信達國際控股有限公司
CINDA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 111)

ANNOUNCEMENT OF 2023 INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Cinda International Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") are pleased to announce the unaudited consolidated results of the Group for the six months ended 30th June 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30th June 2023 – Unaudited

		Six months ended 30th June	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**58,669**	66,312
Other income	*3*	**14,700**	14,164
Other losses, net	*3*	**(3,639)**	(15,224)
		69,730	65,252
Staff costs	*4(a)*	**31,824**	33,283
Commission expenses		**3,752**	7,324
Other operating expenses	*4(b)*	**31,311**	33,848
Finance costs	*4(c)*	**12,095**	7,461
		78,982	81,916
		(9,252)	(16,664)
Share of results of associates and a joint venture, net		**15,745**	(18,502)

		Six months ended 30th June	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Profit/(loss) before taxation		**6,493**	(35,166)
Income tax expense	*5*	**(6,217)**	(4,303)
Profit/(loss) for the period attributable to equity holders of the Company		**276**	(39,469)
Basic and diluted earnings/(loss) per share attributable to equity holders of the Company	*7*	**HK0.04 cents**	HK(6.16) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2023 – Unaudited

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**276**	(39,469)
Other comprehensive income/(expense) for the period:		
Items that may be reclassified subsequently to profit or loss:		
Debt instruments at fair value through other comprehensive income:		
– changes in fair value	**2,713**	(9,092)
– impairment loss included in profit or loss	**3,289**	3,874
– reclassification adjustments upon disposals	**246**	5,798
	6,248	580
Share of investment revaluation reserve of associates	**980**	(805)
Net movement in investment revaluation reserve	**7,228**	(225)
Exchange differences on translation of investment in a joint venture	**–**	(412)
Exchange differences on translation of foreign operations	**(10,056)**	(9,478)
Share of exchange reserve of associates	**(5,482)**	(6,914)
Net movement in exchange reserve	**(15,538)**	(16,804)
Other comprehensive expense for the period, net of income tax	**(8,310)**	(17,029)
Total comprehensive expense for the period attributable to equity holders of the Company	**(8,034)**	(56,498)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2023

	Notes	30th June 2023 HK$'000 (Unaudited)	31st December 2022 HK$'000 (Audited)
Non-current assets			
Intangible assets		**1,439**	1,439
Property and equipment		**8,192**	9,613
Right-of-use assets	*15*	**35,409**	47,097
Interests in associates	*8*	**441,988**	430,745
Financial assets at fair value through profit or loss	*10*	**43,986**	43,949
Deferred tax assets		**62**	42
Other assets		**12,000**	14,434
		543,076	547,319
Current assets			
Debt instruments at fair value through other comprehensive income	*9*	**169,145**	110,539
Financial assets at fair value through profit or loss	*10*	**65,581**	33,641
Trade and other receivables	*11*	**341,171**	374,235
Tax recoverable		**772**	767
Pledged bank deposits	*12*	**12,300**	12,165
Bank balances and cash	*12*	**487,261**	587,044
		1,076,230	1,118,391
Current liabilities			
Trade and other payables	*13*	**196,225**	205,259
Borrowings	*14*	**437,427**	447,388
Tax payable		**7,755**	4,814
Bonds issued		**–**	10,000
Lease liabilities	*15*	**18,268**	21,491
		659,675	688,952
Net current assets		**416,555**	429,439
Total assets less current liabilities		**959,631**	976,758

	Notes	**30th June 2023** ***HK$'000*** **(Unaudited)**	31st December 2022 *HK$'000* (Audited)
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**429,564**	437,874
Retained earnings		**446,394**	446,118
Total equity attributable to equity holders of the Company		**940,079**	948,113
Non-current liabilities			
Lease liabilities	*15*	**19,552**	28,645
		959,631	976,758

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These unaudited condensed consolidated financial statements have been approved for issue by the Board of Directors on 29th August 2023.

The financial information relating to the year ended 31st December 2022 that is included in these unaudited condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

2 PRINCIPAL ACCOUNTING POLICIES

Other than the adoption of new and revised standards which are mandatorily effective in the current interim period, the accounting policies adopted in the preparation of the condensed consolidated financial statements for the six months ended 30th June 2023 are consistent with those presented in the Group's annual consolidated financial statements for the year ended 31st December 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the current interim period, the Group has applied the following new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1st January 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	*Insurance Contracts*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform - Pillar Two Model Rules*

The application of the amendments to HKFRSs that are effective from 1st January 2023 did not have any significant impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements. The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective for the current accounting period.

3 REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Revenue from contracts with customers		
Fees and commission		
– Asset management	**6,830**	6,675
– Sales and trading business	**10,040**	16,644
– Corporate finance	**4,174**	6,093
	21,044	29,412
Underwriting income and placing commission		
– Corporate finance	**417**	4,717
Management fee and service fee income		
– Asset management	**25,119**	24,074
	46,580	58,203
Revenue from other sources		
Interest income		
– Asset management	**270**	293
– Sales and trading business	**11,427**	7,668
– Others	**392**	148
	12,089	8,109
	58,669	66,312

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

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

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Six months ended 30th June 2022 – unaudited				
Type of services				
Brokering service	–	16,644	–	16,644
Underwriting and placing service	–	–	4,717	4,717
Corporate finance service	–	–	6,093	6,093
Asset management service	30,749	–	–	30,749
Total revenue from contracts with customers	30,749	16,644	10,810	58,203
Geographical markets				
Hong Kong	13,368	16,644	10,810	40,822
Mainland China	17,381	–	–	17,381
Total revenue from contracts with customers	30,749	16,644	10,810	58,203
Timing of revenue recognition				
At a point in time	–	16,644	6,717	23,361
Over time	30,749	–	4,093	34,842
Total revenue from contracts with customers	30,749	16,644	10,810	58,203

