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**China Industrial Securities International Financial Group Limited**

**興證國際金融集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6058)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “Board”) of China Industrial Securities International Financial Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 together with the comparative figures as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<b>HK\$</b>	<b>HK\$</b>
		<b>Unaudited</b>	Unaudited
Commission and fee income	3	<b>141,299,173</b>	95,510,693
Interest revenue	3	<b>72,773,734</b>	46,076,263
Net trading and investment income	3	<b>204,802,065</b>	109,749,041
Total revenue	3	<b>418,874,972</b>	251,335,997
Other income	3	<b>102,627,933</b>	91,378,729
Finance costs		<b>(232,062,063)</b>	(106,064,274)
Commission and fee expenses		<b>(44,639,184)</b>	(24,627,198)
Staff costs	5	<b>(101,204,007)</b>	(71,318,719)
Other operating expenses		<b>(57,300,117)</b>	(69,496,980)
Impairment losses on financial assets	5	<b>11,239,922</b>	1,113,516
Other gains or losses	5	<b>(735,234)</b>	2,572,188
Profit before taxation	5	<b>96,802,222</b>	74,893,259
Taxation	6	<b>(8,133,005)</b>	(12,699,278)
Profit for the period		<b><u>88,669,217</u></b>	<u>62,193,981</u>
Attributable to:			
Owners of the Company		<b><u>88,669,217</u></b>	<u>62,193,981</u>
Earnings per share attributable to ordinary equity holders of the Company			
Basic (expressed in HKD)	8	<b><u>0.0182</u></b>	<u>0.0155</u>

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
<i>Notes</i>	<b><i>HK\$</i></b>	<b><i>HK\$</i></b>
	<b>Unaudited</b>	Unaudited
Profit for the period	<b><u>88,669,217</u></b>	<u>62,193,981</u>
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
– Equity instruments designated at fair value through other comprehensive income		
– Changes in fair value	<b>26,021,792</b>	19,735,892
– Income tax impact	<b>(4,088,574)</b>	–
Items that may be reclassified subsequently to profit or loss:		
– Debt investments at fair value through other comprehensive income		
– Changes in fair value	<b>24,859,410</b>	3,184,100
– Reclassification adjustment to profit or loss on disposal	<b>(2,450,418)</b>	–
– Income tax impact	<b>(3,677,927)</b>	–
Other comprehensive income for the period, net of tax	<b><u>40,664,283</u></b>	<u>22,919,992</u>
Total comprehensive income for the period	<b><u><u>129,333,500</u></u></b>	<b><u><u>85,113,973</u></u></b>
Attributable to:		
Owners of the Company	<b><u><u>129,333,500</u></u></b>	<b><u><u>85,113,973</u></u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at <b>30 June</b> <b>2024</b> <i>HK\$</i> <b>Unaudited</b>	As at 31 December 2023 <i>HK\$</i> Audited
<b>Non-current assets</b>			
Property and equipment		<b>46,265,409</b>	56,906,975
Intangible assets		<b>11,949,873</b>	11,248,970
Financial assets at fair value through profit or loss		<b>13,844,778</b>	15,159,814
Debt investments at amortised cost		<b>278,650,019</b>	278,122,966
Reverse repurchase agreements		<b>90,131,764</b>	93,288,805
Statutory deposits		<b>16,578,903</b>	12,748,741
Deferred tax assets		<b>106,637,057</b>	120,804,400
Deposits, other receivables and prepayments		<b>6,394,948</b>	6,436,948
		<b><u>570,452,751</u></b>	<u>594,717,619</u>
<b>Current assets</b>			
Accounts receivable	9	<b>1,722,383,760</b>	1,010,886,882
Financial assets at fair value through profit or loss		<b>5,226,507,446</b>	4,919,759,113
Financial assets at fair value through other comprehensive income		<b>4,040,258,661</b>	4,385,085,302
Statutory deposits		<b>13,721,533</b>	10,404,961
Deposits, other receivables and prepayments		<b>273,653,819</b>	317,850,920
Tax receivable		<b>1,808,472</b>	1,808,472
Bank balances – trust accounts		<b>2,159,966,807</b>	3,419,362,123
Bank balances – general accounts and cash		<b>1,495,274,484</b>	1,892,147,583
		<b><u>14,933,574,982</u></b>	<u>15,957,305,356</u>

		As at <b>30 June</b> <b>2024</b> <i>HK\$</i> <b>Unaudited</b>	As at 31 December 2023 <i>HK\$</i> Audited
<b>Current liabilities</b>			
Accounts payable	10	2,999,208,492	3,510,257,387
Accruals and other payables		65,031,009	24,026,268
Amount due to a related party		2,220,807	4,723,189
Contract liabilities		4,308,638	4,308,726
Tax payable		8,020,039	6,274,228
Financial liabilities at fair value through profit or loss		7,587,965	30,659,837
Repurchase agreements		3,964,457,075	3,341,795,173
Bank borrowings		1,012,550,673	2,184,584,146
Notes		144,336,313	168,281,769
Bonds		–	2,087,232,051
Lease liabilities		19,357,222	19,349,190
Other liabilities		<u>134,540,293</u>	<u>140,274,408</u>
		<b>8,361,618,526</b>	<b>11,521,766,372</b>
<b>Net current assets</b>		<b><u>6,571,956,456</u></b>	<b><u>4,435,538,984</u></b>
<b>Non-current liabilities</b>			
Repurchase agreements		522,108,306	876,991,121
Bonds		2,362,339,433	–
Deferred tax liabilities		2,166	15,814
Lease liabilities		<u>20,483,604</u>	<u>29,307,470</u>
		<b><u>2,904,933,509</u></b>	<b><u>906,314,405</u></b>
<b>Net assets</b>		<b><u><u>4,237,475,698</u></u></b>	<b><u><u>4,123,942,198</u></u></b>

