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BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED

交銀國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 3329)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022, together with the comparative figures for the corresponding period in 2021.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | | Six months ended | |
|--------------------------------------|-------|--------------------|------------------|
| | | 30/6/2022 | 30/6/2021 |
| | | (Unaudited) | (Unaudited) |
| | Notes | HK\$'000 | HK\$'000 |
| Revenue | | | |
| Commission and fee income | 4 | 109,902 | 209,693 |
| Interest income | 4 | 384,960 | 348,796 |
| Proprietary trading income | 4 | (1,264,610) | 586,133 |
| | | (769,748) | 1,144,622 |
| Other income | 4 | 78,018 | 45,213 |
| Revenue and other income | | (691,730) | 1,189,835 |
| Commission and brokerage expenses | | (18,447) | (30,952) |
| Finance costs | 6 | (142,087) | (106,327) |
| Staff costs | 6 | (143,180) | (194,552) |
| Depreciation | 6 | (53,885) | (47,561) |
| Other operating expenses | | (198,612) | (105,028) |
| Change in impairment allowance | 5 | (426,379) | (62,219) |
| Total expenses | | (982,590) | (546,639) |
| Operating (loss)/profit | | (1,674,320) | 643,196 |
| Share of results of associates | | (1,146) | (7,124) |
| Share of results of joint ventures | | (1,141) | 6,675 |
| (Loss)/profit before taxation | 6 | (1,676,607) | 642,747 |
| Income tax expense | 7 | (1,315) | (71,022) |
| (Loss)/profit for the period | | (1,677,922) | 571,725 |

| | | Six months ended | |
|---|--------------|---------------------------|-----------------|
| | | 30/6/2022 | 30/6/2021 |
| | | (Unaudited) | (Unaudited) |
| | <i>Notes</i> | HK\$'000 | HK\$'000 |
| Attributable to: | | | |
| Shareholders of the Company | | (1,670,629) | 558,629 |
| Non-controlling interests | | (7,293) | 13,096 |
| | | <u>(1,677,922)</u> | <u>571,725</u> |
| (Loss)/earnings per share attributable to shareholders of the Company for the period | | | |
| — Basic/Diluted (in HKD per share) | <i>9</i> | <u>(0.61)</u> | <u>0.20</u> |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Six months ended | |
|---|---------------------------|-----------------------|
| | 30/6/2022 | 30/6/2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| (Loss)/profit for the period | <u>(1,677,922)</u> | <u>571,725</u> |
| Other comprehensive income | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Changes in fair value of debt investments at fair value through other comprehensive income | (962,508) | 67,234 |
| Amounts reclassified to profit or loss upon disposal of debt investments at fair value through other comprehensive income | <u>19,265</u> | <u>27,148</u> |
| | (943,243) | 94,382 |
| Exchange differences on translation of foreign operations | <u>(105,748)</u> | <u>12,698</u> |
| | (1,048,991) | 107,080 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Changes in fair value of equity investments at fair value through other comprehensive income | <u>(354)</u> | <u>(2,605)</u> |
| Other comprehensive income, net of tax | <u>(1,049,345)</u> | <u>104,475</u> |
| Total comprehensive income | <u>(2,727,267)</u> | <u>676,200</u> |
| Attributable to: | | |
| Shareholders of the Company | (2,692,867) | 660,166 |
| Non-controlling interests | <u>(34,400)</u> | <u>16,034</u> |
| | <u>(2,727,267)</u> | <u>676,200</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | <i>Notes</i> | 30/6/2022 (Unaudited) <i>HK\$'000</i> | 31/12/2021 (Audited) <i>HK\$'000</i> |
|---|--------------|---|--|
| Assets | | | |
| Non-current Assets | | | |
| Property and equipment | | 41,989 | 41,801 |
| Right-of-use assets | | 228,506 | 247,706 |
| Intangible assets | | 5,167 | 5,132 |
| Interest in associates | | 201,757 | 211,778 |
| Interest in joint ventures | | 385,909 | 279,318 |
| Other assets | | 33,562 | 35,311 |
| Financial assets at fair value through other comprehensive income | | 9,170,115 | 10,389,040 |
| Loans and advances | 10 | 691,784 | 479,785 |
| Deferred tax assets | | 2,353 | 55,014 |
| Total non-current assets | | 10,761,142 | 11,744,885 |
| Current Assets | | | |
| Loans and advances | 10 | 1,373,232 | 1,493,267 |
| Tax recoverable | | 730 | 787 |
| Accounts receivable | 11 | 651,860 | 1,261,442 |
| Other receivables and prepayments | 12 | 847,744 | 659,653 |
| Margin loans to customers | 13 | 1,713,272 | 2,076,901 |
| Receivable from reverse repurchase agreements | | – | 106,003 |
| Contract assets | | 1,656 | – |
| Amount due from a fellow subsidiary | | 51 | 30 |
| Amounts due from related parties | | 225 | 619 |
| Financial assets at fair value through other comprehensive income | | 2,204,512 | 2,157,291 |
| Financial assets at fair value through profit or loss | | 10,065,062 | 11,239,026 |
| Derivative financial assets | | 69,672 | 83,829 |
| Cash and bank balances | | 1,853,113 | 1,838,145 |
| Total current assets | | 18,781,129 | 20,916,993 |
| Total assets | | 29,542,271 | 32,661,878 |
| Equity and liabilities | | | |
| Equity attributable to shareholders of the Company | | | |
| Share capital | | 3,942,216 | 3,942,216 |
| Retained earnings | | 1,443,654 | 3,251,003 |
| Revaluation reserve | | (1,404,256) | (460,659) |
| Foreign currency translation reserve | | (2,905) | 75,736 |
| Total equity attributable to shareholders of the Company | | 3,978,709 | 6,808,296 |
| Non-controlling interests | | 630,481 | 616,169 |
| Total equity | | 4,609,190 | 7,424,465 |

