

Zijing International Financial Holdings Limited

紫荊國際金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8340)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors of Zijing International Financial Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$20.79 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$6.22 million).
- Loss attributable to owners of the Company for the six months ended 30 June 2024 amounted to approximately HK\$2.75 million as compared to loss attributable to owners of the Company of approximately HK\$3.65 million for the corresponding period in 2023.
- The Directors do not recommend the payment of any dividend for the six months ended 30 June 2024 (2023: nil).

INTERIM RESULTS (UNAUDITED)

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2024 together with the comparative unaudited figures for the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
	Notes	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	2	20,791	6,222
Cost of revenue		(13,081)	—
Operating expenses		<u>(9,472)</u>	<u>(9,869)</u>
Loss from operations		(1,762)	3,647
Finance cost		<u>(987)</u>	<u>—</u>
Loss before taxation		(2,749)	(3,647)
Income tax expense	4	<u>—</u>	<u>—</u>
Loss for the period and attributable to owners of the Company		<u>(2,749)</u>	<u>(3,647)</u>
Other comprehensive expense			
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		<u>(208)</u>	<u>(166)</u>
Total comprehensive expense for the period attributable to owners of the Company		<u>(2,957)</u>	<u>(3,813)</u>
Loss per share (expressed in HK cents per share)			
— Basic and diluted	5	<u>(3.1)</u>	<u>(5.6)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2024	31 December 2023
	Notes	HK\$'000 (Unaudited)	HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	6	11,047	8,841
Right-of-use assets	6	491	981
Prepayment for exclusive operational licence		6,987	3,850
		<u>18,525</u>	<u>13,672</u>
Current assets			
Trade and other receivables	7	34,076	17,629
Cash and cash equivalents		11,268	11,460
		<u>45,344</u>	<u>29,089</u>
Current liabilities			
Accrued expenses and other payables		1,749	1,159
Lease liabilities		498	1,023
Note payables		40,000	16,000
		<u>42,247</u>	<u>18,182</u>
Net current assets		<u>3,097</u>	<u>10,907</u>
NET ASSETS		<u>21,622</u>	<u>24,579</u>
Capital and reserves			
Share capital	8	8,960	8,960
Reserves		12,662	15,619
TOTAL EQUITY		<u>21,622</u>	<u>24,579</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company				
	Share capital	Share premium and reserve	Exchange reserve	(Accumulated losses)/ Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (audited)	6,400	21,787	185	(4,317)	24,055
Loss for the period	—	—	—	(3,647)	(3,647)
Exchange differences arising on translation of foreign operation	—	—	(166)	—	(166)
Total comprehensive expense for the period	—	—	(166)	—	(166)
Issue of ordinary shares	1,280	1,280	—	—	2,560
Transaction costs attributable to issue of ordinary shares	—	(30)	—	—	(30)
At 30 June 2023 (unaudited)	7,680	23,037	19	(7,964)	22,772
At 1 January 2024 (audited)	8,960	23,613	251	(8,245)	24,579
Loss for the period	—	—	—	(2,749)	(2,749)
Exchange differences arising on translation of foreign operation	—	—	(208)	—	(208)
Total comprehensive expense for the period	—	—	(208)	(2,749)	(2,957)
At 30 June 2024 (unaudited)	8,960	23,613	43	(10,994)	21,622

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Six months ended	
	30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Net cash used in operations activities	(14,838)	(5,938)
Net cash (used in)/generated from investing activities	(9,021)	10
Net cash generated from financing activities	<u>23,463</u>	<u>1,038</u>
Net decrease in cash and cash equivalents	(396)	(4,890)
Cash and cash equivalents at beginning of the period	11,460	13,508
Effect of foreign exchange rate changes	<u>204</u>	<u>27</u>
Cash and cash equivalents at end of period	<u><u>11,268</u></u>	<u><u>8,645</u></u>

1. BASIS OF PREPARATION

The Group's unaudited condensed consolidated half yearly financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The unaudited condensed consolidated half yearly financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

Items included in the unaudited condensed consolidated half yearly financial statements of each entity of the Group are measured using the currency of primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong dollars ("HK\$"), rounded to the nearest thousand except for per share data. HK\$ is the Company's functional and the Group's presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The condensed consolidated financial statements have not been audited by the auditors of the Company but have been reviewed by the audit committee of the Company.

