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 FINAL RESULTS

The board (the "Board") of directors (the "Directors") of Cinda International Holdings Limited (the "Company") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**2023** ***HK$'000***	2022 *HK$'000*
Revenue	*4*	**126,184**	136,281
Other income	*4*	**23,761**	29,715
Other losses, net	*4*	**(13,558)**	(23,970)
		136,387	142,026
Staff costs	*5(a)*	**61,809**	65,536
Commission expenses		**5,455**	11,895
Impairment losses on financial assets	*5(b)*	**13,262**	2,800
Other operating expenses	*5(c)*	**54,059**	59,172
Finance costs	*5(d)*	**26,325**	20,460
		160,910	159,863
		(24,523)	(17,837)
Share of profits of associates and a joint venture, net		**24,355**	6,457

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Loss before taxation		**(168)**	(11,380)
Income tax expense	*6*	**(12,681)**	(11,028)
Loss for the year attributable to equity holders of the Company		**(12,849)**	(22,408)
Basic and diluted loss per share attributable to equity holders of the Company	*8*	**HK(2.00) cents**	HK(3.49) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 HK$'000	2022 HK$'000
Loss for the year	**(12,849)**	(22,408)
Other comprehensive income/(expense) for the year:		
Items that may be reclassified subsequently to profit or loss:		
Debt instruments at fair value through other comprehensive income:		
– changes in fair value	**28,591**	(19,088)
– impairment losses included in profit or loss	**7,837**	2,854
– reclassification adjustments upon disposals	**(24,492)**	12,661
	11,936	(3,573)
Share of investment revaluation reserve of associates	**885**	(831)
Net movement in investment revaluation reserve	**12,821**	(4,404)
Exchange differences on translation of investment in a joint venture	**–**	(328)
Exchange differences on translation of foreign operations	**(4,649)**	(19,902)
Share of exchange reserve of associates	**(3,303)**	(13,615)
Net movement in exchange reserve	**(7,952)**	(33,845)
Item that will not be reclassified to profit or loss:		
Share of capital reserve of a joint venture	**–**	(1,046)
Net movement in capital reserve	**–**	(1,046)
Other comprehensive income/(expense) for the year, net of nil income tax	**4,869**	(39,295)
Total comprehensive expense for the year attributable to equity holders of the Company	**(7,980)**	(61,703)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Intangible assets		**1,439**	1,439
Property and equipment		**7,671**	9,613
Financial assets at fair value through profit or loss	*11*	**30,690**	43,949
Right-of-use assets	*16*	**26,804**	47,097
Interests in associates	*9*	**449,646**	430,745
Other assets		**11,300**	14,434
Deferred tax assets		**141**	42
		527,691	547,319
Current assets			
Debt instruments at fair value through other comprehensive income	*10*	**224,794**	110,539
Financial assets at fair value through profit or loss	*11*	**41,558**	33,641
Trade and other receivables	*12*	**320,647**	374,235
Tax recoverable		**–**	767
Pledged bank deposits	*13*	**12,447**	12,165
Bank balances and cash	*13*	**519,331**	587,044
		1,118,777	1,118,391
Current liabilities			
Trade and other payables	*14*	**184,675**	205,259
Borrowings	*15*	**484,808**	447,388
Tax payable		**8,207**	4,814
Bonds issued		**–**	10,000
Lease liabilities	*16*	**18,364**	21,491
		696,054	688,952
Net current assets		**422,723**	429,439
Total assets less current liabilities		**950,414**	976,758

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Capital and reserves			
Share capital		**64,121**	64,121
Other reserves		**442,743**	437,874
Retained earnings		**433,269**	446,118
Total equity attributable to equity holders of the Company		**940,133**	948,113
Non-current liabilities			
Lease liabilities	*16*	**10,281**	28,645
		950,414	976,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at their fair value.

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

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

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these consolidated financial statements for the current accounting period:

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 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
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 Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

(a) HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17) *Insurance Contracts*

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these consolidated financial statements as the Group does not have contracts within the scope of HKFRS 17.

(b) Amendments to HKAS 8 *Definition of Accounting Estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these consolidated financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

(c) Amendments to HKAS 1 *Presentation of financial statements* and HKFRS Practice Statement 2 *Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

(d) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented. The amendments do not have any significant impact on the consolidated financial statements.

(e) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes.

The Group is yet to apply the temporary exception during the current year because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the abolition of offsetting mechanism effective from 1 May 2025. The abolition of the offsetting mechanism did not have a material impact on the Group's results and financial position.

4. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION

	2023	2022
	HK$'000	*HK$'000*
Revenue		
Revenue from contracts with customers		
Fees and commission		
– Asset management	**8,772**	15,113
– Sales and trading business	**22,355**	31,616
– Corporate finance	**10,468**	7,988
	41,595	54,717
Underwriting income and placing commission		
– Corporate finance	**8,757**	5,539
Management fee and service fee income		
– Asset management	**47,356**	58,582
	97,708	118,838
Revenue from other sources		
Interest income		
– Asset management	**905**	495
– Sales and trading business	**26,996**	16,579
– Corporate finance	**–**	16
– Others	**575**	353
	28,476	17,443
	126,184	136,281