	<b>As at 30 June 2024 HK\$ Unaudited</b>	<b>As at 31 December 2023 HK\$ Audited</b>
<b>Equity</b>		
Share capital	<b>400,000,000</b>	400,000,000
Share premium	<b>3,379,895,424</b>	3,379,895,424
Accumulated loss	<b>(1,027,132,386)</b>	(1,102,906,837)
Other reserve	<b>11,577,844</b>	11,577,844
Capital reserve	<b>442,441,821</b>	442,441,821
Fair value reserve	<b>30,692,995</b>	(7,066,054)
	<hr/>	<hr/>
Equity attributable to holders of the ordinary shares	<b>3,237,475,698</b>	3,123,942,198
Equity attributable to holder of other equity instruments	<b>1,000,000,000</b>	1,000,000,000
	<hr/>	<hr/>
<b>Total equity</b>	<b><u>4,237,475,698</u></b>	<b><u>4,123,942,198</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

## 1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Companies Law on 21 July 2015. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the interim report.

The Company is an investment holding company. The Group is principally engaged in the provision of brokerage services, margin financing services, corporate finance services, asset management services and financial products and investments. Its immediate holding company is Industrial Securities (Hong Kong) Financial Holdings Limited (“Industrial Securities (Hong Kong)”). Industrial Securities Co., Ltd. (“Industrial Securities”), a company incorporated in the People’s Republic of China (the “PRC”), is the ultimate holding company of the Company. The shares of Industrial Securities are listed on the Shanghai Stock Exchange in the PRC.

## 2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### (a) Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 19 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2(b).

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

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

**(b) Changes in accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following amendments to HKFRSs for the first time for the current period’s financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKFRS 16	<i>Lease liability in a sale and leaseback</i>
Amendments to HKAS 1	<i>Classification of liabilities as current or non-current</i>
Amendments to HKAS 1	<i>Non-current liabilities with covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier finance arrangements</i>

The adoption of these amendments to HKFRSs does not have a significant impact on the interim condensed consolidated financial statements of the Group.



### 3. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

#### Revenue

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
	<b>Unaudited</b>	Unaudited
<b>Commission and fee income</b>		
Brokerage:		
Commission and fee income from securities brokerage	<b>77,388,520</b>	55,292,504
Commission and fee income from futures and options brokerage	<b>5,921,647</b>	4,163,554
Insurance brokerage commission income	<b>1,914,308</b>	4,408,381
	<b>85,224,475</b>	63,864,439
Corporate finance:		
Commission income on placing, underwriting and sub-underwriting		
– Debt securities	<b>38,682,565</b>	16,929,369
– Equity securities	<b>39,416</b>	1,000
Corporate advisory fee income	<b>607,735</b>	360,000
Sponsor fee income	–	3,335,128
Arrangement fee income	<b>9,389,455</b>	3,368,102
	<b>48,719,171</b>	23,993,599
Asset management:		
Asset management fee income	<b>6,218,442</b>	6,620,655
Investment advisory fee income	<b>1,137,085</b>	1,032,000
	<b>7,355,527</b>	7,652,655
	<b>141,299,173</b>	95,510,693
<b>Interest revenue</b>		
Financial products and investments:		
Interest income from reverse repurchase agreements	<b>2,835,410</b>	3,016,788
Interest income from debt investments at fair value through other comprehensive income	<b>48,957,180</b>	23,019,362
Interest income from debt investments at amortised cost	<b>6,040,519</b>	4,531,131
	<b>57,833,109</b>	30,567,281
Margin financing:		
Interest income from margin financing	<b>14,940,625</b>	15,508,982
	<b>72,773,734</b>	46,076,263

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
	<b>Unaudited</b>	Unaudited
<b>Net trading and investment income</b>		
Financial products and investments:		
Interest income from financial assets at fair value through profit or loss	<b>167,903,138</b>	114,500,960
Dividend income from financial assets at fair value through profit or loss	<b>2,086,388</b>	1,499,397
Net loss on financial assets at fair value through profit or loss	<b>(45,019,423)</b>	(81,578,609)
Net gain on derivatives	<b>19,668,063</b>	13,894,436
Net gain on financial liabilities at fair value through profit or loss	<b>1,484,870</b>	4,466,884
Dividend income from equity instruments designated at fair value through other comprehensive income	<b>56,228,611</b>	56,965,973
Net gain on disposal of debt investments at fair value through other comprehensive income	<b>2,450,418</b>	–
	<b>204,802,065</b>	109,749,041
<b>Total revenue</b>	<b>418,874,972</b>	251,335,997

Timing of revenue recognition for commission and fee income from customers

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>HK\$</i></b>	<i>HK\$</i>
	<b>Unaudited</b>	Unaudited
A point in time	<b>129,426,104</b>	82,705,752
Over time	<b>11,873,069</b>	12,804,941
	<b><u>141,299,173</u></b>	<u>95,510,693</u>

**Other income**

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>HK\$</i></b>	<i>HK\$</i>
	<b>Unaudited</b>	Unaudited
Interest income from financial institutions	<b>95,264,428</b>	89,870,331
Sundry income	<b>7,363,505</b>	1,508,398
	<b><u>102,627,933</u></b>	<u>91,378,729</u>

#### 4. SEGMENT REPORTING

Information reported to the Board of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The CODM considers the Group’s operations are located in Hong Kong.

The Group’s reportable and operating segments under HKFRS 8 are as follows:

Wealth management – provision of securities, futures, options and insurance brokerage, financial products and margin financing services to clients;

Corporate finance – provision of corporate advisory, sponsor, placing and underwriting services of debt and equity securities and structured products arrangement services;

Asset management – provision of fund management, discretionary account management and investment advisory services;

Financial products and investments – proprietary trading and investment of funds, debt and equity securities, fixed income, derivatives and other financial products; and

Others – other business in addition to the above, including head office operations and investment holding platforms, and management of general working capital.