| | <i>Notes</i> | 30/6/2022 (Unaudited) HK\$'000 | 31/12/2021 (Audited) HK\$'000 |
|--|--------------|---|-------------------------------------|
| Liabilities | | | |
| Non-current Liabilities | | | |
| Borrowings | | 5,016,310 | 4,990,826 |
| Subordinated loans from the ultimate holding company | | 1,000,000 | 1,000,000 |
| Obligation under repurchase agreements | | 5,799,706 | 5,043,305 |
| Lease liabilities | | 157,190 | 159,296 |
| Deferred tax liabilities | | – | 51,483 |
| Debt securities issued | | 3,904,843 | 3,878,479 |
| Total non-current liabilities | | 15,878,049 | 15,123,389 |
| Current Liabilities | | | |
| Borrowings | | 3,154,206 | 5,105,198 |
| Obligation under repurchase agreements | | 1,409,484 | 2,092,831 |
| Tax payable | | 82,369 | 87,204 |
| Provision for staff costs | | 95,391 | 163,465 |
| Other payables and accrued expenses | | 74,592 | 89,802 |
| Accounts payable | <i>14</i> | 842,531 | 224,118 |
| Dividend payable | | 136,720 | – |
| Contract liabilities | | 25,361 | 32,807 |
| Lease liabilities | | 73,192 | 86,108 |
| Amount due to the ultimate holding company | | 4,495 | 5,735 |
| Financial liabilities at fair value through profit or loss | | 3,152,659 | 2,214,272 |
| Derivative financial liabilities | | 4,032 | 12,484 |
| Total current liabilities | | 9,055,032 | 10,114,024 |
| Total liabilities | | 24,933,081 | 25,237,413 |
| Total equity and liabilities | | 29,542,271 | 32,661,878 |
| Net current assets | | 9,726,097 | 10,802,969 |
| Total assets less current liabilities | | 20,487,239 | 22,547,854 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

BOCOM International Holdings Company Limited (the “**Company**”) is a company incorporated in Hong Kong. The address of its registered office is 9/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in securities brokerage, margin financing, corporate finance and underwriting, investment and loans, asset management and advisory businesses. The regulated activities carried out by the Company’s licensed subsidiaries include dealing in securities and futures and advising on securities and futures contracts, providing securities margin financing, advising on corporate finance and providing asset management services.

The parent and ultimate holding company is Bank of Communications Co., Ltd., a company incorporated in the People’s Republic of China (“**PRC**”) and listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company, unless otherwise stated.

The financial information relating to the year ended 31 December 2021, that is included in the condensed consolidated interim report for the six months ended 30 June 2022 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31 December 2022.

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants to these financial statements for the current accounting period.

- Amendments to HKAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

Amendments to HKFRSs effective for the financial year ending 31 December 2022 do not have a material impact on the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT INFORMATION

The Group manages the business operations by the following segments in accordance with the nature of the operations and services provided:

- (a) Brokerage segment provides securities trading and brokerage services.
- (b) Corporate finance and underwriting segment provides corporate finance services including equity underwriting, debt underwriting, sponsor services and financial advisory services to institutional clients.
- (c) Asset management and advisory segment offers traditional asset management products and services to third party clients. In addition, it also offers investment advisory services, portfolio management services and transaction execution services.
- (d) Margin financing segment provides securities-backed financial leverage for both retail and institutional clients.
- (e) Investment and loans segment engages in direct investment business including investments in various debt and equity securities, investments in companies and investments in loans.
- (f) Others include headquarter operations such as bank interest income, and interest expense incurred for general working capital purposes and financial technology business.

Inter-segment transactions, if any, are conducted with reference to the prices charged to external third parties. There was no change in basis during the relevant periods.

The following is an analysis of the segment revenue and segment profit or loss from continuing operations:

| Six months ended 30 June 2022 (Unaudited) | | | | | | | |
|---|---------------------------------------|-------------------------------------|---------------------|-------------------------|--------------------|-----------------|--------------------|
| | Corporate finance and Brokerage | Asset management and advisory | Margin financing | Investment and loans | Others | Elimination | Total |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Total revenue | | | | | | | |
| Revenue | | | | | | | |
| Commission and fee income | | | | | | | |
| — External | 63,931 | 24,618 | 21,353 | - | - | - | 109,902 |
| — Internal | 82 | - | 9,363 | - | - | (9,445) | - |
| Interest income | | | | | | | |
| — External | - | - | - | 58,180 | 326,780 | - | 384,960 |
| — Internal | - | - | - | - | 26,793 | (26,793) | - |
| Proprietary trading income | | | | | | | |
| — External | - | - | (387,823) | - | (876,787) | - | (1,264,610) |
| — Internal | - | - | - | - | - | - | - |
| Other income | 6,361 | - | 354 | - | 7,548 | 63,755 | 78,018 |
| | <u>70,374</u> | <u>24,618</u> | <u>(356,753)</u> | <u>58,180</u> | <u>(515,666)</u> | <u>63,755</u> | <u>(36,238)</u> |
| | | | | | | | |
| Total expenses | (78,948) | (47,031) | (68,270) | (51,611) | (720,019) | (52,949) | 36,238 |
| Share of results of associates | - | - | - | - | (1,146) | - | (1,146) |
| Share of results of joint ventures | - | - | - | - | (1,141) | - | (1,141) |
| | <u>(8,574)</u> | <u>(22,413)</u> | <u>(425,023)</u> | <u>6,569</u> | <u>(1,237,972)</u> | <u>10,806</u> | <u>-</u> |
| (Loss)/profit before taxation | <u>(8,574)</u> | <u>(22,413)</u> | <u>(425,023)</u> | <u>6,569</u> | <u>(1,237,972)</u> | <u>10,806</u> | <u>(1,676,607)</u> |
| Other disclosures | | | | | | | |
| Depreciation | (14,674) | (2,444) | (10,082) | (3,503) | (10,637) | (12,545) | - |
| Change in impairment allowance | 391 | (2) | - | 3,615 | (430,383) | - | - |
| Finance costs | (212) | (60) | (318) | (18,109) | (149,644) | (537) | 26,793 |
| | <u>(14,674)</u> | <u>(2,444)</u> | <u>(10,082)</u> | <u>(3,503)</u> | <u>(10,637)</u> | <u>(12,545)</u> | <u>-</u> |
| | <u>391</u> | <u>(2)</u> | <u>-</u> | <u>3,615</u> | <u>(430,383)</u> | <u>-</u> | <u>(426,379)</u> |
| | <u>(212)</u> | <u>(60)</u> | <u>(318)</u> | <u>(18,109)</u> | <u>(149,644)</u> | <u>(537)</u> | <u>26,793</u> |
| | <u>(14,674)</u> | <u>(2,444)</u> | <u>(10,082)</u> | <u>(3,503)</u> | <u>(10,637)</u> | <u>(12,545)</u> | <u>-</u> |
| | <u>391</u> | <u>(2)</u> | <u>-</u> | <u>3,615</u> | <u>(430,383)</u> | <u>-</u> | <u>(426,379)</u> |
| | <u>(212)</u> | <u>(60)</u> | <u>(318)</u> | <u>(18,109)</u> | <u>(149,644)</u> | <u>(537)</u> | <u>26,793</u> |