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue recognised that was included in deferred revenue at the beginning of the reporting period:		
Corporate finance service	**253**	3,250

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income		
Interest income from:		
– Debt instruments at fair value through other comprehensive income	**3,551**	7,667
– Financial assets at fair value through profit or loss	**501**	1,319
Investment income	**3,234**	3,541
Government grants *(note)*	**5,546**	915
Others	**1,868**	722
	14,700	14,164

Note: The Group received government grants to support enterprises to implement business innovation and corporate transformation in Shanghai, Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other losses, net		
Net exchange losses	**(4,761)**	(6,544)
Loss on disposal of financial assets at fair value through profit or loss, net	**–**	(1,127)
Gain/(loss) on disposal of debt instruments at fair value through other comprehensive income, net	**714**	(4,517)
Gain/(loss) from change in fair value of financial assets at fair value through profit or loss, net	**408**	(3,036)
	(3,639)	(15,224)

Segment information

The Group manages its businesses by divisions. Under HKFRS 8 Operating Segments and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

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

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

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

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

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

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

Six months ended 30th June 2023 – unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Revenue from external customers	**29,268**	**21,467**	**4,591**	**55,326**
Revenue from an associate *(note (a))*	**2,951**	**–**	**–**	**2,951**
Reportable segment revenue	**32,219**	**21,467**	**4,591**	**58,277**
Reportable segment results (EBIT)	**18,426**	**(6,104)**	**(8,234)**	**4,088**
Interest income from bank deposits	**270**	**4,534**	**–**	**4,804**
Interest expense	**(5,512)**	**(5,730)**	**(8)**	**(11,250)**
Depreciation of property and equipment	**(184)**	**(595)**	**(22)**	**(801)**

As at 30th June 2023 – unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Reportable segment assets	**605,279**	**445,807**	**19,428**	**1,070,514**
Additions to non-current segment assets during the period *(note (b))*	**44**	**51**	**–**	**95**
Reportable segment liabilities	**444,647**	**161,937**	**1,703**	**608,287**

Six months ended 30th June 2022 – unaudited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Revenue from external customers	28,251	24,312	10,810	63,373
Revenue from an associate *(note (a))*	2,791	–	–	2,791
Reportable segment revenue	31,042	24,312	10,810	66,164
Reportable segment results (EBIT)	16,552	(6,526)	(5,450)	4,576
Interest income from bank deposits	293	729	–	1,022
Interest expense	(3,196)	(749)	(31)	(3,976)
Depreciation of property and equipment	(247)	(571)	(56)	(874)

As at 31st December 2022 – audited

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
Reportable segment assets	537,029	519,869	28,798	1,085,696
Additions to non-current segment assets during the period *(note (b))*	354	1,472	–	1,826
Reportable segment liabilities	459,941	175,396	2,312	637,649

Notes:

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

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

Reconciliations of reportable revenue

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	**58,277**	66,164
Unallocated head office and corporate revenue	**392**	148
Consolidated revenue	**58,669**	66,312

Reconciliations of reportable results

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Results		
Reportable segment profit (EBIT)	**4,088**	4,576
Share of results of associates and a joint venture, net	**15,745**	(18,502)
Finance costs	**(12,095)**	(7,461)
Unallocated head office and corporate expenses	**(1,245)**	(13,779)
Consolidated profit/(loss) before taxation	**6,493**	(35,166)
Income tax expense	**(6,217)**	(4,303)
Profit/(loss) for the period	**276**	(39,469)

Reconciliations of reportable assets and liabilities

	30th June 2023 *HK$'000* **(Unaudited)**	31st December 2022 *HK$'000* (Audited)
Assets		
Reportable segment assets	**1,070,514**	1,085,696
Elimination of inter-segment receivables	**(5,686)**	(5,739)
	1,064,828	1,079,957
Interests in associates	**441,988**	430,745
Deferred tax assets	**62**	42
Tax recoverable	**772**	767
Unallocated head office and corporate assets	**111,656**	154,199
Consolidated total assets	**1,619,306**	1,665,710
Liabilities		
Reportable segment liabilities	**608,287**	637,649
Elimination of inter-segment payables	**(461)**	(464)
	607,826	637,185
Tax payable	**7,755**	4,814
Unallocated head office and corporate liabilities	**63,646**	75,598
Consolidated total liabilities	**679,227**	717,597

Geographic information

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

	Revenue from external customers six months ended 30th June		**Specified non-current assets**	
			As at 30th June	As at 31st December
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Hong Kong	**37,269**	48,639	**209,529**	218,058
Mainland China	**21,400**	17,673	**289,499**	285,268
	58,669	66,312	**499,028**	503,326

4 PROFIT/(LOSS) BEFORE TAXATION

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

(a) Staff costs

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries and allowances	**30,436**	32,022
Defined contribution plans	**1,388**	1,261
	31,824	33,283

(b) Other operating expenses

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Advertising and promotion	**466**	342
Auditor's remuneration	**562**	1,580
Bank charges	**134**	50
Cleaning expense	**141**	163
Computer expense	**85**	180
Data service fee	**3,360**	4,023
Depreciation of property and equipment	**1,729**	1,754
Depreciation of right-of-use assets *(note 15)*	**11,688**	12,292
Employee relation expense	**187**	276
Entertainment	**601**	250
Impairment loss on financial assets under expected credit loss model, net of reversal		
– debt instruments at fair value through other comprehensive income	**3,289**	3,874
– trade and other receivables	**118**	129
Insurance fee	**1,104**	1,219
Legal and professional fee	**527**	1,169
Printing and stationery fee	**194**	266
Property management and other related fee	**1,116**	1,186
Repair and maintenance fee	**1,086**	1,187
Service fee	**610**	532
Staff recruitment fee	**23**	244
Subscription fee	**114**	162
Telecommunication fee	**1,201**	1,213
Travelling expense	**668**	252
Water and electricity	**303**	234
Others	**2,005**	1,271
	31,311	33,848

(c) Finance costs

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**11,191**	6,829
Interest on bonds issued	**77**	198
Interest on lease liabilities *(note 15)*	**827**	434
	12,095	7,461

5 INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for prior periods. The Group did not generate any assessable profits in Hong Kong for the current period.