The accounting policies of the operating segments are the same as the Group’s accounting policies. Inter-segment revenues are charged among segments at an agreed rate with reference to the rate normally charged to third party customers, the nature of services or the costs incurred. During the current period, the Group has consolidated the “Brokerage” and “Margin financing” segments into “Wealth management” segment. Accordingly, the comparative information has been restated to conform with the current period’s presentation.

**For the six months ended 30 June 2024 (unaudited)**

	Wealth management <i>HK\$</i>	Corporate finance <i>HK\$</i>	Assets management <i>HK\$</i>	Financial products and investments <i>HK\$</i>	Others <i>HK\$</i>	Eliminations <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Segment revenue and result</b>							
Commission and fee income	85,224,475	48,719,171	7,355,527	-	-	-	141,299,173
Interest revenue	14,940,625	-	-	57,833,109	-	-	72,773,734
Net trading and investment income	-	-	-	204,802,065	-	-	204,802,065
Inter-segment revenue	194,415	-	3,963,540	-	-	(4,157,955)	-
Segment revenue	<u>100,359,515</u>	<u>48,719,171</u>	<u>11,319,067</u>	<u>262,635,174</u>	<u>-</u>	<u>(4,157,955)</u>	<u>418,874,972</u>
Revenue presented in the condensed consolidated statement of profit or loss and other comprehensive income							<u>418,874,972</u>
Segment results	71,217,165	10,925,062	(7,683,614)	10,986,709	11,356,900	-	<u>96,802,222</u>
Profit before taxation presented in the condensed consolidated statement of profit or loss and other comprehensive income							<u>96,802,222</u>

**For the six months ended 30 June 2023 (unaudited)**

	Wealth management <i>HK\$</i>	Corporate finance <i>HK\$</i>	Assets management <i>HK\$</i>	Financial products and investments <i>HK\$</i>	Others <i>HK\$</i>	Eliminations <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Segment revenue and result</b>							
Commission and fee income	63,864,439	23,993,599	7,652,655	-	-	-	95,510,693
Interest revenue	15,508,982	-	-	30,567,281	-	-	46,076,263
Net trading and investment income	-	-	-	109,749,041	-	-	109,749,041
Inter-segment revenue	19,689	-	4,146,273	-	-	(4,165,962)	-
Segment revenue	<u>79,393,110</u>	<u>23,993,599</u>	<u>11,798,928</u>	<u>140,316,322</u>	<u>-</u>	<u>(4,165,962)</u>	<u>251,335,997</u>
Revenue presented in the condensed consolidated statement of profit or loss and other comprehensive income							<u>251,335,997</u>
Segment results	48,218,496	278,229	(7,143,174)	7,732,520	25,807,188	-	<u>74,893,259</u>
Profit before taxation presented in the condensed consolidated statement of profit or loss and other comprehensive income							<u>74,893,259</u>

## 5. PROFIT BEFORE TAXATION

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$</b>	<b>HK\$</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs (including directors' remuneration)	<b>101,204,007</b>	71,318,719
Salaries and bonuses	<b>98,978,989</b>	69,346,503
Contribution to the Mandatory Provident Fund Scheme	<b>1,813,661</b>	1,643,848
Other staff costs	<b>411,357</b>	328,368
Legal and professional fee	<b>4,828,525</b>	4,568,786
Amortisation of intangible assets	<b>2,869,650</b>	3,166,638
Depreciation	<b>11,106,325</b>	21,664,224
Owned property and equipment	<b>2,133,552</b>	7,658,848
Right-of-use assets	<b>8,972,773</b>	14,005,376
Maintenance fee	<b>9,191,291</b>	8,907,152
Impairment losses on financial assets	<b>(11,239,922)</b>	(1,113,516)
Secured margin loans	<b>(11,137,612)</b>	(1,527,029)
Debt investments at amortised cost	<b>(3,684)</b>	(36,147)
Debt investments at fair value through other comprehensive income	<b>(98,626)</b>	449,660
Other gains or losses	<b>735,234</b>	(2,572,188)
Exchange loss/(gain)	<b>1,120,980</b>	(767,937)
Other gain	<b>(385,746)</b>	(1,804,251)

## 6. TAXATION

	For the six months ended 30 June	
	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
	Unaudited	Unaudited
Hong Kong Profits Tax:		
Current period	1,745,811	3,513,007
Over-provision in prior year	—	(10,001)
	<u>1,745,811</u>	<u>3,503,006</u>
Deferred tax	<u>6,387,194</u>	<u>9,196,272</u>
	<u><b>8,133,005</b></u>	<u><b>12,699,278</b></u>

The provision for Hong Kong Profits Tax is calculated by applying the annual effective tax rate of 16.5% (2023: 16.5%) to the estimated assessable profit for the six months ended 30 June 2024, except for one entity of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this qualifying entity, the first HK\$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

## 7. DIVIDENDS

No dividend in respect of the year ended 31 December 2023 and 2022 respectively were declared and paid to ordinary shareholders of the Company.

The Board did not declare the payment of interim dividend for the six months ended 30 June 2024 and 2023.

## 8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to ordinary equity holders of the Company is based on the following data:

	For the six months ended 30 June	
	2024	2023
	HK\$	HK\$
	Unaudited	Unaudited
Earnings (HK\$)		
Earnings for the purpose of basic earnings per share:		
Profit for the period attributable to owners of the Company	88,669,217	62,193,981
Less: distribution to holder of other equity instruments	<u>(15,800,000)</u>	<u>–</u>
Profit for the period attributable to ordinary equity holders of the Company	<u><u>72,869,217</u></u>	<u><u>62,193,981</u></u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><u>4,000,000,000</u></u>	<u><u>4,000,000,000</u></u>

For each of the six months ended 30 June 2024 (unaudited) and 30 June 2023 (unaudited), there were no potential ordinary shares in issue, thus no diluted earnings per share is presented.