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*
For the year ended 31 December 2023				
Type of services				
Brokering service	**–**	**22,355**	**–**	**22,355**
Underwriting and placing service	**–**	**–**	**8,757**	**8,757**
Corporate finance service	**–**	**–**	**10,468**	**10,468**
Asset management service	**56,128**	**–**	**–**	**56,128**
Total revenue from contracts with customers	**56,128**	**22,355**	**19,225**	**97,708**
For the year ended 31 December 2022				
Type of services				
Brokering service	–	31,616	–	31,616
Underwriting and placing service	–	–	5,539	5,539
Corporate finance service	–	–	7,988	7,988
Asset management service	73,695	–	–	73,695
Total revenue from contracts with customers	73,695	31,616	13,527	118,838

	2023	2022
	HK$'000	*HK$'000*
Other income		
Interest income from:		
– Debt instruments at fair value through other comprehensive income	**10,677**	13,376
– Financial assets at fair value through profit or loss	**1,017**	2,108
Investment income	**6,394**	5,805
Government grants *(note)*	**5,446**	5,012
Others	**227**	3,414
	23,761	29,715

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

	2023	2022
	HK$'000	*HK$'000*
Other losses, net		
Net exchange losses	**(3,947)**	(13,468)
Gain/(loss) on disposal of financial assets at fair value through profit or loss, net	**364**	(7,647)
Gain/(loss) on disposal of debt instruments at fair value through other comprehensive income, net	**1,004**	(12,661)
(Loss)/gain from changes in fair value of financial assets at fair value through profit or loss, net	**(10,979)**	8,366
Gain on disposal of a joint venture	**–**	1,350
Gain on disposal of property and equipment	**–**	90
	(13,558)	(23,970)

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 services and related auxiliary services on fund management, managing private funds and providing 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 payables, accruals and borrowings attributable to the operating activities of the individual segments with the 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 loss for the year, the Group's reportable segment results are further adjusted for items not specifically attributed to individual segments, such as share of profits of associates and a joint venture, finance costs, other head office expenses and other income.

Year ended 31 December 2023

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Asset management *HK$'000*	**Sales and trading business** *HK$'000*	**Corporate finance** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**54,082**	**49,351**	**19,225**	**122,658**
Revenue from an associate *(note (i))*	**2,951**	**–**	**–**	**2,951**
Reportable segment revenue	**57,033**	**49,351**	**19,225**	**125,609**
Reportable segment results (EBIT)	**17,575**	**(7,377)**	**(4,550)**	**5,648**
Other segment information				
Interest income from bank deposits	**883**	**13,238**	**–**	**14,121**
Other interest income	**22**	**13,758**	**–**	**13,780**
Interest expense	**(11,816)**	**(13,030)**	**(8)**	**(24,854)**
Depreciation of property and equipment	**(336)**	**(1,053)**	**(33)**	**(1,422)**

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Asset management	**Sales and trading business**	**Corporate finance**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment assets	**654,231**	**406,999**	**25,852**	**1,087,082**
Additions to non-current segment assets during the year *(note (ii))*	**44**	**241**	**–**	**285**
Reportable segment liabilities	**504,548**	**151,533**	**5,714**	**661,795**

Year ended 31 December 2022

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Asset management	Sales and trading business	Corporate finance	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	66,445	48,195	13,543	128,183
Revenue from an associate *(note (i))*	8,097	–	–	8,097
Reportable segment revenue	74,542	48,195	13,543	136,280
Reportable segment results (EBIT)	37,050	(7,325)	(15,601)	14,124
Other segment information				
Interest income from bank deposits	481	2,954	16	3,451
Other interest income	366	13,625	–	13,991
Interest expense	(12,762)	(5,561)	(317)	(18,640)
Depreciation of property and equipment	(501)	(1,265)	(89)	(1,855)

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	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 year *(note (ii))*	354	1,472	–	1,826
Reportable segment liabilities	459,941	175,396	2,312	637,649

Notes:

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

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

Reconciliations of reportable revenue

	2023 ***HK$'000***	2022 *HK$'000*
Revenue		
Reportable segment revenue	**125,609**	136,280
Unallocated head office and corporate revenue	**575**	1
Consolidated revenue	**126,184**	136,281

Reconciliations of reportable results

	2023	2022
	HK$'000	*HK$'000*
Results		
Reportable segment profit (EBIT)	**5,648**	14,124
Share of profits of associates and a joint venture, net	**24,355**	6,457
Finance costs	**(26,325)**	(20,460)
Unallocated head office and corporate expenses	**(3,846)**	(11,501)
Consolidated loss before taxation	**(168)**	(11,380)
Income tax expense	**(12,681)**	(11,028)
Loss for the year	**(12,849)**	(22,408)

Reconciliations of reportable assets and liabilities

	2023	2022
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**1,087,082**	1,085,696
Elimination of inter-segment receivables	**(5,684)**	(5,739)
	1,081,398	1,079,957
Interests in associates	**449,646**	430,745
Deferred tax assets	**141**	42
Tax recoverable	**–**	767
Unallocated head office and corporate assets	**115,283**	154,199
Consolidated total assets	**1,646,468**	1,665,710
Liabilities		
Reportable segment liabilities	**661,795**	637,649
Elimination of inter-segment payables	**(461)**	(464)
	661,334	637,185
Tax payable	**8,207**	4,814
Unallocated head office and corporate liabilities	**36,794**	75,598
Consolidated total liabilities	**706,335**	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 assets 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		**Specified non-current assets**	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**85,459**	98,710	**205,244**	218,058
Mainland China	**40,725**	37,571	**291,616**	285,268
	126,184	136,281	**496,860**	503,326

No customers (2022: one customer from asset management segment) contributed over 10% to the total revenue of the Group during the year.