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

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

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current taxation		
– Hong Kong Profits Tax	**–**	22
– PRC Corporate Income Tax	**6,237**	4,302
Deferred taxation		
– Hong Kong	**(20)**	(21)
	6,217	4,303

6 DIVIDENDS

During the six months period ended 30th June 2022, a final dividend of HK2 cents per ordinary share in respect of the year ended 31st December 2021 was declared and paid. The aggregate amount of the final dividend declared and paid amounted to HK$12,824,000.

No dividends were paid, declared or proposed during the current interim period. The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30th June 2023 (2022: nil).

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company of HK$276,000 (six months ended 30th June 2022: loss attributable to equity holders of the Company of HK$39,469,000) and 641,205,600 ordinary shares (six months ended 30th June 2022: 641,205,600 ordinary shares) in issue during the period, calculated as follows:

Earnings/(loss) attributable to equity holders of the Company

	Six months ended 30th June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings/(loss) for the period attributable to equity holders of the Company	**276**	(39,469)

Number of ordinary shares

	Six months ended 30th June	
	2023	2022
	(Unaudited)	(Unaudited)
Issued ordinary shares at 1st January and 30th June	**641,205,600**	641,205,600

(b) Diluted earnings/(loss) per share

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

8 INTERESTS IN ASSOCIATES AND SHARE OF RESULTS OF ASSOCIATES

	30th June	31st December
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Share of net assets at 1st January	**430,745**	444,317
Share of profits for the period/year, net	**15,745**	6,394
Share of other comprehensive expense for the period/year	**(4,502)**	(14,446)
Dividend income from an associate	**–**	(5,520)
	11,243	(13,572)
Share of net assets at 30th June/31st December	**441,988**	430,745

9 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30th June 2023	31st December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed debt investments with fixed interest	**169,145**	110,539

As at 30th June 2023 and 31st December 2022, an analysis of the ending balance of the carrying amount in debt instruments at fair value through other comprehensive income subject to expected credit losses is as follows:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Fair value as at 30th June 2023 – unaudited	**167,812**	**–**	**1,333**	**169,145**
Fair value as at 31st December 2022 – audited	109,107	–	1,432	110,539

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

	Within 1 year	**Between 1 to 2 years**	**Between 2 to 5 years**	**Overdue**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
30th June 2023 – unaudited	**112,938**	**54,874**	**–**	**1,333**	**169,145**
31st December 2022 – audited	83,208	25,899	–	1,432	110,539

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30th June 2023 *HK$'000* **(Unaudited)**	31st December 2022 *HK$'000* (Audited)
Classified as non-current assets:		
Unlisted private equity funds	**43,986**	43,949
Classified as current assets:		
Listed fund investments	**25,794**	14,763
Listed perpetual bonds	**38,010**	14,804
Unlisted equity securities	**1**	1
Unlisted private equity funds	**1,776**	4,073
	65,581	33,641
	109,567	77,590

11 TRADE AND OTHER RECEIVABLES

	30th June 2023 *HK$'000* **(Unaudited)**	31st December 2022 *HK$'000* (Audited)
Trade and other receivables	**354,473**	387,419
Less: impairment allowances	**(13,302)**	(13,184)
Total trade and other receivables	**341,171**	374,235

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

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

	HK$'000
At 1st January 2022 – audited	16,611
Reversal of impairment losses	(54)
Written off	(3,373)
At 31st December 2022 and 1st January 2023 – audited	13,184
Provision of impairment losses	118
At 30th June 2023 – unaudited	13,302

As at 30th June 2023 and 31st December 2022, an analysis of the gross amount of trade and other receivables and their expected credit losses is as follows:

	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Gross amount as at 30th June 2023 – unaudited	**339,338**	**100**	**12,929**	**2,106**	**354,473**
Expected credit losses	**(373)**	**–**	**(12,929)**	**–**	**(13,302)**
	338,965	**100**	**–**	**2,106**	**341,171**

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Gross amount as at 31st December 2022 – audited	372,090	100	12,929	2,300	387,419
Expected credit losses	(255)	–	(12,929)	–	(13,184)
	371,835	100	–	2,300	374,235

For trade receivables related to margin loans arising from securities brokering amounting to HK$159,221,000 (31st December 2022: HK$142,268,000), during the period, impairment allowances of HK$118,000 were provided (for the six months ended 30th June 2022: HK$129,000). As at 30th June 2023, impairment allowances of HK$13,302,000 (31st December 2022: HK$13,184,000) for the receivables from margin clients was provided. The margin clients of securities brokering business are required to pledge their shares to the Group for credit facilities for securities trading. No ageing analysis is disclosed as in the opinion of the management, the ageing analysis does not give additional value in view of the nature of revolving margin loan.

