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BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED

交銀國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 3329)

US\$500,000,000 1.75 PER CENT. GUARANTEED NOTES DUE 2026

(Stock Code: 40737)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board announces the audited consolidated financial results of the Group for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue			
Commission and fee income	4	179,446	142,704
Interest income	4	318,570	536,397
Proprietary trading income	4	(463,490)	(374,190)
		34,526	304,911
Other income	4	352,988	308,266
Revenue and other income		387,514	613,177
Commission and brokerage expenses		(24,627)	(23,902)
Finance costs	5	(552,387)	(717,671)
Staff costs	6	(410,853)	(397,982)
Depreciation		(121,552)	(124,293)
Other operating expenses		(207,660)	(185,865)
Change in impairment allowance	7	(305,674)	(625,608)
Total expenses		(1,622,753)	(2,075,321)

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Operating loss		(1,235,239)	(1,462,144)
Share of results of associates		3,593	407
Share of results of joint ventures		(1,722)	17,020
		<hr/>	<hr/>
Loss before taxation		(1,233,368)	(1,444,717)
Income tax	8	2,012	(24,783)
		<hr/>	<hr/>
Loss for the year attributable to shareholders of the Company		(1,231,356)	(1,469,500)
		<hr/>	<hr/>
Loss per share attributable to shareholders of the Company for the year – Basic/Diluted (in HKD per share)	10	(0.45)	(0.54)
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 DECEMBER 2024**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	<u>(1,231,356)</u>	<u>(1,469,500)</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Changes in fair value of debt investments at fair value through other comprehensive income	355,599	359,282
Amounts reclassified to profit or loss upon disposal of debt investments at fair value through other comprehensive income	<u>68,775</u>	<u>252,506</u>
	424,374	611,788
Exchange differences on translation of foreign operations	<u>(102,178)</u>	<u>(39,399)</u>
	322,196	572,389
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in fair value of equity investments at fair value through other comprehensive income	<u>(4,732)</u>	<u>17,158</u>
Other comprehensive income, net of tax	<u>317,464</u>	<u>589,547</u>
Total comprehensive income attributable to shareholders of the Company	<u><u>(913,892)</u></u>	<u><u>(879,953)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	<i>Notes</i>	31/12/2024 HK\$'000	31/12/2023 HK\$'000
Assets			
Non-current Assets			
Property and equipment		57,820	77,857
Right-of-use assets		145,071	144,665
Intangible assets		27,102	13,087
Interest in associates		165,071	173,073
Interest in joint ventures		835,766	641,160
Other assets		31,373	22,015
Financial assets at fair value through other comprehensive income		3,119,392	5,446,414
Loans and advances	11	11,568	581,270
Deferred tax assets		1,494	1,005
Total non-current assets		4,394,657	7,100,546
Current Assets			
Loans and advances	11	663,421	459,173
Tax recoverable		163	2,777
Accounts receivable	12	911,991	475,934
Other receivables and prepayments	13	302,697	454,951
Margin loans to customers	14	833,242	1,206,442
Amount due from the ultimate holding company		109,906	78,874
Amount due from a fellow subsidiary		5	2
Amounts due from related parties		269	185
Financial assets at fair value through other comprehensive income		2,076,117	1,341,355
Financial assets at fair value through profit or loss		3,644,740	5,791,191
Derivative financial assets		24	178
Cash and bank balances		1,577,935	1,299,438
Total current assets		10,120,510	11,110,500
Total assets		14,515,167	18,211,046
Equity and liabilities			
Equity attributable to shareholders of the Company			
Share capital		3,942,216	3,942,216
Accumulated losses		(2,557,830)	(1,339,017)
Revaluation reserve		(211,909)	(619,008)
Foreign currency translation reserve		(289,729)	(187,551)
Total equity		882,748	1,796,640