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Staff costs (including directors' emoluments)

	2023	2022
	HK$'000	*HK$'000*
Salaries and allowances	**58,779**	63,124
Defined contribution plans	**3,030**	2,412
	61,809	65,536

During the year, there was no wage subsidies (2022: HK$2,344,000) granted from the Employment Support Scheme under Anti-Epidemic Fund by the Government of Hong Kong for the use of paying wages of employees have been received. The amount had been offset against staff costs. There are no unfulfilled conditions or contingencies relating to the subsidies.

(b) Impairment losses on financial assets

	2023	2022
	HK$'000	*HK$'000*
Impairment loss on financial assets under expected credit loss model, net of reversal		
– debt instruments at fair value through other comprehensive income	**7,837**	2,854
– trade and other receivables	**5,425**	(54)
	13,262	2,800

(c) Other operating expenses

	2023	2022
	HK$'000	*HK$'000*
Advertising and promotion	**898**	489
Auditors' remuneration	**911**	2,175
Advisory fee expenses	**832**	3,120
Bank charges	**268**	174
Data service fee	**7,037**	7,458
Depreciation of property and equipment	**3,293**	3,605
Depreciation of right-of-use assets *(note 16)*	**20,293**	23,799
Employee relation expense	**311**	332
Entertainment	**796**	361
Insurance	**2,413**	2,342
Legal and professional fee	**1,079**	(73)
Printing and stationery fee	**767**	723
Property management and other related fee	**3,257**	4,728
Repair and maintenance fee	**4,104**	2,573
Service fee	**1,218**	1,022
Staff recruitment fee	**49**	369
Telecommunication fee	**2,381**	2,402
Others	**4,152**	3,573
	54,059	59,172

(d) Finance costs

	2023	2022
	HK$'000	*HK$'000*
Interest on borrowings	**24,795**	18,278
Interest on bonds issued	**77**	351
Interest on lease liabilities *(note 16)*	**1,453**	1,831
	26,325	20,460

6. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the current and prior years.

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

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

	2023	2022
	HK$'000	*HK$'000*
Current taxation		
– Hong Kong Profits Tax	**13**	35
– PRC Corporate Income Tax	**12,760**	12,805
	12,773	12,840
Under/(over)-provision in prior years		
– Hong Kong Profits Tax	**7**	(1,821)
Deferred taxation		
– Hong Kong	**(99)**	9
	12,681	11,028

7. DIVIDENDS

During the year ended 31 December 2022, a final dividend of HK2 cents per ordinary share in respect of the year ended 31 December 2021 was declared and paid on 13 June 2022. The aggregate amount of the final dividend declared and paid amounted to HK$12,824,000.

No dividend were paid, declared or proposed during the current year. The Board did not recommend the payment of a final dividend for the year ended 31 December 2023 and 2022.

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to equity holders of the Company of HK$12,849,000 (2022: HK$22,408,000) and 641,205,600 ordinary shares (2022: 641,205,600 ordinary shares) in issue during the year, calculated as follows:

Loss attributable to equity holders of the Company

	2023	2022
	HK$'000	*HK$'000*
Loss for the year attributable to equity holders of the Company	**(12,849)**	(22,408)

Number of ordinary shares

	2023	2022
Issued ordinary shares at 1 January and 31 December	**641,205,600**	641,205,600

(b) Diluted loss per share

The diluted loss per share for both years are the same as the respective basic loss per share because there were no potential dilutive ordinary shares during both the current and prior years.

9. INTERESTS IN ASSOCIATES

	2023	2022
	HK$'000	*HK$'000*
Share of net assets at 1 January	**430,745**	444,317
Share of profits for the year, net	**24,355**	6,394
Share of other comprehensive expense for the year	**(2,418)**	(14,446)
Dividend income from an associate	**(3,036)**	(5,520)
	18,901	(13,572)
Share of net assets at 31 December	**449,646**	430,745

10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
	HK$'000	*HK$'000*
Listed debt investments with fixed interest	**224,794**	110,539

As at 31 December 2023 and 2022, an analysis of the ending balance of the carrying amount in debt instruments at fair value through other comprehensive income ("FVOCI") subject to expected credit losses ("ECLs") is as follows:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Fair value as at 31 December 2023	**224,794**	**–**	**–**	**224,794**
Fair value as at 31 December 2022	109,107	–	1,432	110,539

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

	Within 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Overdue**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
31 December 2023	**193,994**	**–**	**30,800**	**–**	**224,794**
31 December 2022	83,208	25,899	–	1,432	110,539

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	HK$'000	*HK$'000*
Classified as non-current assets:		
– Unlisted private equity funds	**30,690**	43,949
Classified as current assets:		
– Listed fund investments	**24,885**	14,763
– Listed perpetual bonds	**15,342**	14,804
– Unlisted equity securities	**1**	1
– Unlisted private equity funds	**1,330**	4,073
	41,558	33,641
	72,248	77,590

12. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade and other receivables	**334,433**	387,419
Less: impairment allowances	**(13,786)**	(13,184)
	320,647	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 movements in the impairment allowances for trade and other receivables during the year are as follows:

	HK$'000
At 1 January 2022	16,611
Reversal of impairment losses *(note 5(b))*	(54)
Written off	(3,373)
At 31 December 2022 and 1 January 2023	13,184
Provision of impairment losses *(note 5(b))*	5,425
Written off	(4,823)
At 31 December 2023	**13,786**

As at 31 December 2023 and 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 31 December 2023	**313,368**	**100**	**12,929**	**8,036**	**334,433**
Expected credit losses	**(857)**	**–**	**(12,929)**	**–**	**(13,786)**
	312,511	**100**	**–**	**8,036**	**320,647**

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Gross amount as at 31 December 2022	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$132,984,000 (2022: HK$142,268,000), impairment loss of HK$602,000 was charged to profit or loss (2022: reversal of HK$54,000 was credited to profit or loss) for the year. As at 31 December 2023, impairment allowances of HK$13,786,000 (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 loans.

