all times throughout the six months ended 30 June 2024.

CHANGES IN THE INFORMATION OF DIRECTORS

Changes in information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Zhang Yi was appointed as a deputy general manager and the board secretary of Cinda Securities on 27 August 2024.
- Mr. Zhang Xunyuan was appointed as a director of Cinda Securities (H.K.) on 16 April 2024, and ceased as the general manager of the innovative financing department (formerly known as division IV of the investment banking) of Cinda Securities on 29 July 2024.
- Ms. Yan Qizhong ceased as the principal expert of Cinda Fund Management Company Limited with effect from 1 April 2024.
- Mr. Lau Mun Chung ceased as a deputy chief executive officer of the Company with effect from 1 August 2024.
- Mr. Xia Zhidong ceased to serve as an INED, the chairman of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee with effect from 27 July 2024.
- Mr. Liu Xiaofeng ceased to serve as an INED, and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 27 July 2024.
- Mr. Zheng Minggao was re-designated as the chairman of the Remuneration Committee with effect from 27 July 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management, and discussed the internal controls and financial reporting matters with the Directors, including a review of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024. The Group's external auditors have carried out a review of such unaudited interim condensed consolidated financial statements in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

On behalf of the Board

Zhang Yi
Chairman

27 August 2024

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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To the board of directors of Cinda International Holdings Limited
(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 19 to 68 which comprise the condensed consolidated statement of financial position of Cinda International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the "interim condensed consolidated financial statements"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period ended 30 June 2023 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the interim financial information of the Group for six months period ended 30 June 2023 reviewed by another auditor who expressed an unmodified conclusion on the interim financial information on 29 August 2023. The comparative condensed consolidated statement of financial position as at 31 December 2023 were extracted from the consolidated financial statements of the Group for the year ended 31 December 2023 audited by the same auditor who expressed an unmodified opinion on those statements on 26 March 204.

BDO Limited
Certified Public Accountants

Chan Wing Fai
Practising Certificate Number P05443

Hong Kong, 27 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
	Notes	**2024** *HK$'000* **(Unaudited)**	2023 *HK$'000* (Unaudited)
Revenue	*3*	**89,283**	63,733
Other income	*3*	**3,068**	10,648
Other losses, net	*3*	**(5,641)**	(4,651)
		86,710	69,730
Staff costs	*4(a)*	**31,210**	31,824
Commission expenses		**3,084**	3,752
Impairment losses on financial assets	*4(b)*	**11,538**	3,407
Other operating expenses	*4(c)*	**22,684**	27,904
Finance costs	*4(d)*	**14,221**	12,095
		82,737	78,982
		3,973	(9,252)
Share of profits of associates, net	*10*	**15,391**	15,745
Profit before taxation		**19,364**	6,493
Income tax expense	*5*	**(6,232)**	(6,217)
Profit for the period attributable to equity holders of the Company		**13,132**	276
Basic and diluted earnings per share attributable to equity holders of the Company	*7*	**HK2.05 cents**	HK0.04 cents

The notes on pages 26 to 68 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**13,132**	276
Other comprehensive (expense)/income for the period:		
Items that may be reclassified subsequently to profit or loss:		
Debt instruments at fair value through other comprehensive income:		
– changes in fair value	**(10,682)**	2,713
– (reversal)/provision of impairment loss included in profit or loss	**(3,794)**	3,289
– reclassification adjustments upon disposals	**77**	246
	(14,399)	6,248
Share of investment revaluation reserve of associates	**198**	980
Net movement in investment revaluation reserve	**(14,201)**	7,228
Exchange differences on translation of foreign operations	**(1,580)**	(10,056)
Share of exchange reserve of associates	**1,828**	(5,482)
Net movement in exchange reserve	**248**	(15,538)
Other comprehensive expense for the period, net of income tax	**(13,953)**	(8,310)
Total comprehensive expense for the period attributable to equity holders of the Company	**(821)**	(8,034)

The notes on pages 26 to 68 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024
(Expressed in Hong Kong dollars)

	Notes	30 June 2024 HK$'000 (Unaudited)	31 December 2023 HK$'000 (Audited)
Non-current assets			
Intangible assets	*8*	**1,439**	1,439
Property and equipment	*9*	**6,736**	7,671
Right-of-use assets	*18*	**18,455**	26,804
Interests in associates	*10*	**467,063**	449,646
Financial assets at fair value through profit or loss	*12*	**30,274**	30,690
Deferred tax assets		**206**	141
Other assets		**6,739**	11,300
		530,912	527,691
Current assets			
Debt instruments at fair value through other comprehensive income	*11*	**410,745**	224,794
Financial assets at fair value through profit or loss	*12*	**44,549**	41,558
Trade and other receivables	*13*	**251,462**	320,647
Pledged bank deposits	*14*	**12,593**	12,447
Bank balances and cash	*14*	**519,426**	519,331
		1,238,775	1,118,777
Current liabilities			
Trade and other payables	*15*	**147,178**	184,675
Borrowings	*16*	**656,942**	484,808
Tax payable		**6,703**	8,207
Lease liabilities	*18*	**17,310**	18,364
		828,133	696,054
Net current assets		**410,642**	422,723
Total assets less current liabilities		**941,554**	950,414

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024
(Expressed in Hong Kong dollars)

	Notes	30 June 2024 HK$'000 (Unaudited)	31 December 2023 HK$'000 (Audited)
Capital and reserves			
Share capital	*17*	**64,121**	64,121
Other reserves		**428,790**	442,743
Retained earnings		**446,401**	433,269
Total equity attributable to equity holders of the Company		**939,312**	940,133
Non-current liabilities			
Lease liabilities	*18*	**2,242**	10,281
		941,554	950,414

The notes on pages 26 to 68 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

	Attributable to equity holders of the Company						
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Exchange reserve *HK$'000*	Retained earnings *HK$'000*	Total equity *HK$'000*
At 1 January 2024 (audited)	**64,121**	**421,419**	**42,879**	**4,168**	**(25,723)**	**433,269**	**940,133**
Total comprehensive (expense)/ income for the period	**–**	**–**	**–**	**(14,201)**	**248**	**13,132**	**(821)**
At 30 June 2024 (unaudited)	**64,121**	**421,419**	**42,879**	**(10,033)**	**(25,475)**	**446,401**	**939,312**
At 1 January 2023 (audited)	64,121	421,419	42,879	(8,653)	(17,771)	446,118	948,113
Total comprehensive income/ (expense) for the period	–	–	–	7,228	(15,538)	276	(8,034)
As at 30 June 2023 (unaudited)	64,121	421,419	42,879	(1,425)	(33,309)	446,394	940,079

The notes on pages 26 to 68 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June 2024	2023
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit before taxation		**19,364**	6,493
Adjustments for:			
Depreciation of property and equipment	*4(c)*	**1,461**	1,729
Depreciation of right-of-use assets	*4(c)*	**8,349**	11,688
Share of profits of associates, net	*10*	**(15,391)**	(15,745)
Increase in pledged bank deposits	*14*	**(146)**	(135)
Loss on disposal of property and equipment		**–**	6
Gain from change in fair value of financial assets at fair value through profit or loss, net		**(328)**	(408)
Loss on disposal of financial assets at fair value through profit or loss, net		**68**	–
Gain on disposal of debt instruments at fair value through other comprehensive income, net		**(77)**	(714)
Interest income from investments		**(12,348)**	(4,052)
Interest expense on lease liabilities	*4(d)*	**459**	827
Other interest expenses	*4(d)*	**13,762**	11,268
Impairment loss on financial assets under expected credit loss model, net of reversal	*4(b)*	**11,538**	3,407
Operating profit before working capital changes		**26,711**	14,364
Decrease in other assets		**4,561**	2,434
Decrease in trade and other receivables		**53,853**	35,081
Decrease in trade and other payables		**(37,499)**	(8,387)
Cash generated from operations		**47,626**	43,492
Hong Kong profits tax paid		**–**	–
Overseas profits tax paid		**(7,800)**	(3,301)
Net cash generated from operating activities		**39,826**	40,191