## 9. ACCOUNTS RECEIVABLE

	As at 30 June 2024 <i>HK\$</i> Unaudited	As at 31 December 2023 <i>HK\$</i> Audited
Accounts receivable arising from the business of dealing in securities:		
Secured margin loans	1,570,294,996	1,385,823,142
Less: impairment allowance	<u>(905,400,776)</u>	<u>(916,538,388)</u>
	<u>664,894,220</u>	<u>469,284,754</u>
Clearing houses	117,944,902	114,184,353
Cash clients	262,472,595	61,707,836
Brokers	60,118,919	77,817,868
Less: impairment allowance	<u>(899,958)</u>	<u>(899,958)</u>
	<u>439,636,458</u>	<u>252,810,099</u>
	<u>1,104,530,678</u>	<u>722,094,853</u>
Accounts receivable arising from the business of dealing in futures and options contracts:		
Clearing houses	27,678,425	17,492,319
Brokers	<u>54,577,599</u>	<u>53,202,829</u>
	<u>82,256,024</u>	<u>70,695,148</u>
Accounts receivable arising from the business of corporate finance	<u>14,809,729</u>	<u>11,409,121</u>
Accounts receivable arising from the business of asset management	4,991,105	8,164,969
Less: impairment allowance	<u>(1,831,387)</u>	<u>(1,831,387)</u>
	<u>3,159,718</u>	<u>6,333,582</u>
Accounts receivable arising from the business of financial products and investments:		
Brokers	<u>517,627,611</u>	<u>200,354,178</u>
	<u>1,722,383,760</u>	<u>1,010,886,882</u>

### **Secured margin loans**

As at 30 June 2024 and 31 December 2023, the secured margin loans are repayable on demand subsequent to settlement date.

### **Accounts receivable (except for secured margin loans)**

Except for secured margin loans, the normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date. The normal settlement terms of accounts receivable arising from the business of dealing in futures and options contracts are one day after trade date.

In respect of accounts receivable arising from the business of dealing in future and options contracts, under the settlement arrangement with HKFE Clearing Corporation Limited (“HKCC”), all open positions held at HKCC are treated as if they were closed out and reopened at the relevant closing quotation as determined by HKCC. Profits or losses arising from this “mark-to-market” settlement arrangement are included in accounts receivable with HKCC. In accordance with the agreement with the brokers, mark-to-market profits or losses are treated as if they were settled and are included in accounts receivable with brokers.

Normal settlement terms of accounts receivable arising from the business of corporate finance and asset management are determined in accordance with the agreed terms, usually within one year after the service was provided.

Normal settlement terms of accounts receivable arising from brokers arising from the business of financial products and investments are determined in accordance with the agreed terms which are normally two to five days after the trade date.

In view of the nature of business of dealing in securities, futures and options contracts and financial products and investments, no aging analysis on those accounts receivable is disclosed, as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

The following is an aging analysis of gross accounts receivable arising from the business of corporate finance and asset management based on date of invoice/accrual at the reporting date:

***Corporate finance clients***

	As at <b>30 June</b> <b>2024</b> <b>HK\$</b> <b>Unaudited</b>	As at 31 December 2023 <b>HK\$</b> Audited
Less than 31 days	4,672,946	5,613,487
31–60 days	2,384,697	437,668
61–90 days	390,965	390,775
91–180 days	1,225,145	1,172,325
Over 180 days	6,135,976	3,794,866
	<b>14,809,729</b>	<b>11,409,121</b>

***Asset management clients***

	As at <b>30 June</b> <b>2024</b> <b>HK\$</b> <b>Unaudited</b>	As at 31 December 2023 <b>HK\$</b> Audited
Less than 31 days	1,148,725	1,280,280
31–60 days	975,526	464,297
61–90 days	331,939	422,347
91–180 days	331,249	1,072,112
181–365 days	464,387	2,076,938
Over 365 days	1,739,279	2,848,995
	<b>4,991,105</b>	<b>8,164,969</b>

During the six months ended 30 June 2024 and the year ended 31 December 2023, no margin loans were granted to the directors of the Company and directors of the subsidiaries.

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.

## 10. ACCOUNTS PAYABLE

	As at <b>30 June</b> <b>2024</b> <i>HK\$</i> <b>Unaudited</b>	As at 31 December 2023 <i>HK\$</i> Audited
Accounts payable arising from the business of dealing in securities:		
Clearing house	<b>151,271,238</b>	50,202,501
Brokers	<b>3,673,771</b>	12,489,121
Clients	<b>2,119,977,798</b>	3,216,060,730
	<b><u>2,274,922,807</u></b>	<u>3,278,752,352</u>
Accounts payable arising from the business of dealing in futures and options contracts:		
Clients	<b><u>286,192,835</u></b>	<u>213,802,958</u>
Accounts payable arising from the business of asset management:		
Clients	<b><u>29,862,795</u></b>	<u>1,808</u>
Accounts payable arising from the business of financial products and investments:		
Brokers	<b>393,214,459</b>	11,014,000
Clients	<b>15,015,596</b>	6,686,269
	<b><u>408,230,055</u></b>	<u>17,700,269</u>
	<b><u>2,999,208,492</u></b>	<u>3,510,257,387</u>

In respect of accounts payable arising from the business of dealing in securities, accounts payable to clearing house represent trades pending settlement arising from business of dealing in securities transactions which are normally two trading days after the trade date or at specific terms agreed with clearing house. The majority of the accounts payable to cash clients and margin clients are repayable on demand except where certain balances represent trades pending settlement or margin deposits and cash collateral received from clients for their trading activities under the normal course of business. Only the amounts in excess of the required margin deposits and cash collateral stipulated are repayable on demand.