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 the collateral available to the Group.

For trade receivables related to corporate finance of HK$8,036,000 (2022: HK$2,300,000), no impairment allowance was provided for the year (2022: nil). During the year ended 31 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:

	2023	2022
	HK$'000	*HK$'000*
Current	**7,463**	–
30-60 days	**100**	–
Over 60 days	**473**	2,300
	8,036	2,300

For trade receivables from clients arising from securities brokering of HK$75,031,000 (2022: HK$123,237,000), the amounts represent outstanding unsettled trades due from clients as at year end. It normally takes 2 to 3 days to settle after trade date of those transactions. As at 31 December 2023, it included overdue balances of HK$9,672,000 (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 that there was a significant change in credit quality of the balance. No impairment allowance has been provided.

The trade receivables from clearing houses arising from securities brokering of HK$46,567,000 (2022: HK$670,000), the settlement terms of trade receivables from clearing houses are usually 1 to 2 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 allowance has been provided as the related allowances were considered to be immaterial and there was no credit default history.

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.

13. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	2023	2022
	HK$'000	*HK$'000*
Cash in hand	**19**	21
Bank balances		
– pledged deposits	**12,447**	12,165
– fixed deposits	**52,900**	–
– general accounts	**466,412**	587,023
	531,759	599,188
	531,778	599,209
By maturity:		
Bank balances		
– current and savings accounts	**466,412**	587,023
– fixed deposits (maturing within three months)	**65,347**	12,165
	531,759	599,188

14. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**147,665**	169,376
Accruals, provision and other payables	**33,088**	35,630
Deferred revenue	**3,922**	253
Total trade and other payables	**184,675**	205,259

The carrying amounts of trade and other payables approximate to their fair values. The majority of trade and other payables are expected to be settled within one year. The trade payables are aged within 30 days.

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

15. BORROWINGS

	2023	2022
	HK$'000	*HK$'000*
Classified as current liabilities:		
– Bank loans *(note (a))*	**386,417**	378,300
– Borrowings under repurchase agreements *(note (b))*	**98,391**	69,088
	484,808	447,388

Notes:

(a) At 31 December 2023, the bank borrowings were repayable and carried interest with reference to the HIBOR (2022: HIBOR/LIBOR) as follows:

	2023	2022
	HK$'000	*HK$'000*
Within a period not exceeding 1 year	**386,417**	378,300

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

Among these banking facilities, HK$1,382,000,000 (2022: HK$1,932,000,000) was under specific performance obligation on the Company's controlling shareholders which the current controlling shareholders shall hold over 50%, directly or indirectly, of the entire issued share capital of the Company. In addition, HK$200,000,000 (2022: HK$200,000,000) of these banking facilities was further secured by pledged deposits with a principal of HK$12,000,000 (2022: HK$12,000,000).

As at 31 December 2023, HK$386,417,000 (2022: HK$378,300,000) was drawn from the banking facilities under the specific performance obligation. Among these banking facilities, HK$58,416,000 was drawn in Renminbi (2022: HK$89,700,000 was drawn in US dollars).

As at 31 December 2023 and 2022, the Group has not utilised any of the banking facilities secured by the pledged deposits. The effective interest rate of the bank loans 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 investments it held to the financial institutions in exchange for a cash consideration of US$12,614,000 (equivalent to HK$98,391,000) (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 (2022: LIBOR). The Group is required to repurchase the debt investments at the original cash consideration plus interest at variable rates calculated with reference to the SOFR adjusted by Credit Adjustment Spread (2022: LIBOR) upon the termination of the agreements. As at 31 December 2023, the obligations under repurchase agreements were collateralised by the Group's debt investments and listed perpetual bonds with a fair value of HK$126,991,000 (2022: HK$83,642,000).

16. LEASES

The Group as a lessee

As at 31 December 2023 and 2022, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 years to 6 years (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 the movements during the year are as follows:

	Right-of-use assets *HK$'000*	**Lease liabilities** *HK$'000*
At 1 January 2022	25,571	25,905
Addition	45,325	45,325
Depreciation charge *(note 5(c))*	(23,799)	–
Interest expense *(note 5(d))*	–	1,831
Payments	–	(22,925)
At 31 December 2022 and 1 January 2023	47,097	50,136
Depreciation charge *(note 5(c))*	(20,293)	–
Interest expense *(note 5(d))*	–	1,453
Payments	–	(22,944)
At 31 December 2023	**26,804**	**28,645**

At 31 December 2023 and 2022, the lease liabilities are analysed into:

	2023 ***HK$'000***	2022 *HK$'000*
Current portion	**18,364**	21,491
Non-current portion	**10,281**	28,645
	28,645	50,136