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June 2024 HK$'000 (Unaudited)	 2023 HK$'000 (Unaudited)
Cash flows from investing activities			
Purchase of property and equipment	9	**(503)**	(344)
Proceeds from disposal of property and equipment		–	9
Purchase of debt instruments at fair value through other comprehensive income		**(381,160)**	(82,530)
Proceeds from disposal of debt instruments at fair value through other comprehensive income		**190,132**	27,597
Purchase of financial assets at fair value through profit or loss		**(23,534)**	(39,919)
Proceeds from disposal of financial assets at fair value through profit or loss		**22,122**	2,236
Interest received from investments		**5,640**	1,713
Net cash used in investing activities		**(187,303)**	(91,238)
Cash flows from financing activities			
Repayments of lease liabilities	18	**(9,093)**	(13,143)
Proceeds from bank borrowings		**238,960**	380,975
Repayment of bank borrowings		–	(449,675)
Proceeds from borrowings under repurchase agreements		–	225,218
Repayment of borrowings under repurchase agreements		**(66,826)**	(166,479)
Repayment of bonds issued		–	(10,000)
Interest paid		**(14,221)**	(11,813)
Net cash generated from/(used in) financing activities		**148,820**	(44,917)
Net increase/(decrease) in cash and cash equivalents		**1,343**	(95,964)
Cash and cash equivalents at the beginning of the period		**519,331**	587,044
Effect of foreign exchange rate changes, net		**(1,248)**	(3,819)
Cash and cash equivalents at the end of the period	14	**519,426**	487,261
Analysis of balances of cash and cash equivalents:			
Bank balances – general accounts and cash in hand	14	**519,426**	487,261

The notes on pages 26 to 68 form part of these condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These unaudited condensed consolidated financial statements have been approved for issue by the Board of Directors on 27 August 2024.

The financial information relating to the year ended 31 December 2023 that is included in these unaudited condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The condensed consolidated financial statements contain selected explanatory notes, which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2 MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Other than the adoption of new and revised standards which are mandatorily effective in the current interim period, the accounting policies adopted in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2024 are consistent with those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the current interim period, 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 Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 7 & HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
HK Interpretation 5 (Revised) ("HK-Int 5 (Revised)")	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The application of these amendments to HKFRSs that are effective from 1 January 2024 did not have any significant impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements. The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective for the current accounting period.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

The impacts on application of the new and amendments to HKFRSs are described below:

Supplier Finance Arrangements (Amendments to HKAS 7 & HKFRS 7)

On 21 July 2023, the HKICPA issued *Supplier Finance Arrangements*, which amended HKAS 7 *Statement of Cash Flows* and HKFRS 7 *Financial Instruments: Disclosures*.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The amendments provide a transition relief whereby an entity is not required to provide the disclosures, otherwise required by the amendments, for any interim period presented within the annual reporting period in which the entity first applies those amendments.

The Group carried out an assessment of its contracts and operations and concluded that these amendments have had no effect on the interim condensed consolidated financial statements, regardless of the transition relief provided.

Lease Liability in a Sale and Leaseback (Amendments to HKFRS 16)

On 1 November 2022, the HKICPA issued amendments to HKFRS 16 Lease Liability in a Sale and Leaseback.

Prior to the amendments, HKFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the amendments require a seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right to use retained by the seller-lessee.

These amendments had no effect on the interim condensed consolidated financial statements of the Group.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to HKAS 1 and HK-Int 5 (Revised))

The HKICPA issued amendments to HKAS 1 in August 2020 Classification of Liabilities as Current or Non-current and subsequently, in December 2022, Non-current Liabilities with Covenants together with HK-Int 5 (Revised).

The amendments clarify the following:

– An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.

– If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.

– The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

– In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements of the Group.

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Revenue from contracts with customers		
Fees and commission		
– Asset management	**12,117**	6,830
– Sales and trading business	**10,530**	10,040
– Corporate finance	**2,608**	4,174
	25,255	21,044
Underwriting income and placing commission		
– Corporate finance	**14,770**	417
Management fee and service fee income		
– Asset management	**24,753**	25,119
	64,778	46,580
Revenue from other sources		
Interest income		
– Asset management	**624**	270
– Sales and trading business	**11,090**	11,427
– Others	**175**	392
	11,889	12,089
Investment income	**12,616**	5,064
	89,283	63,733

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Analysis of the disaggregate revenue from contracts with customers by major service lines is as follows:

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Six months ended 30 June 2024 – unaudited				
Type of services				
Brokering service	–	10,530	–	10,530
Underwriting and placing service	–	–	14,770	14,770
Corporate finance service	–	–	2,608	2,608
Asset management service	36,870	–	–	36,870
Total revenue from contracts with customers	36,870	10,530	17,378	64,778
Geographical markets				
Hong Kong	8,687	10,530	17,378	36,595
Mainland	28,183	–	–	28,183
Total revenue from contracts with customers	36,870	10,530	17,378	64,778
Timing of revenue recognition				
At a point in time	–	10,530	16,170	26,700
Over time	36,870	–	1,208	38,078
Total revenue from contracts with customers	36,870	10,530	17,378	64,778

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Analysis of the disaggregate revenue from contracts with customers by major service lines is as follows: (Continued)

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Six months ended 30 June 2023 – unaudited				
Type of services				
Brokering service	–	10,040	–	10,040
Underwriting and placing service	–	–	417	417
Corporate finance service	–	–	4,174	4,174
Asset management service	31,949	–	–	31,949
Total revenue from contracts with customers	31,949	10,040	4,591	46,580
Geographical markets				
Hong Kong	10,782	10,040	4,591	25,413
Mainland	21,167	–	–	21,167
Total revenue from contracts with customers	31,949	10,040	4,591	46,580
Timing of revenue recognition				
At a point in time	–	10,040	417	10,457
Over time	31,949	–	4,174	36,123
Total revenue from contracts with customers	31,949	10,040	4,591	46,580

	Six months ended 30 June	
	2024 ***HK$'000*** **(Unaudited)**	2023 *HK$'000* (Unaudited)
Revenue recognised that was included in deferred revenue at the beginning of the reporting period:		
Corporate finance service	**1,160**	253

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income		
Investment income	**3,271**	3,234
Government grants *(note)*	**–**	5,546
Others	**(203)**	1,868
	3,068	10,648

Note: During the six months ended 30 June 2023, the Group received government grants to support enterprises to implement business innovation and corporate transformation in Shanghai, Mainland. There are no unfulfilled conditions or contingencies relating to these grants.

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other losses, net		
Net exchange losses	**(5,745)**	(4,761)
Loss on disposal of financial assets at fair value through profit or loss, net	**(68)**	–
Gain on disposal of debt instruments at fair value through other comprehensive income, net	**111**	–
Gain from change in fair value of financial assets at fair value through profit or loss, net	**61**	110
	(5,641)	(4,651)

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Segment information

The Group manages its businesses by divisions under HKFRS 8 Operating Segments, and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker. During the six months ended 30 June 2024, the Group changed the internal reporting structure and performance measurement for resources allocation, decision-making and performance assessment. Accordingly, the fixed income investment segment, which previously reported under the asset management segment, has been reorganised to form a new single reportable segment. After the reorganisation, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments. Comparative figures have been restated to confirm the current period's presentation.