Accounts payable to brokerage clients (except certain balances arising from trades pending settlement) mainly include money held on behalf of clients at banks and at clearing houses by the Group, and are interest-bearing at the prevailing market interest rate.

In respect of accounts payable arising from the business of dealing in futures and options contracts, settlement arrangements with clients follow the same settlement mechanism with HKCC or brokers and profits or losses arising from mark-to-market settlement arrangement are included in accounts payables with clients. Accounts payable to clients arising from the business of dealing in futures and option contract are non-interest bearing.

The normal settlement terms of accounts payable arising from the business of dealing in securities for cash clients are two days after trade date and accounts payable arising from the business of dealing in futures contracts are one day after trade date. No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

In respect of accounts payable arising from the business of financial products and investments, accounts payable to brokers represent trades pending settlement which are normally determined in accordance with the agreed terms and which are normally two to five days after the trade date.

The Group has accounts payable arising from the business of dealing in securities of HK\$686,339 due to the immediate holding company as at 30 June 2024 (31 December 2023: HK\$2,660,046).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **HONG KONG CAPITAL MARKET REVIEW**

The Hang Seng Index closed at 17,719 points as at the end of June 2024, representing an increase of 3.9% as compared with the end of 2023. In the primary market, the total amount of funds raised from January to June 2024 was HK\$65.2 billion, representing a decrease of 13.0% from HK\$75.0 billion in the corresponding period in 2023. Among which, HK\$13.2 billion was raised from IPOs, representing a decrease of 26.2% from HK\$17.9 billion in the corresponding period in 2023. In the secondary market, the average daily turnover of securities from January to June 2024 was HK\$110.4 billion, representing a year-on-year decrease of 4.5%. As at the end of June 2024, the total market cap of Hong Kong's securities market was HK\$32.1 trillion, representing an increase of 3.5% as compared with the end of 2023.

In the first half of 2024, the global economy recovery was better than expected and economic activity proved more resilient than expected. Nevertheless, global investment remained weak under the backdrop of high interest rates. The Federal Reserve kept its interest rate policy unchanged, the US dollar index remained strong, global financing costs remained high, and monetary policy divergence intensified. In the first half of the year, Hong Kong's economy showed a trend of stable recovery, continuing to deepen its position and advantages as an international financial centre. In the first half of the year, the Hong Kong Stock Exchange welcomed the listing of the first spot virtual asset ETFs and launched a number of enhancements to "Swap Connect", which increased the variety of products available in the Hong Kong market and provided investors with more diversified choices, thereby contributing to the internationalisation of RMB and enhancing Hong Kong's competitiveness as an international financial centre.

### **RESULTS AND OVERVIEW OF THE COMPANY**

For the six months ended 30 June 2024, the Group recorded operating revenue of HK\$418.87 million (2023: HK\$251.34 million), representing an increase of HK\$167.53 million; and net profit was HK\$88.67 million (2023: HK\$62.19 million), representing an increase of HK\$26.48 million. The increase in profit was mainly attributable to the significant growth in revenue from the Group's core business of wealth management, corporate finance, financial products and investments.

For the six months ended 30 June 2024, the Group's operating revenue from wealth management services, corporate finance services, asset management services, financial products and investments saw an increase of 26.21%, an increase of 103.08%, a decrease of 3.79% and an increase of 87.17% year-on-year, respectively.

## **BUSINESS REVIEW OF THE COMPANY**

The Group's operating revenue derives from (i) wealth management; (ii) corporate finance; (iii) asset management; and (iv) financial products and investments.

### **Wealth management**

For the six months ended 30 June 2024, the Group's revenue from wealth management business amounted to HK\$100.17 million (2023: HK\$79.37 million), representing a year-on-year increase of 26.21%. Among this revenue, commission and fee income from the brokerage services amounted to HK\$85.22 million (2023: HK\$63.86 million), representing a year-on-year increase of 33.45%. The wealth management business accelerated its transformation from the traditional brokerage commission income model to a diversified income model involving products, transactions and services, focusing on the development of customer-driven wealth management business by offering diversified products and globalised trading market services to respond swiftly to market changes and meet client needs. Overseas research continued to maintain its leading position in the industry and empower the business. Focusing on the investment research services, it has expanded the research service coverage for financial institution customers such as high-net-worth individuals, mutual funds, insurance fund institutions, high-quality private equity funds and hedge funds, thereby driving the revenue growth of the institutional brokerage business. At the same time, we continued to optimise the customer structure and actively provided high-quality customers with margin financing services. Despite the slowdown in overall market transactions in Hong Kong, the size of margin financing still achieved a growth of 13% as compared to the beginning of the year. The Company was honoured with the Wealth Management Platform – Outstanding Award by Bloomberg Businessweek in the first half of 2024.

### **Corporate finance**

For the six months ended 30 June 2024, the Group's revenue from corporate finance business amounted to HK\$48.72 million (2023: HK\$23.99 million), representing a year-on-year increase of 103.08%.

Among this revenue, commission income from placing, underwriting and sub-underwriting of debt securities amounted to HK\$38.68 million (2023: HK\$16.93 million), representing a year-on-year increase of 128.47%; arrangement fee income for the first half of 2024 amounted to HK\$9.39 million (2023: HK\$3.37 million), representing a year-on-year increase of 178.64%. For the six months ended 30 June 2024, against the backdrop of high US dollar interest rates and increasingly fierce market competition, the Group as a bond underwriter has completed a total of 105 underwritings of offshore bonds, ranking 8th among Chinese securities brokers in Hong Kong in the Bloomberg China Offshore Bond Ranking, up 2 places from the beginning of the year. It won the Bloomberg Businessweek Bond Excellence Award in the first half of 2024.