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET CONDITIONS

2023 was a year of change and uncertainty. Politically, as the Russia-Ukraine conflict continued with no sign of subsiding, consecutive 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 the Israeli military action against Hamas in Palestine has also heated up the geopolitics of the region. On the economic front, as the COVID-19 pandemic has eased around the world, countries reopened and adopted different policies to revitalize their economies, economic recovery degrees varied. Although successive regional-bank failures in the United States of America (the "U.S.") at the beginning of the year caused liquidity to tighten as the market was concerned about risk spillovers, which triggered a short-term turbulence in the global financial markets, the situation was eventually resolved. After several rounds of interest rate hikes by the Federal Reserve of the U.S. (the "Fed"), U.S. inflation has shown some signs of easing, the effect of the U.S. tightening policy emerged, coupled with the resumption of the supply chain, U.S. inflation eased in an orderly manner in 2023, with the year-on-year core consumer price index (CCPI) falling from 5.6% in January to 3.9% in December, and the year-on-year core personal consumption expenditure (PCE) price index also dropping from 4.9% in January to 2.9% in December. The U.S. suspended interest rate hikes for the third consecutive time at December Fed meeting, indicating that the economy is heading for a soft landing and inflation is under control.

As the market expected that the interest rate-hike cycle approaches an end, the U.S. dollar index retreated sharply in the fourth quarter, dropping by 4.6% during the quarter and 2.1% for the year. 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 risk of a recession gradually became less, the U.S. stocks rose in the fourth quarter, with the three major indices rising between 11.2% and 13.6%, and between 13.7% and 43.4% for the year.

In Europe, the European Central Bank kept interest rates unchanged for the second consecutive time at December Fed meeting, but will accelerate the shrinking of balance sheet. Although President Lagarde made it clear in December that no rate cuts had been discussed, the market expects the European Central Bank to shift towards rate cuts. To summarise the year, the pan-European Stoxx 50 index, German and French stocks rose between 16.5% and 20.3% for the year, while British stocks rose 3.8%.

As to the bond market, the JPM Emerging Markets Government Bond Index rose 6.9% in the fourth quarter and 10.9% for the year as the Fed slowed down the pace of interest rate hikes in anticipation of the end of the cycle. The Fed turned more dovish and the Chinese offshore U.S. dollar bonds rebounded, among which, Markit iBoxx Asian Chinese U.S. Dollar Bond Index rose by 4.2% in the fourth quarter and 4.1% for the year, while Markit iBoxx Asian Chinese U.S. Dollar High-yield Bond Index rose by 4.4% in the fourth quarter but fell by 14.6% for the year, and Markit iBoxx Asian Chinese U.S. Dollar Real Estate Bond Index rose by 4.4% in the fourth quarter but fell by 50.3% for the year.

In the Mainland China, the economy reopened, but retaliatory demand faded and endogenous momentum was insufficient, coupled with the continued downturn in the domestic housing market, the momentum of economic growth slowed down from the second quarter of 2023 onwards. With the successive policy combinations launched in the third quarter, some high-frequency data have shown initial improvement, but the momentum of the subsequent economic growth still needs to be observed. In 2023, the added value of large scale industrial enterprises grew by 4.6%, national fixed assets investment grew by 3.0% year-on-year, and the total retail sales of consumer goods increased by 7.2% year-on-year. However, the outlook of foreign trade still faced challenges, with the total import and export value of US$5.94 trillion for 2023, down 5% year-on-year, of which US$3.38 trillion was exported, down 4.6% year-on-year, and US$2.56 trillion was imported, decreased 5.5% year-on-year. Deflation continued in the Mainland China, with the Consumer Price Index (CPI) falling 0.3% year-on-year in December, the third consecutive month of deflation, and the Industrial Producer Price Index (PPI) falling 2.6% year-on-year in December, the third consecutive month of decline.

As to the stocks market in the Mainland China, in the year under review, the turnover of Shanghai and Shenzhen markets amounted to RMB212 trillion in 2023, down 5% year-on-year, with total turnover decreasing for the third consecutive year, and the average daily turnover was RMB874.4 billion. The market's weak economic and policy expectations for the third quarter, coupled with a longer-than-expected tightening cycle in the U.S., led to significant downward pressure on RMB, with the onshore RMB ("CNY") and offshore RMB ("CNH") having been as low as 7.3503 and 7.3682 respectively in September. Subsequently, the Fed turned dovish in the fourth quarter, and RMB bottomed out and clawed back certain losses, with the CNY and CNH recovering by 2.8% and 2.3% in the fourth quarter. In 2023, CNY and CNH still cumulatively depreciated by 2.9% and 2.8% respectively. The Shanghai Stock Exchange Composite Index fluctuated downwards, hitting a yearly low of 2,882 points in December and closing at 2,975 points in the fourth quarter, decreased 4.4%, with a cumulative decline of 3.7% for the year.

In Hong Kong, the pace of economic recovery was slower than expected due to the external environment. However, supported by the inbound tourism industry and increased private consumption, gross domestic product ("GDP") grew by 4.3% year-on-year in the fourth quarter. After seasonal adjustment, real GDP in the fourth quarter rose by 0.5% on a quarter-to-quarter basis. The labor market was generally robust, with the unemployment rate from October to December remaining at 2.9% and the underemployment rate at 1.0%.

Hong Kong stocks market fluctuated downwards in 2023. In the fourth quarter, the Hang Seng Index recorded a low of 15,972 points in December, closed at 17,047 points, declined by 4.3%, with an accumulative decline of 13.8% for the year; Hang Seng China Enterprises Index closed at 5,769 points, declined by 6.2%, with an accumulative decline of 14.0% for the year; The Hang Seng TECH Index closed at 3,764 points, fell by 4.0%, with an accumulative decline of 8.8% for the year. Amidst the high interest rate environment and continued geopolitical instability, the performance of Hong Kong stocks was subdued, investors' risk appetite was reduced and turnover continued to be sluggish. The average daily turnover in December was only HK$98.6 billion, and average daily turnover for 2023 was HK$105.0 billion, representing a decline of approximately 16% from HK$124.9 billion of 2022.