1. Asset management – provision of advisory service and related auxiliary services on fund management, managing private funds and provide other related proprietary investment.

2. Sales and trading business – provision of brokering services in securities, equity linked products, unit trusts and stock options commodities and futures contracts traded in Hong Kong and selected overseas markets, underwriting, placing and margin financing services to those brokering clients.

3. Corporate finance – provision of corporate finance services including underwriting and advisory services to companies listed or seeking listing in Hong Kong or other stock exchanges and other unlisted corporates, on both equity and debt financing.

4. Fixed income investment – complementing bond underwriting business and investing in Chinese-funded offshore bonds, with hold-to-maturity as the key investment strategy.

The Group's senior executive management monitors the assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates and other unallocated head office and corporate assets. Segment liabilities include trade creditors, accruals and borrowings attributable to the operating activities of the individual segments with exception of unallocated head office and corporate liabilities.

The measures used for reporting segment results are earnings before finance costs and taxes ("**EBIT**"). Inter-segment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. To arrive at the Group's profit/(loss) for the period, the Group's reportable segment results are further adjusted for items not specifically attributed to individual segments, such as share of profits of associates, finance costs, other head office expenses and other income.

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Six months ended 30 June 2024 – unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Fixed income investment *HK$'000*	Total *HK$'000*
Revenue from external customers	32,733	21,620	17,378	12,616	84,347
Revenue from an associate *(note (a))*	4,761	–	–	–	4,761
Reportable segment revenue	37,494	21,620	17,378	12,616	89,108
Reportable segment results (EBIT)	15,298	(3,826)	7,042	4,547	23,061
Interest income from bank deposits	624	6,835	–	–	7,459
Interest expense	(1,029)	(4,665)	–	(8,068)	(13,762)
Depreciation of property and equipment	(148)	(362)	(7)	–	(517)

As at 30 June 2024 – unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Fixed income investment *HK$'000*	Total *HK$'000*
Reportable segment assets	388,418	314,001	24,040	462,540	1,188,999
Additions to non-current segment assets during the period *(note (b))*	–	–	–	–	–
Reportable segment liabilities	344,493	118,092	9,871	332,220	804,676

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Six months ended 30 June 2023 – unaudited (as restated)

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Fixed income investment *HK$'000*	Total *HK$'000*
Revenue from external customers	29,268	21,467	4,591	5,064	60,390
Revenue from an associate *(note (a))*	2,951	–	–	–	2,951
Reportable segment revenue	32,219	21,467	4,591	5,064	63,341
Reportable segment results (EBIT)	17,895	(6,104)	(8,234)	531	4,088
Interest income from bank deposits	270	4,535	–	–	4,805
Interest expense	(1,030)	(5,730)	(8)	(4,482)	(11,250)
Depreciation of property and equipment	(184)	(595)	(22)	–	(801)

As at 31 December 2023 – (as restated)

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Fixed income investment *HK$'000*	Total *HK$'000*
Reportable segment assets	393,357	406,999	25,852	260,874	1,087,082
Additions to non-current segment assets during the year *(note (b))*	44	241	–	–	285
Reportable segment liabilities	314,854	151,533	5,714	189,694	661,795

Notes:

(a) The revenue represents service fee income received by the Group from an associate. See note 22.

(b) Additions to non-current segment assets consist of additions to property and equipment and other assets.

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable revenue

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	**89,108**	63,341
Unallocated head office and corporate revenue	**175**	392
Consolidated revenue	**89,283**	63,733

Reconciliations of reportable results

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Results		
Reportable segment profit (EBIT)	**23,061**	4,088
Share of profits of associates, net	**15,391**	15,745
Finance costs	**(14,221)**	(12,095)
Unallocated head office and corporate expenses	**(4,867)**	(1,245)
Consolidated profit before taxation	**19,364**	6,493
Income tax expense	**(6,232)**	(6,217)
Profit for the period	**13,132**	276

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable assets and liabilities

	30 June 2024 ***HK$'000*** **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Assets		
Reportable segment assets	**1,188,999**	1,087,082
Elimination of inter-segment receivables	**(4,332)**	(5,684)
	1,184,667	1,081,398
Interests in associates	**467,063**	449,646
Deferred tax assets	**206**	141
Unallocated head office and corporate assets	**117,751**	115,283
Consolidated total assets	**1,769,687**	1,646,468
Liabilities		
Reportable segment liabilities	**804,676**	661,795
Elimination of inter-segment payables	**(4,331)**	(461)
	800,345	661,334
Tax payable	**6,703**	8,207
Unallocated head office and corporate liabilities	**23,327**	36,794
Consolidated total liabilities	**830,375**	706,335

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers (including its associates) and (ii) the Group's property and equipment, intangible assets, right-of-use assets, other assets and interests in associates ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment; and the location of the core operations in the case of other specified non-current assets.

	Revenue from external customers Six months ended 30 June		**Specified non-current assets**	
	2024	2023	**As at 30 June 2024**	As at 31 December 2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Hong Kong	**60,942**	42,333	**211,199**	205,244
Mainland	**28,341**	21,400	**289,233**	291,616
	89,283	63,733	**500,432**	496,860

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging/(crediting):

(a) Staff costs

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries and allowances	**30,140**	30,436
Defined contribution plans	**1,070**	1,388
	31,210	31,824

4 PROFIT BEFORE TAXATION (CONTINUED)

(b) Impairment losses on financial assets

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Impairment loss on financial assets under expected credit loss model, net of reversal		
– debt instruments at fair value through other comprehensive income *(note 11)*	**(3,794)**	3,289
– trade and other receivables *(note 13)*	**15,332**	118
	11,538	3,407

(c) Other operating expenses

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Auditor's remuneration	**523**	562
Bank charges	**405**	134
Cleaning expense	**73**	141
Computer expense	**36**	85
Data service fee	**3,345**	3,360
Depreciation of property and equipment *(note 9)*	**1,461**	1,729
Depreciation of right-of-use assets *(note 18)*	**8,349**	11,688
Employee relation expense	**228**	187
Entertainment	**221**	601
Insurance fee	**1,412**	1,104
Legal and professional fee	**170**	527
Printing and stationery fee	**160**	194
Property management and other related fee	**1,395**	1,116
Repair and maintenance fee	**1,522**	1,086
Service fee	**457**	610
Staff recruitment fee	**–**	23
Subscription fee	**158**	114
Telecommunication fee	**1,221**	1,201
Travelling expense	**408**	668
Water and electricity	**191**	303
Others	**949**	2,471
	22,684	27,904

4 PROFIT BEFORE TAXATION (CONTINUED)

(d) Finance costs

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**13,762**	11,191
Interest on bonds issued	**–**	77
Interest on lease liabilities *(note 18)*	**459**	827
	14,221	12,095

5 INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the six months ended 30 June 2024. The Group did not generate any assessable profits in Hong Kong for the six months ended 30 June 2023.

Under the Enterprise Income Tax Law of the People's Republic of China ("**PRC**"), the Corporate Income Tax rate for domestic entities in the PRC is 25% for the current and prior periods.

The amount of taxation charged/(credited) to the condensed consolidated statement of profit or loss:

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current taxation		
– Hong Kong Profits Tax	**13**	–
– PRC Corporate Income Tax	**6,284**	6,237
Deferred taxation		
– Hong Kong	**(65)**	(20)
	6,232	6,217

6 DIVIDENDS

No dividends were paid, declared or proposed during the current interim period. The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: nil).