Six months ended 30 June 2021 (Unaudited)

| | Corporate Brokerage <i>HK\$'000</i> | finance and underwriting <i>HK\$'000</i> | Asset management and advisory <i>HK\$'000</i> | Margin financing <i>HK\$'000</i> | Investment and loans <i>HK\$'000</i> | Others <i>HK\$'000</i> | Elimination <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--------------------------------------|---|--|--|--|--|---------------------------|--------------------------------|--------------------------|
| Total revenue | | | | | | | | |
| Revenue | | | | | | | | |
| Commission and fee income | | | | | | | | |
| — External | 102,679 | 80,572 | 26,442 | — | — | — | — | 209,693 |
| — Internal | 1,309 | — | 5,659 | — | — | — | (6,968) | — |
| Interest income | | | | | | | | |
| — External | — | — | — | 99,582 | 249,214 | — | — | 348,796 |
| — Internal | — | — | — | — | 25,581 | — | (25,581) | — |
| Proprietary trading income | | | | | | | | |
| — External | — | — | — | — | 586,133 | — | — | 586,133 |
| — Internal | — | — | — | — | — | — | — | — |
| Other income | 9,788 | — | 346 | — | 23,304 | 11,775 | — | 45,213 |
| | <u>113,776</u> | <u>80,572</u> | <u>32,447</u> | <u>99,582</u> | <u>884,232</u> | <u>11,775</u> | <u>(32,549)</u> | <u>1,189,835</u> |
| Total expenses | (105,340) | (46,068) | (64,505) | (70,559) | (285,252) | (7,464) | 32,549 | (546,639) |
| Share of results of associates | — | — | — | — | (7,124) | — | — | (7,124) |
| Share of results of joint ventures | — | — | — | — | 6,675 | — | — | 6,675 |
| Profit/(loss) before taxation | <u>8,436</u> | <u>34,504</u> | <u>(32,058)</u> | <u>29,023</u> | <u>598,531</u> | <u>4,311</u> | <u>—</u> | <u>642,747</u> |
| Other disclosures | | | | | | | | |
| Depreciation | (16,838) | (2,279) | (9,000) | (3,508) | (12,910) | (3,026) | — | (47,561) |
| Change in impairment allowance | (79) | (2) | — | (25,120) | (37,018) | — | — | (62,219) |
| Finance costs | (342) | (83) | (336) | (16,580) | (114,482) | (85) | 25,581 | (106,327) |

Six months ended
30/6/2022 30/6/2021
HK\$'000 **HK\$'000**
(Unaudited) **(Unaudited)**

Total revenue from external customer by location of operations:

| | | |
|------------------|-------------------------|------------------|
| — Hong Kong | (724,130) | 1,155,307 |
| — Mainland China | 32,400 | 34,528 |
| | <u>(691,730)</u> | <u>1,189,835</u> |

4. REVENUE AND OTHER INCOME

| | Six months ended | |
|--|---|---|
| | 30/6/2022 <i>HK\$'000</i> (Unaudited) | 30/6/2021 <i>HK\$'000</i> (Unaudited) |
| REVENUE | | |
| COMMISSION AND FEE INCOME | | |
| Brokerage commission | 63,931 | 102,679 |
| Corporate finance and underwriting fee | 24,618 | 80,572 |
| Asset management and advisory fee | 21,353 | 26,442 |
| | <u>109,902</u> | <u>209,693</u> |
| INTEREST INCOME | | |
| Interest income from margin financing | 58,180 | 99,582 |
| Interest income from loans and advances | 55,128 | 93,184 |
| Interest income from receivable from reverse repurchase agreements | – | 5,508 |
| Interest income from financial assets at fair value through other comprehensive income | 271,652 | 150,522 |
| | <u>384,960</u> | <u>348,796</u> |
| PROPRIETARY TRADING INCOME | | |
| Net trading and investment income | | |
| — Net (loss)/gain on financial assets at fair value through profit or loss* | (1,180,389) | 554,868 |
| — Net gain/(loss) on financial assets at fair value through other comprehensive income | 47,187 | (16,608) |
| — Net gain/(loss) on financial liabilities at fair value through profit or loss | 153,178 | (16,083) |
| — Net (loss)/gain on derivative financial instruments | (352,778) | 21,396 |
| — Fair value changes from financial liabilities to the investors of the funds consolidated | 15,680 | (5,123) |
| Dividend income | | |
| — Financial assets at fair value through profit or loss | 52,512 | 47,683 |
| | <u>(1,264,610)</u> | <u>586,133</u> |
| | <u>(769,748)</u> | <u>1,144,622</u> |

* The net loss on financial assets at fair value through profit or loss comprised of net trading loss (including the realised and unrealised amounts) of HK\$1,257,755 thousand (six months ended 30 June 2021: net trading gain of HK\$430,166 thousand) and interest income of HK\$77,366 thousand (six months ended 30 June 2021: HK\$124,702 thousand) respectively.