In the Hong Kong's initial public offering ("IPO") market, high-interest rate situation was unfavorable for corporate valuations. IPO fundraising activity was inactive, while the average IPO fundraising size declined. In 2023, there were 73 new listings in Hong Kong, all of which were on the Main Board, including two by introductory listings and three by GEM-to-Main Board listings, representing a decrease of 17 new listings compared to 2022. Capital raised was HK$46.3 billion, a year-on-year decrease of approximately 56%, and the Hong Kong Exchange and Clearing Limited ranked the sixth in the world in terms of IPO capital raised. There were no large-scale IPOs raising US$1 billion or more in 2023, compared to 3 in 2022, and the number of IPOs raising US$100 million to US$1 billion also decreased from 21 in 2022 to 19 in 2023. With the weak Hong Kong stocks, low transaction volume and inactive IPO fundraising activity, the operating environment for local brokerages continued to be difficult. Data from the Stock Exchange showed that 32 brokerages ceased operations in 2023.

In the market of the U.S. dollar bonds issued by Chinese enterprises, the total issuance size of offshore bonds issued by Chinese enterprises amounted to approximately US$176.7 billion, representing a year-on-year increase of approximately 7%, with sovereign bond amounted to approximately US$30.1 billion, government bond to approximately US$24.5 billion, financial bond to approximately US$59.3 billion, urban investment bond to approximately US$32.9 billion, real estate bond to approximately US$16.4 billion and industrial debenture to approximately US$13.5 billion. After excluding the portion involving default restructuring and exchange offers in the real estate sector, the actual issuance size of offshore bonds issued by Chinese enterprises in 2023 amounted to approximately US$166.4 billion. During the year, a total of 963 offshore bonds were issued in the Chinese offshore bond market, with an average single transaction size of approximately US$170 million. The issuance scale of the real estate sector has remained low for two consecutive years, with only some highly qualified enterprises obtaining new financing, and the proportion of real estate offshore bond further dropped to 9% year-on-year.

OVERALL PERFORMANCE

In 2023, the Group adhered to the previous operation strategy and as the 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 year, the Group continued with the development of the three core business segments (i.e. asset management, corporate finance, and sales and trading business). The asset management business increased in the scale of management, but decreased in the year-on-year revenue, mainly due to the failure to obtain performance fees by some asset management projects during the year; as for the corporate finance, both equity and debt issuance business have been improved, resulting in the growth in year-on-year revenue, while the sales and trading business was similar to last year, and the share of performance of associates has also increased. As a result, the Group's overall loss for the whole year was reduced and recorded a loss after tax of HK$12.85 million, as compared to the loss after tax of HK$22.41 million last year. The total revenue for the year amounted to HK$136.39 million (2022: HK$142.03 million), representing a decrease of 4% as compared with last year, among which, the operating revenue was HK$126.18 million (2022: HK$136.28 million), representing a decrease of 7% as compared with last year. Other income amounted to HK$23.76 million (2022: HK$29.72 million), representing a decrease of 20% as compared with last year. Other net loss amounted to HK$13.56 million (2022: HK$23.97 million), representing a decrease of 43% as compared with last year. As for expenses, the Group endeavored to control cost, staff costs decreased by 6% year-on-year under the downsizing; coupled with the voluntary reduction in other operating expenses, operating expenses (excluding commission expenses, impairment losses on financial assets and finance costs) for the whole year amounted to HK$115.87 million (2022: HK$124.71 million), representing a decrease of 7% year-on-year, while the finance costs increased by 29% year-on-year, mainly due to higher market interest rates offsetting the impact of lower average overall borrowing levels.

The Group recorded a share of profits from associates for the whole year amounted to HK$24.36 million (2022: HK$6.46 million), representing an increase of 277% as compared with last year, mainly due to the turnaround of the absolute return fund, and improvement in the results of an associate engaging in fund management and private equity investment as compared with last year. As a result, the Group's loss before tax for the year only amounted to HK$0.17 million (2022: loss of HK$11.38 million). Loss after tax attributable to equity holders of the Company amounted to HK$12.85 million (2022: loss of HK$22.41 million).

ASSET MANAGEMENT

In 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 year, the segment continued to explore and develop a special asset management project on offloading and some domestic troubled asset funds. However, despite the scale of asset management increased by 6% to HK$51.5 billion from last year, as the failure to obtain performance fees by some asset management projects and the decrease in rate of new projects under the fierce competition in the market, the operating revenue of the segment was HK$57.03 million (2022: HK$74.54 million) for the year, representing a year-on-year decrease of 23%. As to the bond investment, in the first half of the year, the Group voluntarily kept investment scale at an average of about US$20.00 million to avoid risks until the fourth quarter, when it seized the investment opportunity to invest in offshore bonds issued by Chinese enterprises, and increased its investment to about US$31.00 million under controlled risks. The bond investment income was lower than last year and the profit from this segment for the year decreased by 53% to HK$17.58 million (2022: HK$37.05 million).

The Group cooperated with associates actively to expand diversified businesses. The results of an associate engaging in private equity investment also benefited from the improvement in the external environment, contributed a profit of approximately HK$20.70 million to the Group, coupled with the results of the absolute return fund turned losses into profits, the Group's share of profits from associates for the year amounted to HK$24.36 million (2022: HK$6.46 million).