For trade receivables related to corporate finance of HK$2,106,000 (31st December 2022: HK$2,300,000), no additional impairment loss was provided for the current period (for the six months ended 30th June 2022: nil). As at 31st December 2022, impairment allowances of HK$3,373,000 were written off. The settlement terms of trade receivables from corporate finance clients are usually 30 days from the date of invoice. The relevant ageing analysis based on the date of invoice at the reporting date was as follows:

	30th June 2023	31st December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current	**1,633**	–
30–60 days	**–**	–
Over 60 days	**473**	2,300
	2,106	2,300

For trade receivables from clients arising from securities brokering, the amounts represent unsettled trades due from clients as at period ended. It normally takes two to three days to settle after trade date of those transactions. As at 30th June 2023, it included overdue balances of HK$9,779,000 (31st December 2022: HK$11,903,000). These overdue balances are either subsequently settled after the reporting date or fully collateralised by listed securities. The directors of the Company did not consider there was a significant change in credit quality of the balance. No impairment loss allowance has been provided.

For trade receivables from clearing houses arising from securities brokering of HK$9,926,000 (31st December 2022: HK$670,000), the settlement terms of trade receivables from clearing houses are usually one to two days after the trade date.

The remaining trade receivables represent the margin and other deposits from brokers and financial institutions with specific agreed terms, no impairment loss allowances has been provided as the related allowances were considered immaterial and there was no credit default history.

Credits are extended to brokering clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and collateral available to the Group. Clients trading in commodities and futures contracts and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For commodities and futures contracts, initial margins are required before trading and thereafter clients are required to keep the equity position at a prescribed maintenance margin level.

12 PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	30th June 2023 HK$'000 (Unaudited)	31st December 2022 HK$'000 (Audited)
Cash in hand	**21**	21
Bank balances		
– pledged deposits	**12,300**	12,165
– fixed deposits	**20,000**	–
– general accounts	**467,240**	587,023
	499,540	599,188
	499,561	599,209
By maturity:		
Bank balances		
– current and savings accounts	**467,240**	587,023
– fixed deposits (maturing within three months)	**32,300**	12,165
	499,540	599,188

13 TRADE AND OTHER PAYABLES

	30th June 2023 HK$'000 (Unaudited)	31st December 2022 HK$'000 (Audited)
Trade payables	**157,053**	169,376
Accruals, provision and other payables	**39,172**	35,630
Deferred revenue	**–**	253
Total trade and other payables	**196,225**	205,259

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

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

14 BORROWINGS

	30th June 2023 *HK$'000* **(Unaudited)**	31st December 2022 *HK$'000* (Audited)
Current		
Bank loan *(note (a))*	**309,600**	378,300
Borrowings under repurchase agreements *(note (b))*	**127,827**	69,088
	437,427	447,388

Notes:

(a) At 30th June 2023, the bank borrowings were repayable and carried interest with reference to HIBOR (2022: HIBOR/LIBOR) or other relevant measures as follows:

	30th June 2023 *HK$'000* **(Unaudited)**	31st December 2022 *HK$'000* (Audited)
Within a period not exceeding 1 year	**309,600**	378,300

As at 30th June 2023, the Group had total banking facilities of HK$1,538,000,000 (31st December 2022: HK$2,088,000,000).

Among these banking facilities, HK$200,000,000 (31st December 2022: HK$200,000,000) was secured by pledged deposits with a principal of HK$12,000,000 (31st December 2022: HK$12,000,000).

Furthermore, HK$1,382,000,000 (31st December 2022: HK$1,932,000,000) was under specific performance obligation on the Company's controlling shareholder which the current controlling shareholder shall hold over 50% or at least 51% in one of the facilities of the entire issued share capital of the Company.

As at 30th June 2023, HK$309,600,000 (31st December 2022: HK$378,300,000) was drawn from the banking facilities under specific performance obligation. Among these banking facilities, none was drawn in US dollars (31st December 2022: US$11,500,000 (equivalent to HK$89,700,000)).

As at 30th June 2023 and 31st December 2022, the Group has not utilised any of the banking facilities secured by the pledged deposits. The effective interest rate of the bank borrowings is also equal to the contracted interest rate.

(b) The Group has entered into several repurchase agreements with financial institutions in which the Group sold a portfolio of debt investments it held to the financial institutions in exchange for a cash consideration of US$16,388,000 (equivalent to HK$127,827,000) (31st December 2022: US$8,857,000 (equivalent to HK$69,088,000)). There are no maturity dates stated in the agreements and the interest is calculated with reference to the SOFR adjusted by Credit Adjustment Spread (31st December 2022: LIBOR) for interest rate benchmark reform. The Group is required to repurchase the debt investments at original cash consideration plus interest at variable rates calculated with reference to the SOFR adjusted by Credit Adjustment Spread (31st December 2022: LIBOR) upon the termination of the agreements. As at 30th June 2023, the obligations under repurchase agreements were collateralised by the Group's debt investments and listed perpetual bonds with a fair value of HK$157,037,000 (31st December 2022: HK$83,642,000).

15 LEASES

The Group as a lessee

As at 30th June 2023 and 31st December 2022, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 years to 6 years (31st December 2022: 2 years to 6 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

Right-of-use assets and lease liabilities

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

	Right-of-use assets *HK$'000*	Lease liabilities *HK$'000*
As at 1st January 2022 – audited	**25,571**	25,905
Addition	**45,325**	45,325
Depreciation charge	**(23,799)**	–
Interest expense	**–**	1,831
Payments	**–**	(22,925)
As at 31st December 2022 and 1st January 2023 – audited	**47,097**	50,136
Depreciation charge *(note 4(b))*	**(11,688)**	–
Interest expense *(note 4(c))*	**–**	827
Payments	**–**	(13,143)
As at 30th June 2023 – unaudited	**35,409**	37,820

	30th June 2023 *HK$'000* **(Unaudited)**	31st December 2022 *HK$'000* (Audited)
Lease liabilities analysed into:		
Current portion	**18,268**	21,491
Non-current portion	**19,552**	28,645
	37,820	50,136