| | Six months ended | |
|--------------------------------|----------------------|----------------------|
| | 30/6/2022 | 30/6/2021 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| OTHER INCOME | | |
| Handling fees | 6,316 | 9,654 |
| Bank and other interest income | 15,785 | 17,367 |
| Others | 55,917 | 18,192 |
| | <u>78,018</u> | <u>45,213</u> |
| | <u><u>78,018</u></u> | <u><u>45,213</u></u> |

5. CHANGE IN IMPAIRMENT ALLOWANCE

| | Six months ended | |
|---|-----------------------|----------------------|
| | 30/6/2022 | 30/6/2021 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Change in impairment allowance on: | | |
| Receivable from reverse repurchase agreements | (127) | 413 |
| Accounts receivable | (391) | 81 |
| Margin loans to customers | (3,615) | 25,120 |
| Loans and advances | 181,552 | 2,487 |
| Debt investments at fair value through other comprehensive income | 202,010 | 34,005 |
| Other receivables | 46,950 | 113 |
| | <u>426,379</u> | <u>62,219</u> |
| | <u><u>426,379</u></u> | <u><u>62,219</u></u> |

6. (LOSS)/PROFIT BEFORE TAXATION

| | Six months ended | |
|---|------------------|-----------------|
| | 30/6/2022 | 30/6/2021 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| (Loss)/profit before taxation has been arrived at after charging: | | |
| Finance costs: | | |
| — Interest expenses on subordinated loans from the ultimate holding company | 8,574 | 8,096 |
| — Interest expenses on bank loans from the ultimate holding company | 4,905 | 7,407 |
| — Interest expenses on bank loans and overdraft from other financial institutions | 52,979 | 61,021 |
| — Interest expenses on obligation under repurchase agreements | 29,319 | 16,471 |
| — Interest expenses on lease liabilities | 1,479 | 1,165 |
| — Interest expenses on financial liabilities | 274 | 2,414 |
| — Interest expenses on debt securities issued: | | |
| — Payable to the ultimate holding company | 770 | 46 |
| — Payable to the fellow subsidiaries | 2,260 | – |
| — Payable to other financial institutions | 32,566 | 346 |
| — Others | 46 | 103 |
| | <u>133,172</u> | <u>97,069</u> |
| — Other borrowing costs to the ultimate holding company | – | 875 |
| — Other borrowing costs to other financial institutions | 8,915 | 8,383 |
| | <u>142,087</u> | <u>106,327</u> |
| Depreciation | 53,885 | 47,561 |
| Operating lease charges | 10,057 | 3,737 |
| Staff costs | <u>143,180</u> | <u>194,552</u> |

7. INCOME TAX EXPENSE

| | Six months ended | |
|---|------------------|---------------|
| | 30/6/2022 | 30/6/2021 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current tax: | | |
| Hong Kong Profits Tax | – | 12,000 |
| PRC Enterprise Income Tax | 49 | 985 |
| Under/(over) provision in prior periods | 87 | (10,889) |
| | <u>136</u> | <u>2,096</u> |
| Total current tax | 136 | 2,096 |
| Deferred tax | 1,179 | 68,926 |
| | <u>1,315</u> | <u>71,022</u> |
| Income tax expense recognised in profit or loss | 1,315 | 71,022 |

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the current and prior period. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the People's Republic of China's entities is 25%.

8. DIVIDENDS

Dividends approved during the interim period

| | Six months ended | |
|---|------------------|-------------|
| | 30/6/2022 | 30/6/2021 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Final dividend for previous financial year declared and approved of HK\$0.05 per ordinary share (2021: HK\$0.16 per ordinary share) | 136,720 | 437,503 |

Dividends attributable to the interim period

No dividend was paid or declared by the Company for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

9. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

| | Six months ended | |
|--|--------------------------|--------------------------|
| | 30/6/2022 (Unaudited) | 30/6/2021 (Unaudited) |
| (Loss)/profit attributable to shareholders of the Company (in HK\$'000) | (1,670,629) | 558,629 |
| Weighted average number of ordinary shares in issue (in '000 shares) | <u>2,734,392</u> | <u>2,734,392</u> |
| (Loss)/earnings per share (in HKD per share) | <u>(0.61)</u> | <u>0.20</u> |

There were no potential diluted ordinary shares and the diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share.

10. LOANS AND ADVANCES

| | 30/6/2022 | 31/12/2021 |
|----------------------------|-------------------------|-----------------------|
| | HK\$'000 (Unaudited) | HK\$'000 (Audited) |
| Gross loans and advances | 2,401,581 | 2,128,065 |
| Less: impairment allowance | <u>(336,565)</u> | <u>(155,013)</u> |
| | <u>2,065,016</u> | <u>1,973,052</u> |
| Net loans and advances: | | |
| Non-current | 691,784 | 479,785 |
| Current | <u>1,373,232</u> | <u>1,493,267</u> |
| | <u>2,065,016</u> | <u>1,973,052</u> |

11. ACCOUNTS RECEIVABLE

| | 30/6/2022 <i>HK\$'000</i> (Unaudited) | 31/12/2021 <i>HK\$'000</i> (Audited) |
|---|---|---|
| Corporate finance and underwriting business | 22,503 | 17,206 |
| Dealing in securities and futures business | | |
| — Clients | 342,200 | 111,479 |
| — Brokers | 209,122 | 728,982 |
| — Clearing house | 82,129 | 408,260 |
| | 633,451 | 1,248,721 |
| Less: impairment allowance | (4,094) | (4,485) |
| | 651,860 | 1,261,442 |

The following is an ageing analysis of accounts receivable based on the date of invoice or contract note at the reporting date:

| | 30/6/2022 <i>HK\$'000</i> (Unaudited) | 31/12/2021 <i>HK\$'000</i> (Audited) |
|----------------------------|---|---|
| Current (not past due) | 640,835 | 1,251,751 |
| Less than 31 days past due | 1,594 | 1,729 |
| 31–60 days past due | 59 | 19 |
| 61–90 days past due | 1,328 | 1,587 |
| Over 90 days past due | 12,138 | 10,841 |
| | 15,119 | 14,176 |
| Less: impairment allowance | (4,094) | (4,485) |
| | 651,860 | 1,261,442 |

Client receivables from securities dealing are receivable on the settlement dates of their respective transactions, normally two or three business days after the respective trade dates.