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK$13,132,000 (six months ended 30 June 2023: profit attributable to equity holders of the Company of HK$276,000) and 641,205,600 ordinary shares (six months ended 30 June 2023: 641,205,600 ordinary shares) in issue during the period, calculated as follows:

Earnings attributable to equity holders of the Company

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings for the period attributable to equity holders of the Company	**13,132**	276

Number of ordinary shares

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Issued ordinary shares at 1 January and 30 June	**641,205,600**	641,205,600

(b) Diluted earnings per share

No diluted earnings per share was presented for both periods because there were no potential dilutive ordinary shares during both the current and prior periods.

8 INTANGIBLE ASSETS

	Stock exchange trading rights *HK$'000*	Futures exchange trading rights *HK$'000*	Club membership *HK$'000*	Total *HK$'000*
Six months ended 30 June 2024 – unaudited				
Cost and carrying amount				
At 1 January 2024 and 30 June 2024	**913**	**406**	**120**	**1,439**
As at 31 December 2023 – audited				
Cost and carrying amount				
At 1 January 2023 and 31 December 2023	913	406	120	1,439

9 PROPERTY AND EQUIPMENT

	Leasehold improvements *HK$'000*	Furniture and fixtures *HK$'000*	Office & computer equipment and computer software *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Six months ended 30 June 2024 – unaudited					
Cost					
At 1 January 2024	**3,990**	**2,048**	**32,676**	**200**	**38,914**
Additions	**–**	**–**	**503**	**–**	**503**
Exchange difference/others	**(5)**	**(2)**	**(3)**	**–**	**(10)**
At 30 June 2024	**3,985**	**2,046**	**33,176**	**200**	**39,407**
Accumulated depreciation					
At 1 January 2024	**3,560**	**1,998**	**25,485**	**200**	**31,243**
Charge for the period *(note 4(c))*	**77**	**14**	**1,370**	**–**	**1,461**
Exchange difference/others	**(22)**	**(2)**	**(9)**	**–**	**(33)**
At 30 June 2024	**3,615**	**2,010**	**26,846**	**200**	**32,671**
Net book value					
At 30 June 2024	**370**	**36**	**6,330**	**–**	**6,736**
At 31 December 2023	430	50	7,191	–	7,671

9 PROPERTY AND EQUIPMENT (CONTINUED)

	Leasehold improvements *HK$'000*	Furniture and fixtures *HK$'000*	Office & computer equipment and computer software *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
As at 31 December 2023 – audited					
Cost					
At 1 January 2023	6,848	2,996	34,736	899	45,479
Additions	–	9	1,361	–	1,370
Disposals	(2,288)	(589)	(2,543)	–	(5,420)
Exchange difference	(570)	(368)	(878)	(699)	(2,515)
At 31 December 2023	3,990	2,048	32,676	200	38,914
Accumulated depreciation					
At 1 January 2023	6,260	2,875	25,832	899	35,866
Charge for the year	155	69	3,069	–	3,293
Disposals	(2,288)	(578)	(2,541)	–	(5,407)
Exchange difference	(567)	(368)	(875)	(699)	(2,509)
At 31 December 2023	3,560	1,998	25,485	200	31,243
Net book value					
At 31 December 2023	430	50	7,191	–	7,671
At 31 December 2022	588	121	8,904	–	9,613

10 INTERESTS IN ASSOCIATES/SHARE OF RESULTS OF ASSOCIATES

	30 June 2024 *HK$'000* **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Interests in associates	**467,063**	449,646

	30 June 2024 *HK$'000* **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Share of net assets at 1 January	**449,646**	430,745
Share of profits for the period/year, net	**15,391**	24,355
Share of other comprehensive expense for the period/year	**2,026**	(2,418)
Dividend income from an associate	**–**	(3,036)
	17,417	18,901
Share of net assets at 30 June/31 December	**467,063**	449,646

(Expressed in Hong Kong dollars)

10 INTERESTS IN ASSOCIATES/SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

The Group's interests in its principal associates, all of which are unlisted, are as follows:

Name	Particulars of issued shares held	Place of incorporation	Effective equity interest to the Group		Principal activity
			30 June 2024	31 December 2023	
Sino-Rock Investment Management Company Limited ("Sino-Rock") *(note (a))*	18,000,000 ordinary share	Hong Kong	**27.59%**	27.59%	Investment holding and provision of capital management and consultancy services
Cinda Plunkett International Holdings Limited ("CPHL") *(note (b))*	4,000,000 ordinary share of HK$1 each	Cayman Islands	**40%**	40%	Fund management
Cinda Plunkett International Absolute Return Fund ("CPIAR Fund") *(note (c))*	100,000 units of US$100 each	Cayman Islands	**16.52%**	16.61%	Investment fund
Cinda International Investment Holdings Limited ("CIIH") *(note (d))*	2,820,000 Class-A shares	British Virgin Islands	**47%**	47%	Investment holding

Notes:

(a) As at 30 June 2024, the Group held 18,000,000 ordinary shares (31 December 2023: 18,000,000 ordinary shares), representing 27.59% (31 December 2023: 27.59%) equity interests in Sino-Rock, a private company incorporated in Hong Kong and is considered an associate of the Group. Sino-Rock is principally engaged in investment holding and provision of capital management and consultancy services. The Group recognises Sino-Rock as a significant investment for the period ended 30 June 2024 and year ended 31 December 2023. The Group share of net assets in Sino-Rock was HK$299,072,000 at 30 June 2024 (31 December 2023: HK$292,120,000), which accounted approximately 17% (31 December 2023: 17%) of the total assets of the Group. The Group recognised a share of profit and other comprehensive income of HK$6,952,000 (for the six months ended 30 June 2023: profit and other comprehensive income of HK$5,323,000) and no dividend income (for the six months ended 30 June 2023: nil) from the interest in Sino-Rock for the six months ended 30 June 2024. The aggregate cost of investment in Sino-Rock was HK$107,014,000. The Group treats Sino-Rock as a long-term investment and a business partner in its asset management business.

(b) The Group's share of net assets in CPHL was HK$87,305,000 at 30 June 2024 (31 December 2023: HK$79,751,000) and recognised a share of profit and other comprehensive income of HK$7,554,000 (for the six months ended 30 June 2023: profit and other comprehensive income of HK$2,724,000) from the interest in CPHL for the six months ended 30 June 2024.

(c) It is considered that the Group had significant influence over CPIAR Fund through the Group's significant influence over the investment manager of CPIAR Fund who has wide discretion over the relevant activities of CPIAR Fund. The Group's share of net assets in CPIAR Fund was HK$79,170,000 at 30 June 2024 (31 December 2023: HK$76,463,000) and recognised a share of profit and other comprehensive income of HK$2,707,000 (for the six months ended 30 June 2023: loss and other comprehensive expense of HK$2,207,000) from the interest in CPIAR Fund for the six months ended 30 June 2024.

(d) The Group's share of net assets in CIIH was HK$1,516,000 at 30 June 2024 (31 December 2023: HK$1,312,000) and recognised a share of profit and other comprehensive income of HK$204,000 (for the six months ended 30 June 2023: profit and other comprehensive income of HK$989,000) from the interest in CIIH for the six months ended 30 June 2024.

11 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024 ***HK$'000*** **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Listed debt investments with fixed interest	**410,745**	224,794

As at 30 June 2024 and 31 December 2023, an analysis of the ending balance of the carrying amount in debt instruments at fair value through other comprehensive income ("FVOCI") subject to expected credit losses ("ECLs") is as follows:

	Stage 1 ***HK$'000***	**Stage 2** ***HK$'000***	**Stage 3** ***HK$'000***	**Total** ***HK$'000***
Fair value as at 30 June 2024 – unaudited	**410,745**	**–**	**–**	**410,745**
Fair value as at 31 December 2023 – audited	224,794	–	–	224,794

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the condensed consolidated statement of financial position, which remains at fair value. Instead, an amount equal to the ECLs that would arise if the assets were measured at amortised cost is recognised in other comprehensive income as an accumulated impairment allowance, with a corresponding charge to profit or loss.