For the six months ended 30 June 2024, the Group's corporate finance advisory fee income was recorded HK\$0.61 million (2023: HK\$0.36 million), representing a year-on-year increase of 69.44%. Despite the year-on-year growth in corporate finance advisory fee income, the sponsor fee income was adversely affected by the poor performance of the IPO market due to the sluggish Hong Kong stock market capitalisation.

### **Asset management**

For the six months ended 30 June 2024, the Group's revenue from asset management business amounted to HK\$7.36 million (2023: HK\$7.65 million), representing a year-on-year decrease of 3.79%. The Group continued to build up its core competence of investment research integration. The fixed-income funds captured the opportunity arising from the high US dollar interest rates to deliver stable and high-yield returns to customers. Moreover, the Group is also actively preparing for the US dollar and Hong Kong dollar money markets funds to meet the investment needs of the high net-worth clientele. As of the end of June 2024, the Group had 29 asset management products in total and the scale of assets under management was approximately HK\$9,500 million.

### **Financial products and investments**

For the six months ended 30 June 2024, the Group's profit from financial products and investments amounted to HK\$262.64 million (2023: HK\$140.32 million), representing a year-on-year increase of 87.17%. In the first half of 2024, under the prudent and neutral risk preference, the Group strictly controlled credit risk and seized the market opportunities under the high US dollar interest rates, gradually increasing the scale of low-risk fixed-income debt securities with reasonable yields, which drove the investment return to outperform the benchmark index (Bloomberg Barclays China US Dollar Bond Index).



## **FINANCIAL POSITION**

As at 30 June 2024, the total assets of the Group decreased by 6.33% to HK\$15,504.03 million (31 December 2023: HK\$16,552.02 million).

As at 30 June 2024, the total liabilities of the Group decreased by 9.35% to HK\$11,266.55 million (31 December 2023: HK\$12,428.08 million).

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 30 June 2024, the net current assets of the Group increased by 48.17% to HK\$6,571.96 million (31 December 2023: HK\$4,435.54 million). As at 30 June 2024, the current ratio of the Group (defined as current assets divided by current liabilities as at the end of the respective financial year/period) was 1.79 times (31 December 2023: 1.38 times).

For the six months ended 30 June 2024, the net cash outflow of the Group was HK\$396.88 million (31 December 2023: net cash outflow of HK\$811.80 million), and the bank balance of the Group as at 30 June 2024 was HK\$1,495.27 million (31 December 2023: HK\$1,892.15 million).

As at 30 June 2024, the total bank borrowings of the Group decreased by 53.65% to HK\$1,012.55 million (31 December 2023: HK\$2,184.58 million).

On 2 February 2024, the Group issued US\$300,000,000 three-year guaranteed bonds. As at 30 June 2024, the Group had outstanding bonds of HK\$2,362.34 million (31 December 2023: HK\$2,087.23 million) and outstanding notes of HK\$144.34 million (31 December 2023: HK\$168.28 million). As at 30 June 2024, the gearing ratio of the Group (defined as the sum of repurchase agreements, bank borrowings, outstanding bonds and outstanding notes divided by total equity) decreased by 21.1% to 188.9% (31 December 2023: 210.0%).

Total equity attributable to holders of ordinary shares of the Company amounted to HK\$3,237.48 million as at 30 June 2024 (31 December 2023: HK\$3,123.94 million).

## **FUTURE PLAN**

In the face of the volatile market environment in the first half of 2024, the Group adhered to its prudent and effective risk management system and measures, and was assigned a first-time “BBB” long-term issuer default rating and a first-time “bbb” shareholder support rating with a “stable” outlook by Fitch, an international credit rating agency. Looking ahead to the second half of 2024, the Group will continue to strengthen its development in professionalism, and improve corporate profitability. First, the Group will continue to deepen wealth management business transformation, capitalise on the synergistic efficiency of the “institutional sales and tradings” ecosystem, expand customer resources, and diversify sources of income. Second, with respect to the asset management business, the Group will focus on the investment research capabilities, and continue to enrich its product lines to fully satisfy the asset allocation needs of customers. Third, in terms of investment banking business, our debt financing business will leverage on its brand and professional advantages to consolidate and enhance its leading position in the bond underwriting market; the equity financing business will capture the new opportunities for reform, and continue to monitor new policy reform and existing customers conversion. Fourth, the Group will continue to execute stringent risk control, uphold the prudent investment strategy, control the scale and adjust the structure, improve asset application capability and benefit, diversify investment products, and strengthen the yield and resilience of the investment portfolio. Fifth, the Group will continue to deepen business innovation, promote derivative business development, gradually enrich the business model and product tools, and facilitate the steady growth of OTC derivatives business. Meanwhile, it will continue to improve its compliance and risk control management system, maintain a neutral and moderate risk preference, and stick to the bottom line of compliance and risk control to ensure high-quality sustainable development. It will optimise the allocation of human, financial and material resources and improve the work efficiency and productivity of its staff. The Group is embarking on a new journey with vitality, while focusing on development with the concerted efforts. The Group will continue to promote the high-quality development of its business operations in order to bring desirable positive returns for its shareholders.

## **SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES**

For the six months ended 30 June 2024, the Group had no significant investments, material acquisition or disposal of subsidiaries or affiliated companies.

## **PLEDGE OF ASSETS BY THE GROUP**

For the six months ended 30 June 2024, the Group's assets pledged were mainly debt securities pledged as collaterals for repurchase agreements and other borrowings.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 30 June 2024, the Group had 224 full-time employees including the Directors. Total remuneration for the six months ended 30 June 2024 amounted to HK\$101.20 million. The remuneration policy will be reviewed by the Group from time to time in accordance with market practice, and the bonus will be distributed with reference to individual performance appraisal, prevailing market condition and the financial performance of the Group. Other employee benefits include contributions to the mandatory provident fund scheme and medical care insurance.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities for the six months ended 30 June 2024 and up to the date of this announcement.