CORPORATE FINANCE

The corporate finance business continued to serve clients with equity and debt issuance. In 2023, the Hong Kong IPO market remained weak, and the total amount raised was the lowest in the same period over the years, only at approximately HK$46.3 billion, representing a decrease of approximately 55.7% as compared with last year, which was the lowest in the same period over 20 years. Although the equity business of the Group was deeply affected by the downturn of IPO market in Hong Kong for the year, while the progress of the cases on hand was slow and we were unable to increase the project reserve, we were still able to list an IPO sponsorship project successfully, and complete several financial advisory and compliance advisory projects. With respect to the debt issuance business, although it was also affected by the downturn in the bond market, during the year, the Group was still able to complete several offshore U.S. dollar and RMB bond issuance projects, totaling US$1.91 billion, which was similar to that of the last year. As a result, the operating revenue of this segment was HK$19.23 million, representing an increase of 42% from HK$13.54 million for the same period last year, and the loss recorded by this segment reduced to HK$4.55 million (2022: loss of HK$15.60 million).

SALES AND TRADING BUSINESS

Hong Kong's securities market saw a significant decline in the second half of the year, with investment sentiment becoming cautious after consuming the relaxation of anti-epidemic measures and anticipating an economic recovery in the first half of the year. As of 31 December, the Hang Seng Index closed at 17,047 points, a cumulative drop of 2,734 points, or 13.8%, from 19,781 points at the end of 2022. The average daily turnover was HK$105.0 billion, down 16 % from HK$124.9 billion of last year. The operating revenue of this segment slightly increased by 2% to HK$49.35 million for the year from HK$48.20 million of last year, of which the Group recorded a commission of HK$22.36 million (2022: HK$31.62 million) and interest from securities financing and other income of HK$26.99 million (2022: HK$16.58 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 year. No bad or doubtful debts were recorded throughout the year. In addition, the segment actively explored institutional clients and high-net-worth clients during the year in order to provide a China concept-focused service to counteract the downward pressure on market commissions. In summary, the segment recorded a loss of HK$7.38 million (2022: loss of HK$7.33 million).

LOOKING FORWARD

Looking forward to 2024, the external environment remains complex and volatile, the global economic growth slows down, yet the last mile of the anti-inflation of the U.S. and the timing of cutting interest rates remains uncertain, and the high-interest rate situation may last longer than expected. In 2023, the Fed raised interest rates by a total of 1% to a level ranging from 5.25% to 5.5%, and revised its median forecast for interest rates downwards in December for 2024 and 2025, with the median interest rates for 2024 and 2025 expected to be 4.6% and 3.6% respectively. Despite that the relevant authority declaimed to withdraw the statement of reserving room for interest rate hikes in January, it still stated that it is inappropriate to cut interest rates until there appears greater confidence in a sustained fall in inflation to 2%. It is expected that the market volatility will be intensified by the gaming among the market and the Fed on interest reduction and slowing down the shrinking of balance sheets. In addition, elections will be held in many countries around the world in 2024, which will increase the uncertainty about geopolitical risks. The U.S. presidential election to be held at the end of 2024 is of great concern, the development of the U.S. presidential election in the year might intensify the volatility in the finance market.

In Europe, the economy of eurozone is weak and the risk of recession is increasing. As the eurozone is a major energy-import market, the Russian-Ukrainian war and the situation in the Middle East put upward pressure on energy prices, and the high energy price is in turn a drag on the economic activity and the fight against anti-inflation. Meanwhile, Europe, as the major trading partner of Mainland China, is constrained by the sluggish rebound of economy of Mainland China and its growth outlook is weak.

In 2023, the recovery of economy of Mainland China was under market expectation, which was mainly due to the relatively weak economic demand in whole, especially the structural issues in the real estate sector developed over the long term as well as the continuity of high indebtedness of local governments, depressing the recovery of domestic demands. Looking ahead to 2024, the keynote of policies will be generally moderate, and the economic recovery will continue to face challenges. As to the securities market, the Mainland China had carried out a series of measures to revitalise capital market in August 2023, including the 50% reduction in trading stamp tax of A shares, the restrictions on substantial Shareholders' reduction of shareholdings in respect of A shares, the relaxation of margin requirement for the margin subscription of A shares as well as the temporarily tightening of IPO pace. In 2024, the Mainland China may increase its efforts to stabilise the economy, strengthen the high-quality economic development, advocate the green finance and expand domestic demands, therefore, the economy of Mainland China is still resilient.

In Hong Kong, the economy has continually recovered with the support of the improvement of Hong Kong's inbound tourism and the rise in private consumption, with a substantial yearly growth of 4.3% in GDP in the fourth quarter of 2023 and an accumulated growth of 3.2% in 2023. Benefiting from the recovery of the number of tourist arrivals in Hong Kong following the lifting of travel restrictions between Hong Kong and Mainland China as well as the rest of the world, the service exports showed a strong rebound with a significant growth of 21.2% for the whole year. With the support of rising household incomes and various of government initiatives, the private consumption expenditure rose by 7.4% for the whole year. The overall investment expenditure turned from down to up as economy recovered, while the external trade continued to be weak, with total exports of goods and imports of goods recording a substantial decline of 10.3% and 8.5%, respectively. Looking ahead, tourist arrivals in Hong Kong shall further rise as the reception capacity continues to be restored. Despite the rising household incomes, the high-interest situation shall last for a while, together with the poor performance of the real estate market and Hong Kong stocks, the wealth effect shall be weakened, and the private consumption may be depressed accordingly. Besides, it is expected that the tightening finance conditions will pose a constraint on investment expenditure. Currently, the economic growth in Europe and the U.S. is weak and the geopolitical situation is tense, which may continually exert a force on the external trade of Hong Kong.