During the period, a reversal of impairment loss of HK$3,794,000 (for the six months ended 30 June 2023: impairment loss of HK$3,289,000) was provided in the profit or loss. As at 30 June 2024, an impairment allowance of HK$969,000 (31 December 2023: HK$4,763,000) was provided.

An analysis of the maturity profile of listed debt investments of the Group analysed by the remaining period at the end of the reporting period to the contractual maturity date is as follows:

	Within 1 year ***HK$'000***	**Between 1 to 2 years** ***HK$'000***	**Between 2 to 5 years** ***HK$'000***	**Overdue** ***HK$'000***	**Total** ***HK$'000***
30 June 2024 – unaudited	**148,388**	**126,737**	**135,620**	**–**	**410,745**
31 December 2023 – audited	193,994	–	30,800	–	224,794

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 *HK$'000* **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Classified as non-current assets:		
Unlisted private equity funds	**30,274**	30,690
Classified as current assets:		
Listed fund investments	**11,695**	24,885
Listed perpetual bonds	**31,555**	15,342
Unlisted equity securities	**1**	1
Unlisted private equity funds	**1,298**	1,330
	44,549	41,558
	74,823	72,248

13 TRADE AND OTHER RECEIVABLES

	30 June 2024 *HK$'000* **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Trade receivables from clients arising from		
– corporate finance *(note (a))*	**5,631**	8,036
– securities brokering *(note (b))*	**88,256**	75,031
Margin and other trade related deposits with brokers and financial institutions arising from *(note (c))*		
– commodities and futures brokering	**20,767**	24,688
– securities brokering	**4,707**	12,417
Margin loans arising from securities brokering *(note (d))*	**102,666**	132,984
Trade receivables from clearing houses arising from securities brokering *(note (e))*	**16,514**	46,567
Less: impairment allowance *(note (f))*	**(24,449)**	(13,786)
Total trade receivables *(note (g))*	**214,092**	285,937
Deposits	**5,131**	1,045
Other receivables	**32,239**	33,665
Total trade and other receivables	**251,462**	320,647

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

The carrying amounts of trade and other receivables approximate to their fair values. All of the trade and other receivables, other than margin loans arising from securities brokering, are expected to be recovered or realised within one year.

Notes:

(a) For trade receivables related to corporate finance of HK$5,631,000 (31 December 2023: HK$8,036,000), no additional impairment loss was provided for the current period (for the six months ended 30 June 2023: nil). As at 30 June 2024 and 31 December 2023, no impairment allowance were written off. The settlement terms of trade receivables from corporate finance clients are usually 30 days from the date of invoice. The relevant ageing analysis based on the date of invoice at the reporting date was as follows:

	30 June 2024 ***HK$'000*** **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Current	**5,058**	7,463
30-60 days	**–**	100
Over 60 days	**573**	473
	5,631	8,036

(b) For trade receivables from clients arising from securities brokering, the amounts represent unsettled trades due from clients as at period ended. It normally takes 2 to 3 days to settle after trade date of those transactions. The directors of the Company did not consider there was a significant change in credit quality of the balance. No impairment loss allowance has been provided.

(c) The settlement terms of margin and other deposits from broker and financial institutions are at specific agreed terms. Clients trading in commodities and futures contracts and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For commodities and futures contracts, initial margins are required before trading and thereafter, clients are required to keep the equity position at a prescribed maintenance margin level. The effective interest rate for margins and other trade related deposits is 0.01% (31 December 2023: 0.01%) per annum.

In addition, margin and trade related deposits are deposited with high-credit-quality financial institutions. No impairment loss allowance has been provided as the related allowances were considered immaterial and there was no credit default history.

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

(d) Margin clients of the securities brokering business are repayable on demand and are required to pledge their shares to the Group for credit facilities for securities trading. The effective interest rate ranged from 8% to 13% (31 December 2023: 8% to 13%) per annum.

The amount of credit facilities granted to them is determined by the discounted value of shares acceptable by the Group after making reference in industry practices. As at 30 June 2024, the fair value of shares accepted as collateral amounted to HK$126,682,000 (31 December 2023: HK$680,556,000) and the fair value of the majority of client's listed securities is higher than the carrying amount of those individual loans to margin clients.

Credits are extended to brokering clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and collateral available to the Group.

Special approvals from the Group were granted to those clients whose fair value of collaterals were less than the carrying amount of their individual loans by considering their historical repayment records, credit quality of those margin clients and other factors affecting the market prices of collaterals. Credit risks from those margin clients were therefore considered to be minimal.

The Group is allowed to use clients' securities up to the amount of 140% of the loan to margin clients as collateral of the Group's bank facilities with client's consent. However, no securities held as collateral have been repledged to secure the Group's bank facilities for the period ended 30 June 2024 and year ended 31 December 2023.

As at 30 June 2024, the Group has concentration of credit risk 65% (31 December 2023: 71%) of trade receivables from margin loans due from the five largest margin clients.

During the period, impairment allowances of HK$10,663,000 for the receivables from margin client was charged to profit or loss (for the six months ended 30 June 2023: HK$118,000). As at 30 June 2024, impairment allowance of HK$24,449,000 (31 December 2023: HK$13,786,000) for the receivables from margin clients was provided. No ageing analysis is disclosed as in the opinion of the management, the ageing analysis does not give additional value in view of the nature of revolving margin loan.

(e) The settlement terms of trade receivables from clearing houses are usually 1 to 2 days after the trade date.

Furthermore, the Group maintains designated accounts with The SEHK Options Clearing House Limited ("SEOCH") and HKFE Clearing Corporation Limited ("HKFECC") as a result of its normal business transactions. At 30 June 2024, the designated accounts with the SEOCH and HKFECC not otherwise dealt with in these accounts amounted to HK$4,635,000 (31 December 2023: HK$3,225,000) and HK$10,057,000 (31 December 2023: HK$4,896,000), respectively.

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

(f) The movement in the impairment allowance for the trade and other receivables during the period/year are as follows:

	HK$'000
At 1 January 2023 – audited	13,184
Provision of impairment losses	5,425
Written off	(4,823)
At 31 December 2023 and 1 January 2024 – audited	13,786
Provision of impairment losses	15,332
Written off	(4,669)
At 30 June 2024 – unaudited	24,449

As at 30 June 2024, an analysis of the gross amount of trade and other receivables and their expected credit losses is as follows:

	Stage 1 *HK$'000*	**Stage 2** *HK$'000*	**Stage 3** *HK$'000*	**Simplified approach** *HK$'000*	**Total** *HK$'000*
Gross amount as at 30 June 2024 – unaudited					
Trade receivables from clients	**88,256**	**–**	**–**	**5,631**	**93,887**
Margin and other trade related deposits with brokers and financial institutions	**25,474**	**–**	**–**	**–**	**25,474**
Margin loans arising from securities brokering	**55,495**	**34,242**	**12,929**	**–**	**102,666**
Trade receivables from clearing houses arising from securities brokering	**16,514**	**–**	**–**	**–**	**16,514**
Deposit	**5,131**	**–**	**–**	**–**	**5,131**
Other receivables	**32,239**	**–**	**–**	**–**	**32,239**
	223,109	**34,242**	**12,929**	**5,631**	**275,911**
Expected credit losses as at 30 June 2024 – unaudited					
Trade receivables from clients	**–**	**–**	**–**	**–**	**–**
Margin and other trade related deposits with brokers and financial institutions	**–**	**–**	**–**	**–**	**–**
Margin loans arising from securities brokering	**(1,248)**	**(10,272)**	**(12,929)**	**–**	**(24,449)**
Trade receivables from clearing houses arising from securities brokering	**–**	**–**	**–**	**–**	**–**
Deposit	**–**	**–**	**–**	**–**	**–**
Other receivables	**–**	**–**	**–**	**–**	**–**
	(1,248)	**(10,272)**	**(12,929)**	**–**	**(24,449)**