Brokers and clearing house receivables are repayable on the settlement dates of their respective trade dates, normally two or three business days after the respective trade dates.

The settlement of the receivables from corporate finance and underwriting business is done based on the completion of each phase of the project.

12. OTHER RECEIVABLES AND PREPAYMENTS

| | 30/6/2022 <i>HK\$'000</i> (Unaudited) | 31/12/2021 <i>HK\$'000</i> (Audited) |
|----------------------------|--|--|
| Other receivables | 857,037 | 617,029 |
| Less: impairment allowance | (60,972) | (14,022) |
| | 796,065 | 603,007 |
| Prepayments | 51,679 | 56,646 |
| | 847,744 | 659,653 |

13. MARGIN LOANS TO CUSTOMERS

| | 30/6/2022 <i>HK\$'000</i> (Unaudited) | 31/12/2021 <i>HK\$'000</i> (Audited) |
|---------------------------------|--|--|
| Gross margin loans to customers | 1,803,074 | 2,173,492 |
| Less: impairment allowance | (89,802) | (96,591) |
| Net margin loans to customers | 1,713,272 | 2,076,901 |

No ageing analysis is disclosed, as in the opinion of the Directors, an ageing analysis does not give additional view of the nature of the margin loan business. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group.

14. ACCOUNTS PAYABLE

Accounts payable arising from the business of dealing in securities and options are as follows:

| | 30/6/2022 <i>HK\$'000</i> (Unaudited) | 31/12/2021 <i>HK\$'000</i> (Audited) |
|----------------------------|--|--|
| Clients — trade settlement | 430,041 | 177,715 |
| Clearing house | 140,814 | 46,384 |
| Brokers | 271,676 | 19 |
| | 842,531 | 224,118 |

No ageing analysis is disclosed, as in the opinion of the Directors, an ageing analysis does not give additional view of the nature of these businesses.

The settlement terms of accounts payable arising from client businesses are normally two or three days after trade date or at specific terms agreed with clients, brokers or clearing houses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As one of the earliest licensed securities firms with PRC background in Hong Kong, we are one of the largest securities firms specialising in securities brokerage and margin financing, corporate finance and underwriting, investment and loans, asset management and advisory businesses. We believe that one of our core competitive strengths is our ability to offer comprehensive and integrated financial services and products that fulfill various investment and financing needs of clients. In the first half of 2022, the investment business was significantly influenced by the poor market performance which was mainly due to tightening of Monetary Policy by the US Federal Reserve and the high volatility of the capital market. The loss for the Reporting Period was HK\$1,677.9 million comparing with a profit of HK\$571.7 million for the corresponding period in 2021.

Securities Brokerage and Margin Financing

Our securities brokerage business includes executing trades on behalf of clients in listed company stocks, bonds, futures, options and other marketable securities. We execute trades on behalf of clients of various securities products, with primary focus on stocks of companies listed on the Stock Exchange, and other types of securities, including eligible A shares under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, B shares of listed companies on the PRC stock exchanges, US stocks and bonds as well as futures and other exchange-tradable securities. Futures and options contract products include Hang Seng Index Futures and Options, Mini-Hang Seng Index Futures and Options, Hang Seng China Enterprises Index Futures and Options, Mini-Hang Seng China Enterprises Index Futures and Options and stock options.

In the first half of 2022, US inflation hit 40-year high against the backdrop of the pandemic. As the US Federal Reserve has officially started a cycle of rapid interest rate hikes, yields on cash and cash management products rose rapidly and investors, especially retail clients, were still not willing to invest in the market. Our wealth management platform, which has always been investors-oriented during the sluggish market, launched series of live sharing sessions themed at “Analyse Detail, Embrace Future” aiming to help investors to evaluate and forecast the recent major events in a timely and effective manner, to enable them to understand changes and optimise investment portfolio by analysing events. During the Reporting Period, our team, on the one hand, kept enhancing the expansion of local customers by leveraging on the Group’s advantages in domestic areas, to further optimise the customer structure and income structure. On the other hand, our team strengthened the cooperation with high-quality wealth management institutions in the industry to explore products with good risk-return ratios.

For the six months ended 30 June 2022, our commission and fee income from the securities brokerage business was HK\$63.9 million, representing a decrease of HK\$38.8 million or 37.8% as compared with the corresponding period in 2021.

The following table sets forth a breakdown of the commission by product types of our securities brokerage business:

| | For the six months ended 30 June | | 2021 | |
|----------------------|----------------------------------|--------------|---------------------|--------------|
| | 2022 | % | 2021 | % |
| | <i>HK\$'million</i> | | <i>HK\$'million</i> | |
| Hong Kong stocks | 44.6 | 69.8 | 76.7 | 74.7 |
| Non-Hong Kong stocks | 11.2 | 17.5 | 14.7 | 14.3 |
| Bonds | 4.7 | 7.4 | 5.5 | 5.4 |
| Others | 3.4 | 5.3 | 5.8 | 5.6 |
| | <u>63.9</u> | <u>100.0</u> | <u>102.7</u> | <u>100.0</u> |

Our margin financing business includes offering collateralised financing for stocks and bonds relating to securities transactions to both retail and institutional customers who require financing. In general, the interest rate charged to the margin clients ranges from a prime rate minus 2% to a prime rate plus 5% with reference to the respective margin client's financial background, the quality of underlying collaterals and the overall business relationship with the Company.

In response to the increasing credit risk, regulatory changes in the margin financing business, and the market volatility and the liquidity risk caused by unexpected capital flows, we have adopted structural adjustments to improve the margin financing risk management.

During the first half of 2022, the number of margin client accounts increased to 9,621. The monthly average loan balance decreased and interest income from margin loans for the six months ended 30 June 2022 was HK\$58.2 million, representing a decrease of HK\$41.4 million or 41.6% as compared with the corresponding period in 2021.