2. REVENUE

The principal activities of the Group are the provision of financial services, car rental business and online game business. Revenue represents income from the provision of corporate financial advisory services, advising for securities services and asset management services; car rental business and online game business for the six months ended 30 June 2024 and 2023.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the board of directors of the Company, for the purpose of allocating resources to segments and assessing their performance, this is also the basis upon which the Group is arranged and organised.

The Group's operations are currently organised into four (six months ended 30 June 2023: two) reporting and operating segments under HKFRS 8, namely (i) corporate financial advisory services; (ii) advising for securities services and asset management services; (iii) car rental business; and (iv) online game business.

Segment revenue and results

	Segment revenue		Segment (losses) profits	
	Six months ended		Six months ended	
	30 June		30 June	
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Corporate financial advisory services	4,092	5,892	925	(1,050)
Advising on securities services and asset management services	240	330	(77)	(120)
Car rental business	1,917	—	(411)	—
Online game business	14,542	—	560	—
Total	<u>20,791</u>	<u>6,222</u>	<u>997</u>	<u>(1,170)</u>
Unallocated expenses			<u>(3,746)</u>	<u>(2,477)</u>
Loss for the period			<u>(2,749)</u>	<u>(3,647)</u>

All of the segment revenue reported above are from external customers.

Segment losses represent the losses incurred by each segment without allocation of unallocated expenses (which mainly include central administration costs and directors' salaries). This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Geographical information

The following is an analysis of the Group's revenue from external customers by geographical location for the six months ended 30 June 2024 and 2023 are detailed below:

	Revenue from external customers	
	Six months ended	
	30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	20,791	4,748
Singapore	—	1,474
Total	<u>20,791</u>	<u>6,222</u>

4. INCOME TAX

The provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the six months ended 30 June 2024, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The Singapore Corporate Income Tax is determined by applying the Singapore tax rate of 17% for both periods. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

No provision for Hong Kong Profits tax, Singapore Corporate Income tax and Enterprise Income Tax have been provided for in the financial statements as the Group had no estimated assessable profit for the six months ended 30 June 2024.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to income tax in these jurisdictions.

5. LOSS PER SHARE

a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the owners of the Company of approximately HK\$2,749,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: loss attributable to the owners of the Company of approximately HK\$3,647,000) and the weighted average of 89,600,000 ordinary shares in issue for the six months ended 30 June 2024 (six months ended 30 June 2023: 65,626,519 ordinary shares).

b) Diluted loss per share

There were no dilutive potential ordinary shares in issue for the six months ended 30 June 2024 and 2023, and diluted loss per share is the same as basic loss per share.

6. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1 January 2023	6,677	132	79	960	—	7,848
Additions	69	—	—	—	8,988	9,057
Disposal	(5,521)	(106)	(13)	(1,748)	—	(7,388)
Exchange realignment	—	—	—	(1)	—	(1)
Depreciation	(2,427)	(30)	(19)	(282)	(256)	(3,014)
Eliminated upon disposal	2,183	35	4	1,098	—	3,320
Net book value at 1 January 2024	981	31	51	27	8,732	9,822
Additions	—	—	—	—	7,290	7,290
Disposal	—	—	—	—	(2,731)	(2,731)
Depreciation	(490)	(5)	(8)	(13)	(2,706)	(3,222)
Eliminated upon disposal	—	—	—	—	379	379
Net book value at 30 June 2024	491	26	43	14	10,964	11,538

7. TRADE AND OTHER RECEIVABLES

The Group's receivables are due within 90 days from the date of billing. The Group does not obtain collateral from customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management.