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET CONDITIONS

The year 2023 saw a global easing of the COVID-19 pandemic, with countries reopening their economies; however, as the Russia-Ukraine conflict continued, sanctions against Russia imposed by European and American countries have stricken the global supply chains causing a sluggish recovery progress in economic activities and striking inflation; and in the first quarter of 2023, the United States of America (the "**U.S.**") witnessed a series of regional-bank failures, with Silicon Valley Bank (SVB) being the second largest bank failure in the history of the U.S., caused liquidity to tighten as the market was concerned about risk spillovers, which triggered a short-term turbulence in the global financial markets, leading to the banking liquidity crisis even spreading to Europe; with these banks being rescued one after another, the banking liquidity loosened up, while the U.S. inflation remained high and the employment market stayed strong, so the Federal Reserve of the U.S. (the "**Fed**") keep raising interest rates in order to combat with inflation by raising interest rates by 25 basis points in February, March and May respectively. After several rounds of interest rate hikes, U.S. inflation has shown some signs of easing, with the Consumer Price Index (CPI) rising 4.0% year-on-year in May, marking the 11th consecutive month of decline. After the interest rate meeting in June, the Fed announced that the monetary policy would remain unchanged for the time being, which was the first time in 15 months that interest rate hikes had been suspended. The Fed raised its inflation forecast for 2023, with the core Personal Consumption Expenditure ("**PCE**") price index expected to rise by 3.9% in 2023, higher than the estimated 3.6% in March, and the core PCE inflation expected to remain unchanged at 2.6% in 2024. It is estimated that the U.S. interest rate hike cycle will likely to continue.

As the pace of interest rate hikes eased, the U.S. dollar index showed mixed performance in the second quarter, recovering by 0.4% during the quarter, while in the first half of the year, the U.S. dollar index fell by 0.6%. As the U.S. inflation showing signs of easing, the market expected the Fed to slow down the pace of interest rate hikes. Meanwhile, the U.S. economy continued to show resilience, and as the market gradually became less concerned about the risk of a recession, the U.S. stocks rebounded in the second quarter, with the three major indices rising between 3.4% and 12.8%, and cumulatively between 3.8% and 31.7% in the first half of the year.

In Europe, with inflation continuing to be well above target and better-than-expected economic data in the region, the European Central Bank maintained a faster pace of interest rate hikes in the first quarter, raising interest rates by 50 basis points in both February and March. The European Central Bank reiterated that inflation pressure remained strong, and it is likely to continue to raise interest rates. To summarise the first half of the year, individual developments were observed in the stock markets in the European region, with the pan-European Stoxx 50 index, German stock market and French stock market rose between 14% and 16% in the first half of the year, while British stock market rose 1%.

As to the bond market, the JPM Emerging Markets Government Bond Index rose 7.6% in the first half of the year as the Fed slowed down the pace of interest rate hikes. In addition, despite the introduction of various measures to support the real estate market in the Mainland China, the momentum of the real estate market recovery weakened again in the second quarter, coupled with the Fed's hawkish comments, resulting in softness in Chinese offshore U.S. dollar bonds, among which, the Markit iBoxx Asian Chinese U.S. Dollar Bond Index rose by a mere 1.6% in the first half of the year, while the Markit iBoxx Asian Chinese U.S. Dollar High-yield Bond Index and Markit iBoxx Asian Chinese U.S. Dollar Real Estate Bond Index fell sharply by 8% and 26.1% respectively.

In the Mainland China, economic activities have been picking up in an orderly manner since the beginning of the year, with production and supply continuing to increase. However, with insufficient endogenous momentum and weak foundation for recovery, economic activities are still facing multiple challenges. In the first six months of 2023, national fixed assets investment grew by 3.8% year-on-year, the added value of large scale industrial enterprises grew by 3.8%, and the total retail sales of consumer goods increased by 8.2%. The gross domestic product ("**GDP**") for the first half of the year increased by 5.5% year-on-year, while GDP for the second quarter alone increased by 6.3% year-on-year and 0.8% quarter-on-quarter. In the first quarter, credit growth in China was clearly evident, but there was a significant decline in the second quarter. The People's Bank of China (the "**PBOC**") announced a 10 basis points cut in the 7-day reverse repo rate to 1.9% in June, the first cut since August 2022. Subsequently, the PBOC lowered the rate of Medium-term Lending Facility (MLF) by 10 basis points to 2.65%, and launched Standing Lending Facility (SLF) operations for financial institutions, with overnight, 7-day and 1-month rates all lowered by 10 basis points. After that, the PBOC made a symmetrical interest rate cut, lowering the 1-year and 5-year Loan Prime Rate (LPR) by 10 basis points, reflecting the continued prudent monetary policy in the Mainland China and its efforts to achieve cross-cycle regulation.

As to the stock market in the Mainland China, in the first half of the year under review, the turnover of A-shares amounted to RMB111 trillion, representing a cumulative decline of 2.6% year-on-year in the first half of the year. The average daily turnover in the first half of the year was RMB942.7 billion, representing a year-on-year decrease of 3.4%. The Mainland China economy entered the second quarter of the year with weakening growth momentum, but the Shanghai Securities Composite Index (the "**Shanghai Composite Index**") showed a bullish trend, reaching a high of 3,418 points in May as the market was looking forward to the introduction of a new round of growth stabilization policies. However, the Shanghai Composite Index fell from the high during the period as the RMB against the U.S. dollar breached the key level of 7 once again in mid-May under pressure. The Shanghai Composite Index closed at 3,202 points in the second quarter, declined by 2.2%, as compared with a rise of 3.7% in the first half of the year. The U.S. dollar against the CNY and CNH bottomed at 7.2688 and 7.2857 in June, respectively, with an accumulative decrease of 5.2% and 5.5% in the second quarter, and an accumulative decrease of 4.9% and 4.7% in the first half of the year, respectively.