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

(f) The movement in the impairment allowance for the trade and other receivables during the period/year are as follows: (Continued)

As at 31 December 2023, an analysis of the gross amount of trade and other receivables and their expected credit losses is as follows:

	Stage 1 *HK$'000*	Stage 2 *HK$'000*	Stage 3 *HK$'000*	Simplified approach *HK$'000*	Total *HK$'000*
Gross amount as at 31 December 2023 – audited					
Trade receivables from clients	75,031	–	–	8,036	83,067
Margin and other trade related deposits with brokers and financial institutions	37,105	–	–	–	37,105
Margin loans arising from securities brokering	119,955	100	12,929	–	132,984
Trade receivables from clearing houses arising from securities brokering	46,567	–	–	–	46,567
Deposit	1,045	–	–	–	1,045
Other receivables	33,665	–	–	–	33,665
	313,368	100	12,929	8,036	334,433
Expected credit losses as at 31 December 2023 – audited					
Trade receivables from clients	–	–	–	–	–
Margin and other trade related deposits with brokers and financial institutions	–	–	–	–	–
Margin loans arising from securities brokering	(857)	–	(12,929)	–	(13,786)
Trade receivables from clearing houses arising from securities brokering	–	–	–	–	–
Deposit	–	–	–	–	–
Other receivables	–	–	–	–	–
	(857)	–	(12,929)	–	(13,786)

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (Continued)

(f) The movement in the impairment allowance for the trade and other receivables during the period/year are as follows: (Continued)

As at 30 June 2024 and 31 December 2023, an analysis of the expected credit losses rate is as follows:

	Stage 1 %	Stage 2 %	Stage 3 %	Simplified approach %	Total %
Expected credit loss rate as at 30 June 2024 – unaudited					
Margin loans arising from securities brokering	**2.25**	**30**	**100**	**–**	**23.81**
Expected credit loss rate as at 31 December 2023 – audited					
Margin loans arising from securities brokering	0.71	0.20	100	–	10.37

Analysis of changes in balances and ECL allowances of margin loans arising from securities brokering is as follows:

	Stage 1 *HK$'000*	Stage 2 *HK$'000*	Stage 3 *HK$'000*	Total *HK$'000*
Gross amount				
As at 1 January 2023	129,239	100	12,929	142,268
Other changes (including new assets and derecognised assets)	(9,284)	–	–	(9,284)
As at 31 December 2023 and 1 January 2024	119,955	100	12,929	132,984
Other changes (including new assets and derecognised assets)	(64,460)	34,142	–	(30,318)
As at 30 June 2024 – unaudited	**55,495**	**34,242**	**12,929**	**102,666**

	Stage 1 *HK$'000*	Stage 2 *HK$'000*	Stage 3 *HK$'000*	Total *HK$'000*
Expected credit losses				
As at 1 January 2023	255	–	12,929	13,184
Other changes (including new assets and derecognised assets)	602	–	–	602
As at 31 December 2023 and 1 January 2024	857	–	12,929	13,786
Other changes (including new assets and derecognised assets)	391	10,272	–	10,663
As at 30 June 2024 – unaudited	**1,248**	**10,272**	**12,929**	**24,449**

No impairment loss allowance has been provided for remaining trade and other receivables as the related allowances were considered immaterial and there was no credit default history.

(g) The Group does not have any significant concentration of credit risk with respect to trade receivables, as the Group has a large number of customers and are widely dispersed.

14 PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	30 June 2024 HK$'000 (Unaudited)	31 December 2023 HK$'000 (Audited)
Cash in hand	**19**	19
Bank balances		
– pledged deposits	**12,593**	12,447
– fixed deposits	**71,750**	52,900
– general accounts	**447,657**	466,412
	532,000	531,759
	532,019	531,778
By maturity:		
Bank balances		
– current and savings accounts	**447,657**	466,412
– fixed deposits (maturing within three months)	**84,343**	65,347
	532,000	531,759

As at 30 June 2024, bank deposits amounting to HK$12,593,000 (31 December 2023: HK$12,447,000) which included a principal of HK$12,000,000 (31 December 2023: HK$12,000,000) plus accrued interest that have been pledged to banks as security for the provision of securities brokering facilities for a total amount of HK$200,000,000 (31 December 2023: HK$200,000,000).

Certain subsidiaries of the Group maintained segregated trust accounts with authorised institutions as a result of their respective business activities. As at 30 June 2024, segregated trust accounts not dealt with in these condensed consolidated financial statements amounted to HK$460,732,000 (31 December 2023: HK$334,986,000).

As at 30 June 2024, the bank balances and deposits bore interest at rates ranging from 0.01% to 3.45% (31 December 2023: 0.01% to 3.25%) per annum.

Cash and cash equivalents

	30 June 2024 HK$'000 (Unaudited)	31 December 2023 HK$'000 (Audited)
Analysis of balances of cash and cash equivalents		
Cash in hand and at banks (excluding pledged bank deposits)	**519,426**	519,331

15 TRADE AND OTHER PAYABLES

	30 June 2024 ***HK$'000*** **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Trade payables to margin clients arising from securities brokering	**1,114**	3,661
Trade payables to securities trading clients arising from securities brokering	**69,115**	113,589
Margin and other deposits payable to clients arising from commodity and futures brokering	**20,587**	24,577
Trade payables to broker arising from securities brokering	**3,638**	1,010
Trade payables to clearing houses arising from securities brokering	**19,842**	4,828
Total trade payables	**114,296**	147,665
Accruals, provision and other payables	**24,413**	33,088
Deferred revenue	**8,469**	3,922
Total trade and other payables	**147,178**	184,675

The carrying amounts of trade and other payables approximate to their fair values. Other than deferred revenue, all trade and other payables are expected to be settled within one year. The trade payables are aged within 30 days.

The settlement terms of payables to clearing houses and securities trading clients from the ordinary course of business of brokering in securities range from 2 to 3 days after the trade date of those transactions. Margin and other deposits received from clients for their trading of commodities and futures contracts, which exceeded the margin maintenance requirement, were repayable on demand.

16 BORROWINGS

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current		
Bank loan *(note (a))*	**625,377**	386,417
Borrowings under repurchase agreements *(note (b))*	**31,565**	98,391
	656,942	484,808

Notes:

(a) At 30 June 2024, the bank borrowings were repayable and carried interest with reference to HIBOR (2023: HIBOR) or other relevant measures as follows:

	30 June 2024	31 December 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within a period not exceeding 1 year	**625,377**	386,417

As at 30 June 2024, the Group had total banking facilities of HK$1,538,000,000 (31 December 2023: HK$1,538,000,000).

Among these banking facilities, HK$200,000,000 (31 December 2023: HK$200,000,000) was secured by pledged deposits with a principal of HK$12,000,000 (31 December 2023: HK$12,000,000).

Furthermore, HK$1,382,000 (31 December 2023: HK$1,382,000) was under specific performance obligation on the Company's controlling shareholder which the current controlling shareholder shall hold over 50% of the entire issued share capital of the Company.

As at 30 June 2024, HK$527,140,000 (31 December 2023: HK$386,417,000) was drawn from the banking facilities under specific performance obligation. Among these banking facilities, HK$170,140,000 was drawn in Renminbi (31 December 2023: HK$58,416,000 was drawn in Renminbi).