	30 June 2024 <i>HK\$'000</i> (unaudited)	31 December 2023 <i>HK\$'000</i> (audited)
Trade receivables	26,479	18,239
Less: allowance for doubtful debts	(1,523)	(1,555)
	24,956	16,684
Prepayments and deposits	9,120	4,795
	34,076	21,479

The ageing analysis of trade receivables, based on invoice dates, which approximate the revenue recognition dates, and net of allowance is as follows:

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within 3 months	16,477	2,441
After 3 months	8,479	14,243
	24,956	16,684

8. SHARE CAPITAL

Ordinary shares of HK\$0.1 each	Number of shares	Share capital HK\$'000
Authorised: At 1 January 2023, 30 June 2023, 31 December 2023, 1 January 2024 and 30 June 2024	20,000,000,000	2,000,000
Issued and fully paid:		
At 1 January 2023	64,000,000	6,400
Issue of new shares	12,800,000	1,280
At 30 June 2023	76,800,000	7,680
Issue of new shares	12,800,000	1,280
At 31 December 2023, 1 January 2024 and 30 June 2024	89,600,000	8,960

9. DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Corporate finance advisory business

During the period under review, the Group is continuously engaged in provision of corporate finance advisory services in Hong Kong including but not limited to corporate finance advisory, placing and underwriting as well as initial public offering related projects.

As a leading international financial centre, Hong Kong has been adversely affected by global political and economic uncertainties in recent years. Inflation has taken longer than expected to slow in the past six months, causing interest rates to remain high and further impacting the Hong Kong IPO market. In the first half of 2024, investment sentiment has remained cautious and the size of IPOs has been generally modest. In the first half of 2024, total funds raised on the Hong Kong market reached HK\$13.1 billion representing a 27% drop year-on-year. There were 30 new listings in Hong Kong in the first half of 2024, including 29 companies listed on the Main Board and one GEM listing representing a decrease of 9% compared to the first half of 2023.

Amid the slowdown of the corporate finance market in Hong Kong, the Group has successfully secured a number of financial advisory engagements in 2024. As at 30 June 2024, the Group had mandated 14 corporate finance projects, which mainly involve the provision of corporate financial advisory services (i) for companies listed on the Stock Exchange; and in relation to (ii) the acquisition of shareholding interest in company listed on the Stock Exchange; (iii) notifiable transaction; (iv) fundraising exercise for private limited company; and (v) proposed initial public offering in the international market.

Advising on securities and Asset management business

During the period under review, revenue was generated from the operations in advising on securities by the provision of security research reports. Furthermore, the Group had set up two open-ended fund companies (the “OFC”) under the Securities and Futures Ordinance (the “SFO”). The Group established the first OFC (the “First OFC”) and the second OFC with the Securities Futures Commission in May 2022 and August 2023 respectively. Two sub-funds had been established under the First OFC. As at 30 June 2024, three investors had each subscribed for one fund unit at the price of HK\$5,000,000, with assets under management of a sub-fund amounted to HK\$15,000,000 under the First OFC. Revenue was generated by receiving management fee charged under the First Sub-fund.

Car rental business

The Group commenced its car rental business at the end of 2023. As at 30 June 2024, the Group had a fleet of five motor vehicles, comprising luxury and up-scale cars under renowned brands such as Bentley and Rolls Royes. All five motor vehicles have been successfully rented out. The Group's car rental business primarily focuses on offering car rentals catering to the needs and preferences of different customers. The Group offers car rental on a daily, weekly or monthly basis up to a maximum period of six months.

Online game business

The Group commenced its online game business in October 2023. Leveraging its distribution network relationships and game marketing and promotional capabilities, the Group has obtained the exclusive, transferrable and sub-licensable rights to publish, operate, promote, reproduce and distribute in overseas market certain online games licensed from third-party PRC online-game developers. As at 30 June 2024, the Group had entered into licensing agreements with various PRC online-game developers for four online games. Save as one online game which is expected to generate revenue in the fourth quarter of 2024, the other online games generated revenue during the period under review.