In Hong Kong, with the resumption of customs clearance between the Mainland China and Hong Kong at the beginning of 2023, Mainland tourists have been returning at a faster pace. The Hong Kong Government has lifted all local social distancing measures, which has led to an improvement in local consumption and a return to the normal pace of business activities. The GDP of Hong Kong in the first quarter grew by 2.7% year-on-year and by an estimate of 1.5% year-on-year in the second quarter, slowing down from the first quarter. The labor market remained a steady upward trend, with the unemployment rate from April to June at 2.9%, falling to a low in more than three and a half years, while the underemployment rate was 1.1%.

As to Hong Kong stock market, in the first half of 2023, Hong Kong stock prices had risen initially but then dropped. Benefited from the revival of the Mainland China economy, the Hang Seng Index ("**HSI**") rose by 3.1% in the first quarter, reaching a high of 22,700 points in January. However, with the outbreak of the crisis in the European and American banking industry, the longer-than-expected U.S. interest rate hike cycle, together with the weaker-than-expected recovery of the Mainland China economy in the second quarter, the HSI recorded a low of 18,044 points in May, with an accumulative decline of 4.4% in the first half of the year, eventually closing at 18,916 points. Hang Seng China Enterprises Index closed at 6,424 points, declined by 7.8% in the second quarter, with an accumulative decline of 4.2% in the first half of the year. The Hang Seng TECH Index closed at 3,911 points, fell by 9.1% in the second quarter, with an accumulative decline of 5.3% in the first half of the year. The trading volume of Hong Kong stocks had also risen initially but then dropped, among which, transaction volume was soft in the second quarter, with daily average transaction volume falling to less than HK$100 billion in June, and daily average transaction volume was only HK$115.5 billion for the first half of the year, representing a year-on-year drop of 16.4%.

In the Hong Kong's initial public offering ("**IPO**") market, market interest rates continued to rise during the period, which was unfavorable for corporate valuations. Although the number of IPOs has improved, the fund-raising amount remained weak. According to the data from the Hong Kong Exchanges and Clearing Limited, a total of 33 companies (including those transferred from the GEM to the Main Board) were listed through IPOs in Hong Kong in the first half of the year, up 22.2% year-on-year; the fund-raising amount was HK$17.8 billion, representing a year-on-year decline of 9.9%, and dropping out of the top five globally.

In the market of the U.S. dollar bonds issued by Chinese enterprises, the tightening of U.S. dollar liquidity and the lack of significant improvement in market conditions have dampened bond issuance during the period. According to market statistics, in the first half of 2023, the total issuance size of offshore bonds issued by Chinese enterprises amounted to approximately US$88.2 billion (calculated based on the interest date and excluding convertible bonds), representing a year-on-year decrease of 7.4%. The issuance size of real estate bonds fell by 28.2% year-on-year, resulting in an accumulative net outflow of offshore financing for real estate sector exceeded US$30 billion. The data reflected that under the background of the rising interest rate of U.S. treasury bonds and the widening interest spread of enterprise bonds, investors still concern about the current volatile market environment and the credit issues in certain industries.

OVERALL PERFORMANCE

In the first half of 2023, the Group adhered to the previous operation strategy and as the only fully licensed securities institutions established outside the Mainland China within the system of China Cinda Asset Management Co., Ltd. ("**China Cinda**", together with its associates, the "**China Cinda Group**"). As the hub connecting to international capital markets and overseas asset management centre of the China Cinda Group ecosphere, the Group provides cross-border investment banking services around the world with China concept as its focus. During the period, the Group continued with the development of the three core business segments (i.e. asset management, corporate finance, and sales and trading business). Revenue from asset management business improved year-on-year, but corporate finance and sales and trading businesses revenue decreased year-on-year as Hong Kong's financial market was still affected by the negative factors such as high inflation and interest rate hikes during the period. However, the share of performance of associates turned from loss to profit, and as a result, the Group turned from loss to profit as a whole in the first half of the year and recorded a net profit after tax of HK$0.28 million, as compared to the loss after tax of HK$39.47 million last year. The total revenue in the first half of the year amounted to HK$69.73 million (2022: HK$65.25 million), representing an increase of 7% as compared with last year, among which, the turnover was HK$58.67 million (2022: HK$66.31 million), representing a decrease of 12% as compared with last year. Other income amounted to HK$14.70 million (2022: HK$14.16 million), representing an increase of 4% as compared with last year. Other net loss amounted to HK$3.64

million (2022: HK$15.22 million), representing a decrease of 76% as compared with last year. As for expenses, the Group endeavored to control cost, staff costs decreased by 4% year-on-year; coupled with the continued reduction in other operating expenses, operating expenses (excluding commission expenses and finance costs) for the first half of the year amounted to HK$31.31 million (2022: HK$33.85 million), representing a decrease of 8% year-on-year, while the finance costs increased by 62% year-on-year, mainly due to higher market interest rates offsetting the impact of lower overall borrowing levels.

The Group recorded a share of profits from associates and a joint venture for the first half of the year amounted to HK$15.75 million (2022: loss of HK$18.50 million), representing an increase of 185% as compared with last year, mainly due to the turnaround in the results of the absolute return fund and an associate engaging in private equity investment and fund management. As a result, the Group's profit before tax for the first half of the year amounted to HK$6.49 million (2022: loss of HK$35.17 million). Profit after tax attributable to equity holders of the Company amounted to HK$0.28 million (2022: loss of HK$39.47 million).