As at 30 June 2024 and 31 December 2023, the Group has not utilised any of the banking facilities secured by the pledged deposits. The effective interest rate of the bank borrowings is also equal to the contracted interest rate.

(b) The Group has entered into several repurchase agreements with financial institutions in which the Group sold a portfolio of debt investments it held to the financial institutions in exchange for a cash consideration of US$4,047,000 (equivalent to HK$31,565,000) (31 December 2023: US$12,614,000 (equivalent to HK$98,391,000)). There are no maturity dates stated in the agreements and the interest is calculated with reference to the SOFR adjusted by Credit Adjustment Spread (31 December 2023: SOFR adjusted by Credit Adjustment Spread) for interest rate benchmark reform. The Group is required to repurchase the debt investments at original cash consideration plus interest at variable rates calculated with reference to the SOFR adjusted by Credit Adjustment Spread (31 December 2023: SOFR adjusted by Credit Adjustment Spread) upon the termination of the agreements. As at 30 June 2024, the obligations under repurchase agreements were collateralised by the Group's debt investments and listed perpetual bonds with a fair value of HK$32,045,000 (31 December 2023: HK$126,991,000).

17 SHARE CAPITAL

	Number of shares	Nominal value *HK$'000*
Authorised:		
Ordinary shares	1,000,000,000	100,000
Issued and fully paid:		
Ordinary shares		
At 1 January 2023 and at 31 December 2023 – audited	641,205,600	64,121
At 30 June 2024 – unaudited	641,205,600	64,121

Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. In addition, subsidiaries of the Group licensed by the Securities and Future Commission ("SFC") are obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules ("SF(FR) R") at all times.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. For the licensed subsidiaries, the Group ensures that each of them maintains a liquid capital level adequate to support the activities level with sufficient buffer to accommodate the increase in liquidity requirements arising from potential increases in business activities. SF(FR) R returns are filed to the SFC by the licensed subsidiaries on a monthly or semi-annually basis as required. During the current period and prior financial years, all the licensed subsidiaries complied with the liquid capital requirements under the SF(FR) R.

The Group defined gearing ratio as net debt-to-adjusted capital ratio. The adjusted net debt is the total debt (which includes borrowings, bonds issued, trade and other payables and lease liabilities), less bank balances and cash (including pledged bank deposits). Adjusted capital comprises all components of equity, less unaccrued proposed dividend. The Group's net debt-to-adjusted capital ratio as at 30 June 2024 was 31.05% (31 December 2023: 17.69%).

18 LEASES

The Group as a lessee

As at 30 June 2024 and 31 December 2023, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 years to 6 years (31 December 2023: 2 years to 6 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

Right-of-use assets and lease liabilities

The carrying amounts of the Group's right-of-use assets and lease liabilities and movements during the period/year are as follows:

	Right-of-use assets *HK$'000*	**Lease liabilities** *HK$'000*
As at 1 January 2023 – audited	**47,097**	**50,136**
Depreciation charge	**(20,293)**	–
Interest expense	–	**1,453**
Payments	–	**(22,944)**
As at 31 December 2023 and 1 January 2024 – audited	**26,804**	**28,645**
Depreciation charge *(note 4(c))*	**(8,349)**	–
Interest expense *(note 4(d))*	–	**459**
Payments	–	**(9,552)**
As at 30 June 2024 – unaudited	**18,455**	**19,552**

	30 June 2024 *HK$'000* **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Lease liabilities analysed into:		
Current portion	**17,310**	18,364
Non-current portion	**2,242**	10,281
	19,552	28,645

19 CONTINGENT LIABILITIES

As at 30 June 2024 and 31 December 2023, a subsidiary of the Company engaging in securities brokering and provision of securities margin financing has secured banking facilities from a certain authorised institution for a total amount of HK$200,000,000 (31 December 2023: HK$200,000,000). The Company has further provided a corporate guarantee of HK$200,000,000 (31 December 2023: HK$200,000,000) for these facilities. As at 30 June 2024, no amount (31 December 2023: nil) was drawn under the banking facilities.

Apart from the above, the Group has no other material contingent liabilities as at 30 June 2024 (31 December 2023: nil).

20 CAPITAL AND INVESTMENT COMMITMENTS

(a) Capital commitments

Capital commitments in respect of the property and equipment outstanding but not provided for in the condensed consolidated financial statements are as follows:

	30 June 2024 *HK$'000* **(Unaudited)**	31 December 2023 *HK$'000* (Audited)
Contracted but not provided for	**616**	396

(b) Investment commitments

As part of the Group's asset management business, the Group sets up structured entities (for example, investment funds) and generates fees from managing assets on behalf of the investors. The Group may also co-invest in these structured entities in the capacity as general partners or investment managers of these structured entities. The Group did not control and did not consolidate these structured entities.

As at 30 June 2024, the carrying values of interest held by the Group in the above unconsolidated structured entities managed by the Group amounted to HK$31,572,000 (31 December 2023: HK$32,020,000), which was recognised in financial assets at fair value through profit or loss. The maximum exposure to loss is the carrying value of the assets held. Other than the invested amounts above, the Group has no significant outstanding capital commitments to these unconsolidated structured entities. Other than the committed capital, the Group has no intention to provide financial or other support to these structured entities.

21 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, equity price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a Risk Management Committee (the "RMC") under policies approved by the Board of Directors. The RMC identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The RMC also recommends overall risk management policy for the approval of the Board or the Executive Management Committee (the "EMC") of the Group, covering specific areas, such as foreign exchange risk, equity price risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

(a) Market risk

The exposures of the Group to market risk include foreign exchange risk, equity price risk and interest rate risk.

Foreign exchange risk

The Group is exposed to foreign exchange risk primarily arising from its financial assets and financial liabilities denominated in foreign currencies. The currencies giving rise to this risk are primarily Renminbi and the United States dollars. The RMC reviews the exposures from time to time to cope with changes in volatility in the market.

Equity price risk

As at 30 June 2024 and 31 December 2023, the Group was exposed to equity price changes arising from financial assets at fair value through profit or loss (note 12).

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(a) Market risk (Continued)

Interest rate risk

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the financial instruments subject to floating interest rate. Financial assets subject to cash flow interest rate risk mainly include margin loans arising from securities brokering and bank balances. Financial liabilities subject to floating interest rates are bank borrowings and obligations under repurchase agreements. The Group currently does not have a cash flow interest rate hedging policy. However, management is closely monitoring the Group's exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

Fair value interest rate risk

As at 30 June 2024 and 31 December 2023, the Group is also exposed to fair value interest rate risk in relation to debt investments with fixed interest classified as debt instruments at fair value through other comprehensive income (note 11) and financial assets at fair value through profit or loss (note 12). The Group does not have a fair value interest rate hedging policy. However, management is closely monitoring the Group's exposure arising from debt investments by regularly performing quantitative analysis, including periodic sensitivity analysis.

(b) Credit risk

The Group's credit risk is primarily attributable to its debt instruments at fair value through other comprehensive income, pledged bank deposits, bank balances, trade and other receivables (including margin loans arising from securities brokering) and financial assets at fair value through profit or loss. It has policies in place to ensure that credits are granted to customers with an appropriate credit history and/or collateral deposited with the Group.

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(b) Credit risk (Continued)

For trade receivables arising from securities brokering, credits are granted to a large population of clients, and hence, there is no significant concentration risk. The margin clients' listed securities can be sold at the Group's discretion upon margin shortfall situation to fulfil any margin call.