Outlook

As a market participant of the Hong Kong financial market, the Group's growth and development are inevitably hindered by the macro-economic factors. Nonetheless, despite the challenging environment, the Group remains cautiously optimistic about the prospects of Hong Kong financial industry. Leveraging (i) the gradual recovery in the Hong Kong and PRC economy; (ii) the Group's established network in the financial industry; and (iii) the new listing regime for specialist technology companies and GEM listing reform introduced by the Stock Exchange, which came into effect on 31 March 2023 and 1 January 2024, respectively, the management of the Company believes that there would be more business opportunities for the Group to capitalize on, and thereby enabling the Group to improve the financial performance of its corporate finance business in 2024.

Leveraging its pre-existing business network and showcasing its track record of successful transactions and client testimonials, the Group aims to position itself as a trusted advisor for companies and businesses looking for comprehensive financial guidance, particularly financial advisory services and IPO-sponsor services. The Group will proactively reach out to international companies and businesses, offering tailored corporate financial advisory services to meet their specific needs. This includes providing assistance and guidance throughout the IPO process, acting as an IPO-sponsor, and facilitating access to capital markets. By positioning itself as a reliable partner and offering value-added services, the Group aims to attract a steady stream of clients seeking to go public or expand their financial capabilities.

For the asset management business, the Group is identifying potential investors for the Second OFC. It is expected that subject to market conditions, the Second OFC will commence its fund-raising activities by the second half of 2024.

In addition, the Group has been or will be engaged as the investment manager of three limited partnership funds which have been established as eligible collective investment schemes under the New Capital Investment Entrant Scheme introduced by the Hong Kong government which became effective on 1 March 2024.

In light of the GBA development plan of the PRC government, especially the launch of the “Northbound Travel for Macau Vehicles” policy (澳車北上) and the “Northbound Travel for Hong Kong Vehicles” policy (港車北上), it is expected that there will be an increase in demand for cross-border transportation and car rental services in the GBA. In order to seize more business opportunities and expand its market share in the car rental industry, the Group will focus on enhancing its existing fleet of motor vehicles by actively searching for and acquiring suitable motor vehicles. The Group aims to strengthen its competitiveness and attract a wider customer base by offering a diverse range of motor vehicles which cater to different customers’ requirements and preferences in the GBA.

Additionally, the Group will continuously monitor market trends and customer feedback to identify emerging demands and adapt its offerings accordingly. By staying attuned to evolving customer preferences, the Group will be able to proactively adjust its car rental services, ensuring they remain competitive and in line with the expectations of customers in the GBA. Through these strategic initiatives, the Group aims to solidify its presence in the car rental market of the GBA, capitalising on the favourable conditions provided by the PRC government’s development plan.

For the online game business, the Group plans to further expand its online-game business by (i) securing additional online-game licenses; (ii) building an in-house team specialised in the operation of the licensed games by recruiting personnel with the relevant skills, knowledge and experience in the relevant industry; and (iii) strengthening the promotion and marketing activities in respect of the licensed online games. The Board considers that the Group will be able to capture the potential growth in the global mobile online game industry and diversify its existing business portfolio and broaden its source of income.

FINANCIAL REVIEW

For the six months ended 30 June 2024, the consolidated revenue of the Group amounted to approximately HK\$20.79 million (six months ended 30 June 2023: approximately HK\$6.22 million). Out of the consolidated revenue of HK\$20.79 million, HK\$20.79 million (six months ended 30 June 2023: approximately HK\$4.75 million) and nil (six months ended 30 June 2023: HK\$1.47 million) was generated from the market in Hong Kong and Singapore respectively. During the period under review, the consolidated revenue was comprised of: (i) income from corporate finance advisory business of HK\$4.09 million; (ii) income from advising on securities and asset management business of HK\$0.24 million; (iii) income from car rental business of HK\$1.92 million; and (iv) income from online game business of HK\$14.54 million. The increase in revenue was mainly contributed by the segment of online game business. The cost of revenue was mainly comprised of marketing and promotion expenses incurred for the online game business.