ASSET MANAGEMENT

In the first half of 2023, the asset management segment of the Group continued to operate under light-asset strategy. As the overseas asset management arm of China Cinda ecosphere connected with the international capital markets, the Group proactively developed its business revolving around the main business of China Cinda Group, concentrated its efforts to branch out to the troubled asset business, and actively explored innovative cross-border distressed asset business by strengthening marketized asset management business operations. During the period, the segment continued to explore and develop a special asset management project on offloading and some domestic troubled asset funds, with a total of six new projects have been put into operation. Due to the improved external environment during the period, the progress of new projects obviously accelerated year-on-year, resulting in the operating revenue of the segment was HK$32.22 million (2022: HK$31.04 million) for the period, representing a year-on-year increase of 4%. In addition, the profit from this segment for the period increased by 11% to HK$18.43 million (2022: HK$16.55 million) as the bond investment income improved during the period even though it was affected by factors such as the rising market interest rate and uncertainties in the capital market.

The Group cooperated with associates actively to expand diversified businesses. Two of the associates also benefited from the improvement in the external environment and turned losses into profits, resulting in the Group's share of profits from associates and a joint venture for the first half of the year amounted to HK$15.75 million (2022: loss of HK$18.50 million).

CORPORATE FINANCE

The corporate finance business continued to serve clients with equity and debt issuance. In the first half of this year, the Hong Kong IPO market recorded only one large-scale IPO raising over HK$5 billion, and the total amount raised was the lowest in the same period over the years, at approximately HK$17.78 billion, representing a decrease of approximately 10% from approximately HK$19.73 billion for the same period last year. During the period, the equity business of the Group was deeply affected by the downturn of IPO market in Hong Kong, the progress of the cases on hand was slow and we were unable to increase the project reserve, but the projects that were still in progress include several sponsorship projects for certain small-sized enterprises' proposed IPOs in Hong Kong, several financial advisory and compliance advisory projects. With respect to debt issuance business, it was also affected by the downturn in the bond market. During the period, the Group was only able to complete two Chinese enterprises offshore U.S. dollar bond issues, totaling US$514 million, representing a decrease of 72% year-on-year. As a result, the operating revenue of this segment was only HK$4.59 million, representing a decrease of 58% from HK$10.81 million for the same period last year, and the segment recorded a loss of HK$8.23 million (2022: HK$5.45 million).

SALES AND TRADING BUSINESS

Hong Kong's securities market saw a rise and then a fall, with investment sentiment becoming cautious after digesting the relaxation of anti-epidemic measures and anticipating an economic recovery. As at 30th June 2023, the HSI closed at 18,916 points, a cumulative drop of 865 points, or 4.37%, from 19,781 points at the end of last year. The average daily turnover was HK$115.5 billion, down 16.49% from HK$138.3 billion in the first half of last year. The operating revenue of this segment decreased by 12% to HK$21.47 million during the period from HK$24.31 million for the same period of last year, of which the Group recorded a commission of HK$10.04 million (2022: HK$16.64 million) and interest from securities financing and other income of HK$11.43 million (2022: HK$7.67 million). In view of the poor performance of the Hong Kong securities market, the Group remained prudent in margin loans through strict risk control, instead of expanding the scale during the period. No bad or doubtful debts was recorded throughout the period. In addition, the segment actively explored institutional clients and high net worth customers during the period in order to provide a China concept-focused service to counteract the low commission-based securities firms. In the end, the segment recorded a loss of HK$6.10 million (2022: HK$6.53 million).

LOOKING FORWARD

Looking forward to the second half of 2023, the external environment remains complex and volatile, with inflation continuing to be higher than the central bank's target, which is expected to lead to further interest rate hikes. In the first half of 2023, the Fed raised interest rates by a total of 75 basis points and revised its median forecast for interest rates upwards in June for this year and next, with the median interest rates for 2023 and 2024 expected to be 5.6% and 4.6% respectively, 0.5% and 0.3% higher than in March. At the same time, the Fed also expects not to cut interest rates in the second half of the year, prolonging the interest rate hike cycle in the U.S., which may further dampen global investment sentiment. The Fed's aggressive stance against inflation is expected to suppress local wages, consumer confidence and consumption growth in the U.S., potentially exacerbating downward pressure on the economy. In addition, the ongoing Sino-U.S. tensions may trigger a new round of market turbulence.

In addition to facing high inflation, Europe still has to deal with a triple challenge of energy crisis and economic slowdown. The economic recovery process among highly indebted economies in the eurozone remains uneven. In the second half of the year, both Europe and America regions are still facing multiple uncertainties, with concerns even rising about the risk of economic recession.

In Hong Kong, following the lifting of travel restrictions between the Mainland China and Hong Kong, economic activities between the two places are resuming, which is expected to alleviate certain pressures. In addition, inbound tourism is expected to rebound, supporting the recovery of the catering and retail sectors which would sustain the labor market improvement and boost private consumption at the same time. However, uncertainties still persist in the financial services sector. Although efforts are devoted to stabilizing the economy in the Mainland China in the second half of the year, it will take time for the real estate market to recover. Therefore, it is expected that Mainland China real estate enterprises will continue to face the pressure of repaying their U.S. dollar-denominated debts as and when they fall due, and the redemption risks of individual enterprises will continue to cause volatility to the Hong Kong stock market and the market of U.S. dollar-denominated bonds issued by Chinese enterprises.

As to the stock market in the Mainland China, the Shanghai Stock Exchange ("**SSE**") and Shenzhen Stock Exchange ranked first and second in the world in terms of IPO financing scale in the first half of 2023 respectively, driven by years of deepening reforms, encouraging the return of red-chip enterprises to the domestic market from abroad and the reform of the registration system for issuing new shares. With the continued deepening reforms of the capital market in the Mainland China, the IPOs and trading volume of A shares are expected to remain prosperous.