Further quantitative data in respect of the Group's exposure to credit risk for margin loans arising from securities brokering is disclosed in note 13(d). The margin clients' listed securities can be sold at the Group's discretion upon margin shortfall situation to fulfil any margin call. For trade receivables arising from securities brokering except for margin loans, credits are granted to a large population of clients and hence there is no significant concentration risk.

For commodities and futures brokering, an initial margin will be collected before the opening of trading positions. Derivative counterparties and cash transactions are limited to high credit quality financial institutions and only brokers having sound credit rating will be accepted.

The open positions of the margin clients of the trading of commodities and futures contracts can be closed at the Group's discretion in margin shortfall situation to settle any margin call requirements imposed by their respective commodities and futures contracts transactions.

The Group's pledged bank deposits and bank balances are deposited in respectable and large commercial banks. The credit risk of pledged bank deposits and bank balances is considered to be manageable.

For debt investments in financial assets at fair value through profit or loss, the Group structures the levels of credit risk it undertakes by placing limits on the amount of advance in relation to any borrower or issuer. As at 30 June 2024 and 31 December 2023, such risks are mitigated by the listed securities held by the Group as collateral which are subject to periodic review. The fair value of the listed securities was determined by reference to the quoted price of the shares in excess of the carrying amount as at 30 June 2024 and 31 December 2023.

Debt instruments at fair value through other comprehensive income are listed debt investments with fixed interest. The Group has a policy in place of spreading the aggregate value of transactions concluded amongst approved counterparties with an appropriate credit quality. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group primarily invested in rated debt investments with credit ratings of at least B+ or equivalent as determined by Standard & Poor's, Moody's or Fitch or credit ratings of at least AA determined by Mainland credit rating agencies. Any exception shall be approved by the management of the Group. As at 30 June 2024, 100% (31 December 2023: over 50%) of the debt investments held by the Company were B+ or above or credit ratings of at least AA determined by Mainland credit rating agencies and 0% (31 December 2023: less than 50%) were non-rated. The management of the Group reviews the portfolio of debt investments on a regular basis to ensure that there is no significant concentration risk. In this regard, the management of the Group considers that the credit risk relating to investments in debt investments is closely monitored.

The Group has maintained relationship with various financial institutions, and has policies to limit the amount of credit exposure to any financial institution. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 13.

The maximum credit exposure is the worst-case scenario of exposure to the Group without taking into account any collateral held or other credit enhancements. For on-balance sheet assets, the maximum exposure to credit risk equals their carrying amount. For loan commitments and other credit related liabilities, the maximum exposure to credit risk is the full amount of the committed facilities.

For debt investments at fair value through other comprehensive income, the Group also monitors them by using external credit ratings. The amounts presented in note 11 are gross carrying amounts for financial assets.

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group employs a prudent liquidity policy.

The Company's policy is to regularly monitor its liquidity requirements including borrowings from subsidiaries, bonds issued to independent third parties, dividend payments to shareholders and accrued payments to ensure that it maintains sufficient reserves of cash to satisfy its contractual and foreseeable obligations as they fall due.

(b) Fair values measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable. For investment funds, the categorisation will depend on the valuation techniques used by the investment funds to derive its net asset value.

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair values measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

	Fair value			
	30 June 2024 *HK$'000* **(Unaudited)**	**31 December 2023** *HK$'000* (Audited)	**Fair value hierarchy**	**Valuation techniques key inputs**
(i) Financial assets at fair value through profit or loss				
– Listed perpetual bonds	**31,555**	15,342	Level 1	Quoted prices in an active market
– Listed fund investments	**11,695**	24,885	Level 1	Quoted prices in an active market
– Unlisted private equity funds *(note)*	**31,572**	32,020	Level 3	Adjusted net asset value ("NAV") of private equity fund/Recent transactions
– Unlisted equity securities	**1**	1	Level 2	Adjusted NAV of equity securities
(ii) Debt instruments at fair value through other comprehensive income				
– Listed debt investment	**410,745**	224,794	Level 1	Quoted prices in an active market

Note: The fair values of unlisted private equity funds are determined with reference to its net asset value or recent transaction price. Accordingly, no sensitivity analysis was prepared.

Saved as disclosed above, there were no transfers of fair value measurements between Level 1 and Level 2. There are no transfers into or out of Level 3 for financial assets in current period (for the six months ended 30 June 2023: nil).

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair values measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial instruments

	Financial assets at fair value through profit or loss *HK$'000*
At 1 January 2023	48,022
Additions	2,064
Changes in fair value	(10,825)
Exchange difference	(667)
Disposals	(6,574)
At 31 December 2023 and 1 January 2024 – audited	32,020
Additions	325
Changes in fair value	–
Exchange difference	(773)
At 30 June 2024 – unaudited	31,572

Fair value measurement and valuation process

The management is responsible for determining the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of the financial instruments, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group maximise its use of other observable market data relevant to the assets or the liabilities. For example, the Group estimates the fair value with reference to the net asset value report of the investment funds as provided by the fund manager.

22 MATERIAL RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions which were carried out in the normal course of the Group's business:

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Brokering commission for securities dealing *(note (a))*	**1,359**	1,707
Service fee income *(note (b))*	**1,993**	2,951
Placing commission *(note (c))*	**153**	417
Fund management fee and advisory fee income *(note (d))*	**25,122**	26,831
Bank interest income *(note (e))*	**191**	782

Notes:

(a) For six months ended 30 June 2024 and 2023, the Group earned fees and commission income from its directors and fellow subsidiaries for providing securities brokering services.

(b) For six months ended 30 June 2024 and 2023, the Group earned service fee income from an associate for providing administrative supporting and consulting services.

(c) For six months ended 30 June 2024 and 2023, the Group received placing commission from its fellow subsidiaries for placing securities.

(d) For six months ended 30 June 2024 and 2023, the Group earned management fee income from China Cinda Asset Management Co., Ltd. ("China Cinda") and its associates (as defined by Listing Rules) for providing asset management services.

(e) For six months ended 30 June 2024 and 2023, the Group earned bank interest income from its fellow subsidiary.

(f) The Group is indirectly controlled by China Cinda, which is indirectly controlled by the PRC government through the Ministry of Finance (the "MOF"). The MOF is the major shareholder of China Cinda as at 30 June 2024 and 31 December 2023. For the current period and prior years, the Group undertakes certain transactions and maintain certain balances with entities directly or indirectly owned by the PRC government, including but not limited to making bank deposits, receiving banking facilities, renting properties, and rendering and obtaining other services. The Group is of the opinion that these transactions are in normal business terms that do not require separate disclosure.

(g) Key management personnel's emoluments are disclosed in note 23.

23 KEY MANAGEMENT PERSONNEL'S EMOLUMENTS

Key management personnel are those persons have authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly, including directors and other senior management.

The remuneration of key management personnel during the period was as follows:

	Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Basic salaries, housing allowances and benefits in kind	**5,772**	5,928
Discretionary Bonus	**–**	17
Defined contribution plans	**54**	54
	5,826	5,999

24 EVENTS AFTER THE REPORTING PERIOD

On 21 August 2024, the Company published the public tender notices on the website of Shanghai United Assets and Equity Exchange Co., Ltd. to commence the public tender in relation to the potential disposals of 100% equity interest in each of two wholly-owned subsidiaries of the Company, namely 信達國際(上海)投資諮詢有限公司 (Cinda International (Shanghai) Investment Consultant Limited*) and 信達領先(深圳)股權投資基金管理有限公司(Cinda Lingxian (Shenzhen) Equity Investment Fund Management Limited*). For details, please refer to the announcements of the Company dated 7 June 2024 and 21 August 2024.

* *English name of the entity is the translation of its Chinese name for reference only*