The loss attributable to owners of the Company for the six months ended 30 June 2024 was approximately HK\$2.75 million (six months ended 30 June 2023: loss attributable to owners of the Company of approximately HK\$3.65 million), representing a decrease of approximately 24.6% as compared with that of last year. The decrease in loss for the period under review was mainly contributed by the increase in revenue.

Liquidity and Financial Resources

As at 30 June 2024, the Group had total assets of approximately HK\$63.87 million (31 December 2023: approximately HK\$42.76 million). The net asset value of the Group was approximately HK\$21.62 million (31 December 2023: approximately HK\$24.58 million).

The cash and cash equivalents of the Group amounted to approximately HK\$11.27 million as at 30 June 2024 (31 December 2023: approximately HK\$11.46 million). The Group's net current assets and current ratio were approximately HK\$3.1 million (31 December 2023: approximately HK\$10.91 million) and 1.07 times (31 December 2023: 1.6 times) respectively. The Group's gearing ratio, defined as the Group's total borrowings divided by total equity, was 185% (31 December 2023: 65.1%). The Board will continue to follow a prudent treasury policy in managing its bank balances and cash and maintain a strong and healthy liquidity position to ensure that the Group is well positioned to achieve its business objectives and strategies.

Capital Structure

The capital of the Group comprises only ordinary shares. As at 30 June 2024, the total number of the ordinary shares of the Group was 89,600,000 shares.

As at 30 June 2024, the total borrowings of the Group amounted to HK\$40,000,000 (31 December 2023: HK\$16,000,000), representing short term unsecured borrowings, which are repayable within one year.

Save as disclosure above, there was no change in the Company's capital structure during the six months ended 30 June 2024.

Charges on Assets

As at 30 June 2024, the Group did not have any charges on its assets.

Exchange Rate Risk

The Group does not have a foreign currency hedging policy but foreign currency transactions have been translated into the functional currencies using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies were recognised in profit or loss. In the event of fluctuating foreign exchange rates, there is a risk exposure to that settlement of payment for customers and suppliers may not be reconciled. The exposed amount of foreign currencies would be monitored regularly, forward contracts would be entered for hedging the risks if considered necessary.

Information on employees

As at 30 June 2024, the Group had a workforce of 15 employees (2023: 15 employees). The total staff costs, including directors' emoluments, amounted to approximately HK\$5.5 million (2023: approximately HK\$5.8 million) for the half year under review. The Group's remuneration policies are determined by reference to market terms as well as the performance, qualification and experience of individual employee.

Contingent Liabilities

As at 30 June 2024, the Group did not have any significant contingent liabilities.

Significant Investment Held

The Group did not hold any significant investment for the six months ended 30 June 2024.

Material Acquisitions and Disposals and Future Plans for Material Investments or Capital Assets

During the six months ended 30 June 2024, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies. The Group had no specific future plan for material investments or capital assets as at 30 June 2024.

Event After Reporting Period

On 25 March 2024, the Company proposed to raise gross proceeds of up to approximately HK\$53.8 million by issuing up to 448,000,000 rights shares by way of rights issue at the subscription price of HK\$0.120 per rights share on the basis of five rights shares for every one existing share held by the qualifying shareholders at the close of business on the record date. The maximum net proceeds from the rights issue was expected to be approximately HK\$52.8 million. The net price per rights share after deducting the relating expenses of the rights issue will be approximately HK\$0.118. The Company intends to apply the net proceeds from the rights issue as to (i) approximately HK\$30.0 million for repayment of borrowings of the Group; (ii) approximately HK\$13.0 million for strengthening the motor vehicles fleet; (iii) approximately HK\$7.0 million for expansion of online-game business; and (iv) approximately HK\$2.8 million for enhancing the general working of the Group. Details of the rights issue were set out in the Company's announcement dated 25 March 2024, the Company's circular dated 27 May 2024 and the Company's prospectus dated 28 June 2024. The rights issue was completed on 8 August 2024.