## **EVENTS AFTER THE REPORTING PERIOD**

As of the date of this announcement, the Board was not aware of any significant events related to the business or financial performance of the Group after the reporting period.

## **RISK MANAGEMENT**

### **Risk management framework and mechanism**

The Group has established a comprehensive risk management organisational structure consisting of the Board, management, the risk management committee, risk management department, departments and subsidiaries. The Board shall undertake the ultimate responsibility for comprehensive risk management, be responsible for the supervision and guidance of the risk management of the Company, approve the risk preference of the Company, and control the overall risk of the Company within a reasonable range to ensure that the Company can effectively manage the risk control in business activities. The management shall lead and manage various risks in the course of business of the Company and promote the planning, construction and implementation of the comprehensive risk management system of the Company. The risk management committee under the management shall carry out the risk management work of the Company with the authorisation of the management, be responsible for guiding, supervising and coordinating the implementation of the work related to risk management of the Company, provide advice on the improvement and updating of the organisational system, and promote the comprehensive risk management construction of the Company. Under the leadership of the compliance and risk control director, the risk management department shall organise and promote the comprehensive risk management work of the Company, organise to conduct identification, evaluation, monitoring, analysis and tests on the overall risk, aggregate risk faced in the course of operation and management of the Company and its changing trend, and put forward corresponding control measures and solutions.

The Group has built three lines of defence for risk management, of which the first line of defence is effective self-control by all departments and subsidiaries, the second line of defence is professional risk management by the risk management department before and during business operations, and the third line of defence is post-supervision and evaluation by the audit department. The design of the “three lines of defence” (三道防線) of risk management governance structure has effectively provided guarantees for the efficiency and effectiveness of risk management.

The Group has implemented the risk preference, quota management and authorisation management system, kept the business philosophy of “stable operation for sustainable development” (穩健經營、長遠發展) based on the neutral and prudent risk preference determined by the Board, and adhered to the development idea of seeking progress while keeping performance stable, conducted precise identification, careful evaluation, dynamical monitoring, timely response and overall management on various risks, such as liquidity risk, market risk, credit risk, operational risk, reputation risk, and compliance and legal risk in a timely manner in the course of business of the Company to ensure that various risks were controlled within a reasonable range that is measurable, controllable, acceptable and without spillover. The Group has endeavoured to build a sound organisational structure, operational management system, quantifiable risk indicator system, reliable information system and professional talent team, so as to realise the detectability, measurability, analysis and risk-response in risk management, facilitating the sound business development of the Group in the long run and the achievement of strategic objectives.

### **Credit risk**

The Group’s exposure to credit risk refers to the risk of losses to the Group arising from non-performance by the debtors or counterparties. The Group has established a risk management committee to review and monitor the implementation of credit risk management policies, and to update relevant risk management policies to adapt to changes. The Group has also set up an investment and financing business review committee, which is responsible for reviewing and re-examining the policies relating to credit approval, transaction limits and credit limits. The Group has regularly re-examined the implementation of existing investment and financing projects and margin loans to assess the credit risk exposure, and has taken appropriate measures to mitigate risks.

The Group has closely monitored the risk limit indicators of credit business, adopted measures such as daily mark-to-market and timely warning, and established a public opinion information monitoring mechanism for debtors, collaterals and counterparties to effectively respond to sudden public events to formulate response plans in advance. We will regularly conduct stress tests, take appropriate measures to compensate for or minimise losses in the event that customers may not fulfil their obligations, properly resolve risks, and effectively carry out post-investment management. We will also regularly measure the impairment of our financial assets and make provision for expected credit losses in a timely manner, in accordance with the latest standards on financial instruments and using reasonable and evidence-based forward-looking information based on our existing business.

## **Liquidity risk**

The Group's exposure to liquidity risk refers to the risk of failure to obtain sufficient capital at reasonable cost in time to repay debts which are falling due, fulfil other payment obligations and meet the liquidity requirement for ordinary business operation.

The Group has formulated liquidity risk management system and process to identify, address, monitor and mitigate potential liquidity risks, and maintained liquidity and financial resource requirements in accordance with applicable laws and regulations (such as the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong)).

The Group has formulated a multi-level authorisation mechanism and internal policies for managing and approving the use and allocation of capital. It has set up restrictions on authorisation in respect of any commitments or capital outflows (such as procurement, investment and loans), and evaluated the impact of such transactions on capital adequacy.

The Group has met its financing needs primarily through obtaining bank loans from certain banks and issuing bonds, and constantly explored and expanded financing channels and methods. The Group has also adopted strict liquidity management measures, including but not limited to daily monitoring reports, future cash flow forecasts and liquidity stress tests, to ensure that the planning and management of liquidity is prepared well and that the Group satisfies the capital requirements stipulated by applicable laws.

## **Market risk**

The Group's exposure to market risk refers to the risk of potential losses incurred to the Group arising from adverse changes in exchange rates, interest rates and prices of financial assets.

The Group has formulated policies and procedures to monitor and control market risks arising from carrying out business. Prior to engaging in any new transaction or launching any new business, each business segment of the Group will arrange professionals with appropriate qualifications and industry experience to discuss and evaluate the relevant market risks, and develop management and mitigation measures for such market risk.

The Group has set up market risk limit indicators, and regularly reviewed and adjusted market strategies to adapt to changes in operating results, risk tolerance and market conditions. In terms of financial products and investment business, the Group has formulated different selection criteria for bonds and other fixed-income products, prudently selected industries and enterprises, and followed up and monitored macro-economic trends to optimise investment strategies.