The downside risks faced by Hong Kong stock market in the second half of the year continued to include rising geopolitical risks, Sino-U.S. rivalries, prolongation of the U.S. interest rate hike cycle and further tightening of U.S. dollar liquidity. In addition, the lack of endogenous momentum in the Mainland China's economic activities has slowed down the pace of improvement in corporate profits, and the pressure on the capital chain in the real estate market in the Mainland China has not been fully relieved, which will continue to suppress investors' risk appetite, waiting for a catalyst to reverse the market sentiment. With more frequent interconnections between the Mainland China and Hong Kong, and the vigorous promotion of cross-border wealth management by the two governments, the next step after launching RMB-denominated stock trading is to promote more RMB-denominated stocks into the Hong Kong Stock Connect program, and Hong Kong will remain as the bridgehead for foreign investment into Mainland China, which will be beneficial to Hong Kong's offshore RMB business in the long run. At the same time, the continued deepening integration of the Mainland China and Hong Kong stock and bond markets is conducive to steadily promoting the opening up of the Mainland China's financial markets, and on the other hand, it is also conducive to consolidating the position of Hong Kong as an international financial center.

The Group will continue to strengthen the business integration with Cinda Securities Co., Ltd. ("**Cinda Securities**", the shares of which were listed on the main board of the SSE on 1st February 2023). The integration is conducive to its future efforts to jointly plan to provide domestic and foreign integrated financial services, and play the role as an overseas business platform of Cinda Securities. We will focus on the investment banking businesses including overseas issuance of U.S. dollar bonds by domestic institutions, IPO of domestic companies in Hong Kong and overseas major assets restructuring of domestic institutions, the cross-border brokerage business for the full circulation of H shares, the creation of cross-border asset management products, and the establishment of a mechanism in which research departments of the two institutions to share their research resources to expand the cross-border integrated investment banking services.

Meanwhile, the Group will continue to focus on the main business of China Cinda Group and serve as the only fully licensed outside border securities institutions of the China Cinda ecosphere. The Group will continue to promote the development of the three core business segments. On the one hand, we will further boost the development of our synergistic businesses, continue to optimise the internal management and enhance our asset capacity, while continue to maintain sound and compliant operation. On the other hand, we will deepen the cooperation with Cinda Securities and China Cinda ecosphere in a bid to achieve win-win results.

In respect of the sales and trading business, we will strive to increase our business volume and market share, expand domestic and overseas institutional, corporate and high-net-worth clients in a prudent and risk-averse manner; the Group's securities company will develop towards the direction of wealth management and diversify our products so as to meet the client's need in asset allocation. In terms of the asset management business, we will further identify the opportunities in the capital markets. We will actively explore equity-based and equity and debt assets management business in specific sectors, dispose of crisis debt and defaulted debt as distressed assets, and create different assets management product lines. As for the corporate finance business, we will maintain the parallel development of equity and debt businesses. For the equity-related business, we will proactively provide sponsor and underwriting services and expand the acquisition and merger financial advisor business by leveraging the resources of the parent company. As for the debt-related business, the Group will explore demands for bond issuance of domestic and Hong Kong clients of China Cinda Group and provide tailor-made issuance plans and services and catch issuing windows to serve the clients, so as to achieve the "equity-debt" integration. In addition, the Group believes that after the post-pandemic recovery of Hong Kong in the second half of the year, the local market sentiment will remain positive. The Group will strengthen the synergy and expand its market-oriented businesses through various initiatives by virtue of the solid foundations the Group has established. The Group's financial position remains sound and is well-positioned to respond to the current difficult environment. The Group would endeavor to capitalise on various market opportunities to strengthen the full-year results of the Group and bring satisfactory returns to our shareholders in the second half of the year.

FINANCIAL RESOURCES

The Group maintained sound financial strength during the period, and all subsidiaries licensed by the Securities and Futures Commission of Hong Kong had liquid capital in excess of regulatory requirements. As at 30th June 2023, the Group had revolving loans and overdrafts facilities of HK$1,538 million from banks, of which a total of HK$310 million were utilised. In addition, as at 30th June 2023, the Group did not issue any bonds during the period.

FLUCTUATION IN FOREIGN EXCHANGE RATES

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

REMUNERATION AND HUMAN RESOURCES

As at 30th June 2023, the Group had a total number of 102 full-time employees, of which 52 were male and 50 were female, and 91 were based in Hong Kong office and 11 were based in our offices in the Mainland China. The total remuneration costs of the Group for the six months ended 30th June 2023 are set out in Note 4(a) to the condensed consolidated financial statements.

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

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30th June 2023 (for the six months ended 30th June 2022: nil).

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 30th June 2023.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out in the Corporate Governance Code ("**CG Code**") under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

During the period from 1st January 2023 to 30th June 2023, the Company has applied and complied with all the code provisions set out in the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its code of conduct for Directors' dealing in its securities. All Directors confirmed that they had complied with the required standards at all times throughout the six months ended 30th June 2023.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group with the management, and discussed the internal controls and financial reporting matters with the Directors, including a review of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30th June 2023. The Group's external auditors have carried out a review of the unaudited interim condensed consolidated financial statements of the Group 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.

PUBLICATION OF INFORMATION ON THE HKEXNEWS WEBSITE

This announcement is published on the HKEXnews website at http://www.hkexnews.hk and the Company's website at http://www.cinda.com.hk. The 2023 Interim Report of the Company will be published on the same websites and dispatched to the shareholders of the Company in due course.

By Order of the Board
Cinda International Holdings Limited
Zhang Yi
Chairman

Hong Kong, 29th August 2023

As at the date hereof, the Board comprises:

Executive Directors:	Mr. Zhang Yi	*(Chairman)*
	Mr. Zhang Xunyuan	*(Chief Executive Officer)*
	Mr. Lau Mun Chung	*(Deputy Chief Executive Officer)*
Independent Non-executive Directors:	Mr. Xia Zhidong	
	Mr. Liu Xiaofeng	
	Mr. Zheng Minggao	

Website: http://www.cinda.com.hk