	<i>Notes</i>	31/12/2024 <i>HK\$'000</i>	31/12/2023 <i>HK\$'000</i>
Liabilities			
Non-current Liabilities			
Subordinated loans from the ultimate holding company		1,000,000	1,000,000
Obligation under repurchase agreements		1,909,512	3,864,288
Lease liabilities		68,019	75,170
Financial liabilities at fair value through profit or loss		354,478	519,000
Deferred tax liabilities		5,604	12,623
Debt securities issued		3,868,715	3,891,207
Total non-current liabilities		7,206,328	9,362,288
Current Liabilities			
Borrowings		3,374,566	4,481,264
Obligation under repurchase agreements		1,496,205	912,197
Tax payable		3,947	7,682
Provision for staff costs		147,544	118,447
Other payables and accrued expenses		191,468	312,319
Accounts payable	<i>15</i>	858,721	315,892
Contract liabilities		12,816	28,400
Lease liabilities		79,748	69,995
Financial liabilities at fair value through profit or loss		256,291	799,518
Derivative financial liabilities		4,785	6,404
Total current liabilities		6,426,091	7,052,118
Total liabilities		13,632,419	16,414,406
Total equity and liabilities		14,515,167	18,211,046
Net current assets		3,694,419	4,058,382
Total assets less current liabilities		8,089,076	11,158,928

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

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

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

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

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those financial years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company’s auditor has reported on those financial statements for the year ended 31 December 2024. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. MATERIAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the adoption of amendments to HKFRSs which became effective during the financial year ended 31 December 2024.

(a) Amended HKFRSs adopted by the Group

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

- Amendments to HKAS 1, *Presentation of financial statements – Classification of Liabilities as Current or Non-current* (“2020 Amendments”) and amendments to HKAS 1, *Presentation of financial statements – Non-current Liabilities with Covenants* (“2022 Amendments”)
- Amendments to HKFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to HKAS 7, *Statement of Cash Flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier Finance Arrangements*

Amendments to HKFRSs effective for the financial year ending 31 December 2024 do not have a material impact on the Group.

(b) New standards, amendments and interpretations not yet adopted by the Group

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. SEGMENT INFORMATION

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

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

Inter-segment transactions, if any, are conducted with reference to the prices charged to external third parties. There was no change in basis during the year ended 31 December 2024.

There was no client contributing over 10% of the total revenue of the Group.

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

	Year ended 31 December 2024							
	Brokerage HK\$'000	Corporate finance and underwriting HK\$'000	Asset management and advisory HK\$'000	Margin financing HK\$'000	Investment and loans HK\$'000	Others HK\$'000	Elimination HK\$'000	Total HK\$'000
Total revenue								
Revenue								
Commission and fee income								
• External	91,155	51,478	36,813	-	-	-	-	179,446
• Internal	92	-	25,012	-	-	-	(25,104)	-
Interest income								
• External	-	-	-	60,106	258,464	-	-	318,570
• Internal	-	-	-	-	35,041	-	(35,041)	-
Proprietary trading income								
• External	-	-	10,000	-	(473,490)	-	-	(463,490)
• Internal	-	-	-	-	-	-	-	-
Other income	10,707	-	85	-	14,887	327,309	-	352,988
	<u>101,954</u>	<u>51,478</u>	<u>71,910</u>	<u>60,106</u>	<u>(165,098)</u>	<u>327,309</u>	<u>(60,145)</u>	<u>387,514</u>
Total expenses	(153,643)	(82,436)	(98,782)	(128,375)	(1,019,225)	(200,437)	60,145	(1,622,753)
Share of results of associates	-	-	-	-	3,593	-	-	3,593
Share of results of joint ventures	-	-	-	-	(1,722)	-	-	(1,722)
(Loss)/profit before taxation	<u>(51,689)</u>	<u>(30,958)</u>	<u>(26,872)</u>	<u>(68,269)</u>	<u>(1,182,452)</u>	<u>126,872</u>	<u>-</u>	<u>(1,233,368)</u>
Other disclosures								
Depreciation	(24,345)	(5,814)	(16,962)	(7,852)	(21,278)	(45,301)	-	(121,552)
Change in impairment allowance	(3)	(2,748)	-	(42,802)	(260,121)	-	-	(305,674)
Finance costs	(1,373)	(300)	(299)	(59,652)	(525,235)	(569)	35,041	(552,387)