Save as disclosed above, there was no significant event after the six months ended 30 June 2024 and up to the date of this announcement.

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

As at 30 June 2024, the interests or short positions of the Directors and the chief executive of the Company in the shares ("Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Company

Name of Director	Nature of interest	Number of shares directly and beneficially held	Approximate percentage of shareholdings
Mr. Lee Chun Wai	Beneficial owner	13,879,000	15.49%

Save as disclosed herein, as at 30 June 2024, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them have taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2024, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Interests in the Company

Names	Nature of interest	Number of ordinary Shares beneficially held	Approximate percentage of shareholdings
Mr. Lee Chun Wai	Beneficial owner	13,879,000	15.49%
Mr. Ma Kun	Beneficial owner	6,500,000	7.25%

Save as disclosed above, as at 30 June 2024, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

For the six months ended 30 June 2024, the Directors are not aware of any business or interest of the Directors, the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete (directly or indirectly) with the business of the Company and any other conflicts of interests which any such person has or may have with the Company.

SHARE OPTION SCHEME

No share options were granted, exercised or cancelled by the Company under the share option scheme adopted on 30 May 2023 (the "Share Option Scheme") and there are no outstanding share option under the Share Option Scheme as at the date of this announcement.

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

During the six months ended 30 June 2024, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CORPORATE GOVERNANCE

Save and except the following deviation from the code provision set out in the Corporate Governance Code and Corporate Governance Report as contained in Appendix C1 to the GEM Listing Rules (the "CG Code and Report"), the Company had, during the period under review, complied with the code provision set out in CG Code and Report.

Code provisions set out in the CG Code and Report

Reasons for deviations

- | | | |
|-------|--|---|
| C.2.1 | The Chairman and Chief Executive Officer of the Company were performed by the same individual. | The Company's size is still relatively small and thus not justified in separating the role of Chairman and Chief Executive Officer. |
|-------|--|---|

The Group has in place internal control system to perform the check and balance function.

The Board has continued to monitor and review the Group's progress in respect of corporate governance practices to ensure compliance.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transaction by Directors during the six months ended 30 June 2024.

REMUNERATION COMMITTEE

The Company established a remuneration committee with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the remuneration committee are to review and to make recommendation for the remuneration policy of the directors and senior management. The remuneration committee comprises of one executive Director, namely Mr. Lee Chun Wai and two independent non-executive Directors, namely Ms. Lau Mei Suet (chairlady of the remuneration committee) and Mr. Tsang Ho Yin.

NOMINATION COMMITTEE

The Company established a nomination committee with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the nomination committee are to formulate nomination policy and to make recommendations to the Board on nomination and appointment of directors and board succession. The nomination committee comprises of one executive Director, namely Mr. Lee Chun Wai (chairman of the nomination committee) and two independent non-executive Directors, namely Mr. Tsang Ho Yin and Ms. Lau Mei Suet.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference on in compliance with the GEM Listing Rules. The principal duties of the audit committee are to review and to supervise the financial reporting process and internal control systems of the Group. The audit committee comprises of three independent non-executive Directors, namely Ms. Lau Mei Suet (chairlady of the audit committee), Mr. Choi Tak Fai and Mr. Tsang Ho Yin.

The audit committee has reviewed the financial statements of the Group for the six-month period ended 30 June 2024 pursuant to the relevant provisions contained in the Code on Corporate Governance Practices as set out in Appendix C1 of the GEM Listing Rules and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By order of the Board
Zijing International Financial Holdings Limited
Lee Chun Wai
Chairman

Hong Kong, 29 August 2024

As at the date of this announcement, the Board comprises Mr. Lee Chun Wai and Ms. Ji Yi being the executive Directors; and Mr. Choi Tak Fai, Ms. Lau Mei Suet and Mr. Tsang Ho Yin being the independent non-executive Directors.