The following table sets forth a summary of key operating and financial information of our margin financing business:

| | 30/6/2022 | 31/12/2021 |
|---|-----------|------------|
| Number of margin accounts | 9,621 | 9,586 |
| Balance of gross margin loans (<i>HK\$'million</i>) | 1,803.1 | 2,173.5 |
| Monthly average balance (<i>HK\$'million</i>) | 1,960.3 | 2,649.5 |
| Highest month end balance (<i>HK\$'million</i>) | 2,186.0 | 3,055.4 |
| Lowest month end balance (<i>HK\$'million</i>) | 1,793.4 | 2,173.5 |
| Margin value (<i>HK\$'million</i>) (Note 1) | 1,799.8 | 2,439.1 |
| Market value (<i>HK\$'million</i>) (Note 2) | 6,018.3 | 7,891.3 |

Notes:

- 1 Margin value refers to the market value of the securities pledged as collateral for margin loans multiplied by a collateral discount ratio for each individual security.
- 2 Market value refers to the value of the securities pledged as collateral for margin loans at the real-time price of each individual security.

Corporate Finance and Underwriting

We are dedicated to building a comprehensive and cross-border platform for our corporate finance and underwriting business. To address various needs of our corporate clients at different stages, we provide advisory services ranging from IPO sponsorship, equity securities underwriting (both primary and secondary), debt securities underwriting, mergers and acquisitions, pre-IPO financing, and financial advisory.

In the first half of 2022, there were a total of 24 new listings on the Stock Exchange (excluding the listing of special purpose acquisition companies and transfer of listing from GEM to Main Board). The number of new listings decreased by 48% as compared with the corresponding period in 2021. The aggregate amount of funds raised through IPOs was HK\$19.73 billion, representing a decrease of 90.7% as compared with the corresponding period in 2021.

In view that new economy has been playing a dominant role in Hong Kong's capital market, we have devoted more resources in building up execution teams specialising in the technology, media and telecommunications, healthcare and biotechnology industries in order to capture the business opportunities in the new era. During the Reporting Period, we acted as a joint sponsor for one IPO project. Furthermore, we acted as a bookrunner for five completed IPO projects. In respect of debt capital markets, we completed 29 debt issuance projects and successfully assisted corporations in raising USD9.96 billion in aggregate. We also acted as financial advisor for one completed financial advisory project.

For the six months ended 30 June 2022, our commission and fee income from corporate finance and underwriting services was HK\$24.6 million, representing a decrease of HK\$56.0 million or 69.4% as compared to HK\$80.6 million in the corresponding period of 2021.

Asset Management and Advisory

We offer a full range of asset management products including both public and private equity funds, and discretionary management accounts, as well as investment advisory services, and provide comprehensive investment solutions and high-quality services to individual investors and institutional clients. In addition to Hong Kong, we also provide asset management services in Mainland China via BOCOM International (Shanghai) in Shanghai and BOCOM International (Shenzhen) in Qianhai, Shenzhen, and have built up a cross-border asset management platform to seize the best time for investment growth in Mainland China.

As of 30 June 2022, acting as fund manager, we have established over ten BOCOM science and technology innovation equity investment series funds in cities such as Shanghai, Chongqing, Jiangsu, Zhejiang, Hubei, Shandong and Hebei, which focuses on investing in quality enterprises engaged in fields such as artificial intelligence, new materials, biopharmaceuticals and next generation information technology. We also provided a full range of integrated financial services to these high quality science and innovation enterprises by relying on BOCOM's resources. Furthermore, we provided investors home and abroad with diversified cross-border asset management product portfolio and a full chain of QFLP and QDIE fund product services. As of 30 June 2022, we have established 12 QFLP funds and 1 QDIE fund, which help overseas and domestic investors to invest in quality assets in Mainland China and overseas, respectively. They provided opportunities for quality domestic enterprises to attract foreign shareholders, so as to promote cross-border capital flow in the region.

As at 30 June 2022, the total amount of our AUM was approximately HK\$26,086.9 million, representing a decrease of 20.5% from HK\$32,823.1 million as at 31 December 2021. For the six months ended 30 June 2022, asset management and advisory fee income decreased by HK\$5.1 million or 19.2% to HK\$21.4 million. Proprietary trading loss was HK\$387.8 million, which was due to the guarantee fee payment to a client in accordance with asset management agreements.

Investment and Loans

Our investment and loans business comprises equity investment, bonds investment, structured financing and loans. We aim to achieve a balance between investment returns and tolerable risks.

For equity investments, in recent years, we carried out our strategy with foresight by closely following strategic emerging industries, advanced manufacturing industries, technological innovation and areas such as upgrading of traditional industries, and participated in debt-equity hybrid investments in enterprises with high growth potential. For bond investments, we preferred short-to-medium duration products with good credit standing and offshore premium.

For structured finance and corporate loans, we launched a full spectrum of credit business, including leveraged loans, structured products, asset-backed loans, convertible bonds, etc. In terms of asset classes, we mainly focused on loans with high-quality underlying assets (including unlisted equities and real estate) and counterparties with good credit track record. Our clients primarily included corporate clients in real estate, technology, stated-owned enterprise, financial and wholesale and retail industries, to which the principal amount of loans granted amounted to HK\$826 million, HK\$564 million, HK\$553 million, HK\$186 million and HK\$141 million respectively as at 30 June 2022. The funding sources of our credit business included bank and other borrowings, obligation under repurchase agreements, subordinated loans, debt securities issued and internal funding. We determined the credit limit of respective clients based on various factors, including but not limited to the total value of assets maintained with the Group as well as their background, annual income, trading patterns and credit history. Pursuant to the authority vested to the executive committee by the Board, the aggregate amount of loans granted to a single client in the Reporting Period should not exceed USD100 million and if such limit was exceeded, approval from the Board was required. During the Reporting Period, the Group did not grant any loan to clients exceeding USD100 million, and the aggregate amount of loans granted to the top 5 clients was HK\$1,694 million, accounting for 70.6% of the total amount of loans granted by the Group during the Reporting Period in which HK\$553 million was granted to the single largest client, representing 23.0% of the total amount of loans granted by the Group during the Reporting Period.