The performance of Hong Kong stocks market in 2024 will depend on three major factors, namely the recovery progress of economy of Mainland China, the trend of interest rate of the U.S. and the geopolitical situation. The market is concerned about the slowdown in the Mainland China's economic growth in 2024, which will in turn decelerate the progress of enterprises in earnings improvement. A further delay in U.S. interest rate cut will limit RMB's room for rebound and continue to undermine Hong Kong stocks market. The complexity of the geopolitical situation and the approaching U.S. presidential election in 2024 may add uncertainties to U.S.-China communication.

Despite a series of uncertainties, driven by more frequent interconnection between the Mainland China and Hong Kong, as well as the deepening integration of the "Guangdong-Hong Kong-Macao Greater Bay Area" initiatives, Hong Kong continues to serve as a bridgehead for foreign investment into the market of Mainland China, and Hong Kong's offshore RMB business will benefit 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 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 synergy with Cinda Securities Co., Ltd. ("Cinda Securities", the indirect controlling shareholder of the Company), and the listing of Cinda Securities on the main board of the Shanghai Stock Exchange on 1 February 2023 will be conducive to its future efforts in planning for integration of domestic and overseas financial services, and in fulfilling its role as a platform for Cinda Securities's offshore business. We will focus on the investment banking businesses including overseas issuance of 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 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 continue to strive to increase our business volume and market share, expand domestic and overseas institutional, corporate and high-net-worth clients in a prudent and risk-averse manner; the Group's securities company will develop towards the direction of wealth management, diversify our products, focus on the development of Guangdong-Hong Kong-Macao Greater Bay Area, and proactively develop the wealth management business so as to meet the client's need in asset allocation. As for the asset management business, we will further identify the opportunities in the capital markets, actively participate in the resolution of debt crises of different organizations and handle crisis debt and defaulted debt by disposing of distressed assets. As for the corporate finance business, we will maintain the parallel development of equity and debt businesses. For the equity-related business, we will proactively provide sponsor and underwriting services and expand the merger and acquisition business by leveraging the resources of our parent company. As for the debt-related business, the Group will actively explore the development of the Chinese offshore debt market, identify the needs of different types of clients for bond issuance and provide tailor-made issuance plans and services and catch issuing windows to serve the clients, so as to achieve the "equity-debt" integration. In addition, the Group believes that the local market sentiment will remain positive during the year. The Group will strengthen the synergy and expand its market-oriented businesses through various initiatives by virtue of the solid foundations the Group has established. The Group's financial position remains sound and is well-positioned to respond to the current difficult business environment. The Group would endeavor to capitalise on various market opportunities to strengthen the full year results of the Group and bring long-term returns to the Shareholders in 2024.

FINANCIAL RESOURCES

The Group maintained sound financial strength during the year, and all subsidiaries licensed by the Securities and Futures Commission had liquid capital in excess of regulatory requirements. As of 31 December 2023, the Group had revolving loans and overdrafts facilities of HK$1,538 million from banks, of which a total of HK$386 million were utilised. In addition, the Group did not issue any bonds during the year.

FLUCTUATION IN FOREIGN EXCHANGE RATES

A majority of assets and liabilities of the Group are denominated in Hong Kong dollars and U.S. dollars to which Hong Kong dollars is pegged with. Some assets are denominated in RMB, mainly because the Group has two wholly-owned subsidiaries incorporated in the Mainland China which account for all their assets and income in RMB. During the year, 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

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 Group streamlined its staff structure and redistributed work during the year and the number of employees was reduced from 105 in the previous year to 90 in the current year. 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 staff assessments are carried out so as to provide a basis for discretionary 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.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: nil).

SCOPE OF WORK OF MESSRS. BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's independent auditor, Messrs. Baker Tilly Hong Kong Limited ("Baker Tilly"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company had not redeemed any of its shares during the year ended 31 December 2023. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the year ended 31 December 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 from time to time in the Corporate Governance Code ("CG Code") under Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange" and "Listing Rules" respectively).

Throughout the financial year 2023, the Company has applied and complied with the code provisions set out in the CG Code, with exception sets out as below:

– Pursuant to provision C.5.1 of the CG Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. For the year ended 31 December 2023, two regular meetings of the Board of Directors of the Company were held in the first quarter and the third quarter, instead of four as required by code provision C.5.1 of the CG Code. The Board considers that the two regular meetings were sufficient to deal with matters of the Company. In addition, apart from the Board meetings, consent of Directors on issues was also sought through circulating written resolutions.

  All directors were present in all Board meetings held during the financial year at the relevant time.

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 C3 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 financial year 2023.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the internal controls and financial reporting matters of the Group together with a review of the annual results for the year ended 31 December 2023.

PUBLICATION OF RESULT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.cinda.com.hk. The 2023 Annual 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, 26 March 2024

As at the date hereof, the Board comprises:

Executive Directors:	Mr. Zhang Yi	*(Chairman)*
	Mr. Zhang Xunyuan	*(Chief Executive Officer)*
	Ms. Yan Qizhong	*(Chief Financial Officer)*
Independent Non-executive Directors:	Mr. Xia Zhidong	
	Mr. Liu Xiaofeng	
	Mr. Zheng Minggao	

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