## **Operational risk**

The Group's exposure to operational risk refers to the risk of losses to the Group caused by imperfect or defective internal procedures, employees, information systems or external events. The main goal of the operational risk management of the Group is to promote a good operational risk management culture according to the regulatory requirements and the development strategy of the Company, establish and improve the operational risk management framework and system in line with the actual situation of the Company, and reduce the frequency and impact of operational risk events.

The Group has established an operational risk management structure consisting of the Board, management, the risk management committee, the risk management department and each functional department. The management of operational risk involves all departments and all employees, with penetration into various business activities, business processes and operational procedures.

The Group has established a sound management mechanism and effective internal control procedures. Through operational risk policies, risk reporting mechanisms, operational risk limit indicators, risk control matrices, operational risk systems and risk warnings, the operational risk events will be identified, evaluated, monitored and followed up before, during and after events. At the same time, through sharing the cases of operational risk and training, the overall operational risk awareness of the Group has been improved, the operational risk management has been strengthened, and the ability to respond on operational risk has been improved. The risk management department has regularly analysed and evaluated operational risk events, continuously monitored the operational risk conditions and its changing trend of the Group, and regularly reported the implementation of relevant indicators, and also followed up operational risk events to ensure that the operational risk losses of the Company are under control, and improved operational risk monitoring and management.

The Group has set up a business continuity management mechanism, in place with contingency plans and business continuity plans combined with risk scenarios, business models, system settings and other important risk factors, and retained sufficient disaster recovery office facilities, regularly carried out business continuity exercises, comprehensively improved the Group's ability to respond to emergencies and operational interruptions to ensure smooth and orderly operation.

## **Compliance and legal risks**

The Group has proactively promoted the establishment of a stable and sound compliance and legal risk management framework, formulated relevant policies, processes and templates, kept a close eye on the prevailing laws and regulations relating to business operations, and made timely adjustments and improvements to the internal compliance and legal risk management policies and processes based on the changes of external laws and regulations to ensure that the Company's business operations comply with the laws and regulations as amended from time to time.

The Group has set up a compliance management structure and established three lines of defence for compliance management, of which the legal and compliance department takes the lead in formulating the compliance management policies, procedures and guidelines of the Group, providing compliance advice for various business plans and affairs, closely monitoring the compliance operation of the licensed businesses of the Group, and supervising all business segments to strictly implement relevant regulatory requirements. Meanwhile, in order to foster a sound compliance culture atmosphere and strengthen compliance awareness, the legal and compliance department has taken the lead in organising various types of training for employees, with a view to strengthening the skills of employees, enhancing the professionalism and efficiency of the Group, and providing internal guidance for the latest regulatory updates.

The legal and compliance department of the Group is assisted by full-time legal personnel. Meanwhile, the Group has engaged four legal consultants who have cooperated with the Group throughout the years and maintained close relationships with other external law firms. Through close cooperation with full-time legal personnel and external legal advisers or law firms, the Group can prevent and address various legal risks in a timely manner.



## **Reputation risk**

The Group's exposure to reputation risk refers to the risk of negative views on the Company from investors, issuers, regulatory agencies, self-regulatory organisations, the public and the media due to the Company's behaviour or external events, and the violations of integrity rules, professional ethics, business regulations, industry rules and conventions, and other related behaviours by the Company's personnel, which in turn damage the Company's brand value, adversely affect the Company's normal operation, or even exert an impact on the stability of the market and the society. With a complete corporate governance structure, the Group has proactively promoted the construction of reputation risk management mechanism, effectively prevented reputation risk and addressed reputation risk events by upholding the principles of prevention first, proactivity and swift response, and conducted all-rounded and whole-process management over classification, identification, assessment, reporting, handling and evaluation of reputation risk occurred in the course of the operation and management, so as to minimise losses and negative impacts on the reputation and brand image of the Group. During the reporting period, the Group has further improved its reputation risk management system, maintained an overall stable public sentiment, and has not experienced major reputation risk events.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES**

On 9 February 2024, the Company has redeemed all of its outstanding 2% corporate bonds due 2024 with an aggregate principal amount of US\$265,000,000, the redemption price equals to 100% of the principal amount plus accrued and unpaid interest.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company and its subsidiaries during the six months ended 30 June 2024 (including sales of treasury shares (as defined in the Listing Rules)).

During the six months ended 30 June 2024, the Company did not hold any treasury shares.

## **COMPETING INTERESTS**

Save for the continuing connected transactions as disclosed in the section headed "Relationship with the controlling shareholders" and "Connected transactions" in the prospectus of the Company dated 30 September 2016, none of the Directors or the controlling shareholders of the Company nor their respective close associates as defined in the Listing Rules had any interest in business that competed or might compete with business of the Group during the six months ended 30 June 2024.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 30 June 2024.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2024.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") has been established with written terms of reference in compliance with the Listing Rules and code provisions under the CG Code. The Audit Committee currently comprises a non-executive Director and two independent non-executive Directors, namely Mr. Xiong Bo, Ms. Hong Ying and Mr. Tian Li. The chairlady of the Audit Committee is Ms. Hong Ying.

The Group's unaudited condensed consolidated results for the six months ended 30 June 2024 have been reviewed by the Audit Committee, which was of the opinion that such results have complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

By Order of the Board

**China Industrial Securities International Financial Group Limited**

**Xiong Bo**

*Chairman*

Hong Kong, 19 August 2024

*As at the date of this announcement, the Board comprises one non-executive Director, namely Mr. Xiong Bo (Chairman), one executive Director, namely Ms. Zhang Chunjuan, and three independent non-executive Directors, namely Ms. Hong Ying, Mr. Tian Li and Mr. Qin Shuo.*