During the Reporting Period, the loans provided by the Group primarily included short-term and long-term loans. The interest rates we charged for the short-term loans ranged from 2.0% to 7.5% per annum, whilst the interest rates charged for the long-term loans ranged from 5.5% to 7.0% per annum. We considered a number of factors when determining the interest rate to be charged to each client, including the comprehensive business relationship, risk exposure (which covers, among others, the financial capability, business prospect, credit history and background of the client) and funding cost.

For the six months ended 30 June 2022, interest income from loans and advances, receivables from structured financing and financial assets at fair value through other comprehensive income was HK\$326.8 million, representing an increase of approximately 31.1% as compared to HK\$249.2 million for the corresponding period in 2021. Proprietary trading loss was HK\$876.8 million, representing a decrease of HK\$1,462.9 million or 249.6% as compared to income of HK\$586.1 million for the corresponding period in 2021. The loss represented the net loss resulting from fair value changes and partial disposal of equity securities and debt investments held by the Group. The Group's investment business was significantly influenced by the poor market performance.

In general, we require our clients to provide collateral in the form of floating charge or fixed charge to secure their payment obligations under the loans granted to protect our financial position. For the secured collateral, during the Reporting Period, 45.3% of the secured collateral was in the form of securities and 54.7% was in the form of real estate properties.

During the Reporting Period, the Company granted short-term loans with maturity up to one year in the principal amount ranging from HK\$78 million to HK\$392 million to its clients having considered the concentration risk of the loan portfolio and the underlying collateral; whilst long-term loans with maturity ranging from two to five years in the principal amount ranging from HK\$8 million to HK\$553 million were only granted to corporate clients under syndication arrangement.

The table below sets forth our investment position by asset types for our equity and fixed income investment business:

| | 30/6/2022 | | 31/12/2021 | |
|-------------------------|---------------------|-------------|---------------------|----------|
| | <i>HK\$'million</i> | <i>%</i> | <i>HK\$'million</i> | <i>%</i> |
| Fixed income securities | 15,737.5 | 82.2 | 17,490.1 | 84.3 |
| Bonds | 15,022.9 | 78.5 | 16,671.1 | 80.4 |
| Preference shares | 714.6 | 3.7 | 819.0 | 3.9 |
| Equity investments | 122.5 | 0.6 | 97.0 | 0.5 |
| Funds | 3,298.3 | 17.2 | 3,155.9 | 15.2 |

Research

Our research team focuses on market strategies, macroeconomics, key industries and companies as well as other fields in the global market, and provides independent and objective research support to institutional clients, the Group and the Company's own businesses, and conducts comprehensive analysis and forecasting for the fundamental aspects of specific sectors and companies. The team has been highly rated by institutional investors in Hong Kong, Mainland China and overseas markets. The "New Frontier Research Center" we established has made a breakthrough in cross-sector forward-looking research. Analysts from different sectors have conducted analysis and forecast on cutting-edge topics from various perspectives. Research topics in the first half of the year include special purpose acquisition companies, pension scheme, short video, hydrogen energy, polysilicon for solar photovoltaics manufacturing, new energy vehicle, semiconductor, etc. As of 30 June 2022, the overall readership volume of research reports has grown by 45% year-on-year compared with the same period of 2021.

FINANCIAL REVIEW

Financial Performance

The following table sets out the breakdown of total revenue and other income by segments:

| | For the six months ended | |
|------------------------------------|--------------------------|---------------------|
| | 30 June | |
| | 2022 | 2021 |
| | <i>HK\$'million</i> | <i>HK\$'million</i> |
| Brokerage | 70.3 | 112.4 |
| Corporate finance and underwriting | 24.6 | 80.6 |
| Asset management and advisory | (366.1) | 26.8 |
| Margin financing | 58.2 | 99.6 |
| Investment and loans | (542.5) | 858.6 |
| Others | 63.8 | 11.8 |
| | <hr/> | <hr/> |
| Total | (691.7) | 1,189.8 |

The Group's loss for the six months ended 30 June 2022 was approximately HK\$1,677.9 million, comparing with a profit of HK\$571.7 million for the corresponding period in 2021.

Liquidity, Financial Resources and Gearing Ratio

The Group's cash and bank balances as at 30 June 2022 increased by HK\$15.0 million to HK\$1,853.1 million (31 December 2021: HK\$1,838.1 million).

The Group's net current assets decreased by HK\$1,076.9 million to HK\$9,726.1 million as at 30 June 2022 (31 December 2021: HK\$10,803.0 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 2.1 times as at 30 June 2022 (31 December 2021: 2.1 times).

As at 30 June 2022, the total borrowings of the Group amounted to HK\$20,284.5 million (31 December 2021: HK\$22,110.6 million), comprising of bank and other borrowings, obligation under repurchase agreements, subordinated loans and debt securities issued. Among which, the subordinated loans from the ultimate holding company amounted to HK\$1,000.0 million (31 December 2021: HK\$1,000.0 million).

As at 30 June 2022, the Group's gearing ratio was 440.1% (31 December 2021: 297.8%), as calculated by dividing total borrowings by total equity.

The Directors are of the view that the Group has maintained adequate liquidity for business operations and any investment opportunities that may arise in the near future.

Material Acquisitions and Disposals

During the Reporting Period, there was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Group.

Significant Investments Held

During the Reporting Period, there was no significant investment held by the Group.

Charges on Group Assets

As at 30 June 2022, there was no charge on Group assets (31 December 2021: Nil).

Capital Commitments

As at 30 June 2022, the Group had no significant capital commitments.

Contingent Liabilities

As at 30 June 2022, the Group had no material contingent liabilities.

OUTLOOK AND STRATEGY

The global recovery is in a bumpy ride of heightened uncertainty in the second half of 2022, as the world's central banks shut off the liquidity tap and step into a tightening cycle. The risk of stagflation will further climb up, and meanwhile, it is harder for policymakers to control inflation. The constantly emerging new COVID-19 variants pose a challenge to the global anti-pandemic work. Faced with the supply-side “cost-push” inflation, the US Federal Reserve, at the crossroads between debt, inflation and growth, is determined to bring inflation back to the target range even at the expense of economic growth, and its monetary policy will continuously be tightened in the second half of the year. With steep interest-rate hikes and severe bouts of inflation looming large, downward pressure on the US economy is elevated and international financial markets will become more volatile.

China will progress in its economic recovery from the supply side in the second half of 2022. As the government's pro-growth policies continue to be put in place and take effect, infrastructure and manufacturing sectors are expected to be an important driving force for future economic growth. In the second half of the year, internal demand may be further revived and household consumption is expected to recover. The overall cost of living of China remains stable, ensuring policymakers ample room and sufficient tools to give pro-growth measures full play. Fiscal and monetary policies will continue to play a bigger part in reinvigorating the economy and boosting its organic growth.

The Group will make active efforts to fulfill the responsibilities of serving the national strategies, serving “affairs that are of vital importance to the nation” and serving the real economy. By seizing the opportunities arising from the national “dual circulation” new development pattern, and sticking to the business model of a balanced and synergetic development of asset business and licensed business, the Group will leverage on its extensive resources and make strenuous efforts to strengthen its capability in providing financial technology and wealth management services, continuously to offer customers with integrated financial services throughout the industrial chain. The Company will formulate targeted strategies to promote the overall digital transformation, and lead business development with a focus on financial technology sector, with an aim to improve customer experience and service efficiency. The Group will strictly uphold the risk appetite of “prudence, stability and compliance” so as to promote a balance development of business scale, development quality and operation profitability, in an effort to create value for customers and shareholders continuously.

OTHER INFORMATION

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 2022.

Compliance with the Corporate Governance Code

The Company has adopted the Corporate Governance Code of the Listing Rules as its own code of corporate governance. For further details, please refer to the "Corporate Governance Report" section contained in the Company's 2021 annual report. During the six months ended 30 June 2022, save as disclosed below, the Company has complied with all the code provisions set out in part 2 of the Corporate Governance Code.

Code provision C.2.1 of part 2 of the Corporate Governance Code states that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Before Ms. ZHU Chen was appointed as the chief executive officer and an executive Director of the Company on 11 July 2022, Mr. TAN Yueheng, the Chairman of the Company, had assumed the responsibilities of the chief executive of the Company. The Board believed that Mr. TAN was a suitable candidate to assume the responsibilities of the Chief Executive of the Company and the above arrangement was able to help improve the efficiency of the decision-making and execution process of the Company. The Company had put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, the Board considered that the deviation from code provision C.2.1 of part 2 of the Corporate Governance Code during the Reporting Period was appropriate in the circumstances of the Company. Following the appointment of Ms. ZHU Chen as the chief executive officer and an executive Director of the Company with effect from 11 July 2022, the Company has complied with code provision C.2.1 of part 2 of the Corporate Governance Code which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Review of Interim Results

The Audit and Risk Management Committee has reviewed with management and the Company's auditor, KPMG, the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the Company's interim report for the six months ended 30 June 2022.

The unaudited condensed consolidated interim financial information for the Reporting Period has been reviewed by the Company's auditor, KPMG, 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.

INTERIM DIVIDEND

No dividend was paid or declared by the Company for the six months ended 30 June 2022 (2021 1H: Nil).

Publication of Interim Results and Interim Report

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bocomgroup.com). The 2022 interim report containing all the information required by the Listing Rules will be despatched to Shareholders of the Company and available on the above websites in due course.

DEFINITIONS

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

| | |
|---------------------------------|--|
| "1H" | the first six months of a particular calendar year |
| "AUM" | the amount of assets under management |
| "Board" or "Board of Directors" | the Board of Directors of the Company |
| "BOCOM" | Bank of Communications Co., Ltd. (交通銀行股份有限公司), established in 1908, a company registered in the PRC as a joint stock limited liability company on 24 December 2004, the H shares and A shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively, and the ultimate controlling shareholder of the Company |
| "BOCOM Group" | BOCOM and its subsidiaries (excluding the Group) |

| | |
|--|---|
| “BOCOM International (Shanghai)” | BOCOM International (Shanghai) Equity Investment Management Co., Ltd. (交銀國際(上海)股權投資管理有限公司), a company incorporated in the PRC with limited liability on 25 October 2010 and a subsidiary of the Company |
| “BOCOM International (Shenzhen)” | BOCOM International Equity Investment Management (Shenzhen) Company Limited (交銀國際股權投資管理(深圳)有限公司), a company incorporated in the PRC with limited liability on 3 February 2016, a subsidiary of BOCOM International Asset Management Limited and an indirect subsidiary of the Company |
| “BOCOM Science and Technology Innovation Equity Investment Fund” | BOCOM Science and Technology Innovation Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership) 交銀科創股權投資基金(上海)合夥企業(有限合夥), a limited partnership established under the laws of the PRC |
| “Company” | BOCOM International Holdings Company Limited (交銀國際控股有限公司), a company incorporated in Hong Kong with limited liability on 3 June 1998, the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “Corporate Governance Code” | code on corporate governance practices contained in Appendix 14 to the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Group” or “we” or “us” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HKD” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “IPO” | initial public offering(s) |

| | |
|---------------------------|---|
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time) |
| “PRC” or “China” | People’s Republic of China |
| “QDIE” | Qualified Domestic Investment Entity |
| “QFLP” | Qualified Foreign Limited Partnership |
| “Reporting Period” | the six months ended 30 June 2022 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shanghai Stock Exchange” | the Shanghai Stock Exchange (上海證券交易所) |
| “Share(s)” | ordinary share(s) in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “US” or “United States” | the United States of America |
| “USD” or “US\$” | United States dollars, the lawful currency of the United State |

By order of the Board
BOCOM International Holdings Company Limited
TAN Yueheng
Chairman and Executive Director

Hong Kong, 24 August 2022

As at the date of this announcement, the Board comprises Mr. TAN Yueheng, Ms. ZHU Chen and Mr. CHENG Chuange as Executive Directors; Ms. PO Ying and Mr. WANG Xianjia as Non-executive Directors; and Mr. TSE Yung Hoi, Mr. MA Ning and Mr. LIN Zhijun as Independent Non-executive Directors.