	Year ended 31 December 2023							
	Brokerage HK\$'000	Corporate finance and underwriting HK\$'000	Asset management and advisory HK\$'000	Margin financing HK\$'000	Investment and loans HK\$'000	Others HK\$'000	Elimination HK\$'000	Total HK\$'000
Total revenue								
Revenue								
Commission and fee income								
• External	81,577	25,211	35,916	–	–	–	–	142,704
• Internal	295	–	22,440	–	–	–	(22,735)	–
Interest income								
• External	–	–	–	109,133	427,264	–	–	536,397
• Internal	–	–	–	–	44,451	–	(44,451)	–
Proprietary trading income								
• External	–	–	45,784	–	(419,974)	–	–	(374,190)
• Internal	–	–	–	–	–	–	–	–
Other income	13,828	–	176	–	3,653	290,609	–	308,266
	<u>95,700</u>	<u>25,211</u>	<u>104,316</u>	<u>109,133</u>	<u>55,394</u>	<u>290,609</u>	<u>(67,186)</u>	<u>613,177</u>
Total expenses	(169,411)	(103,778)	(107,915)	(115,024)	(1,475,835)	(170,544)	67,186	(2,075,321)
Share of results of associates	–	–	–	–	407	–	–	407
Share of results of joint ventures	–	–	–	–	17,020	–	–	17,020
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>17,020</u>	<u>–</u>	<u>–</u>	<u>17,020</u>
(Loss)/profit before taxation	<u>(73,711)</u>	<u>(78,567)</u>	<u>(3,599)</u>	<u>(5,891)</u>	<u>(1,403,014)</u>	<u>120,065</u>	<u>–</u>	<u>(1,444,717)</u>
Other disclosures								
Depreciation	(26,980)	(4,413)	(31,835)	(8,940)	(23,903)	(28,222)	–	(124,293)
Change in impairment allowance	(2)	–	–	(5,995)	(619,611)	–	–	(625,608)
Finance costs	(656)	(214)	(402)	(67,122)	(692,908)	(820)	44,451	(717,671)
	<u>(27,638)</u>	<u>(4,627)</u>	<u>(32,237)</u>	<u>(14,937)</u>	<u>(1,315,419)</u>	<u>(29,042)</u>	<u>44,451</u>	<u>(1,433,852)</u>

The geographical information of revenue is disclosed as follows:

	2024 HK\$'000	2023 HK\$'000
Total revenue from external customers by location of operations		
– Hong Kong	206,166	333,818
– Mainland China	181,348	279,359
	<u>387,514</u>	<u>613,177</u>

4. REVENUE AND OTHER INCOME

(a) Disaggregation of revenue and other income

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
REVENUE		
COMMISSION AND FEE INCOME		
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>		
Brokerage commission	91,155	81,577
Corporate finance and underwriting fee	51,478	25,211
Asset management and advisory fee	36,813	35,916
	<u>179,446</u>	<u>142,704</u>
INTEREST INCOME		
<i>Interest income calculated using the effective interest method</i>		
Interest income from margin financing	60,106	109,133
Interest income from loans and advances	66,381	136,403
Interest income from financial assets at fair value through other comprehensive income	192,083	290,861
	<u>318,570</u>	<u>536,397</u>
PROPRIETARY TRADING INCOME		
<i>Interest income calculated using the effective interest method</i>		
Net trading and investment income		
– Interest income from financial assets at fair value through profit or loss	18,508	34,325
<i>Revenue from other sources</i>		
Net trading and investment income		
– Net loss on financial assets at fair value through profit or loss	(502,150)	(105,272)
– Net loss on financial assets at fair value through other comprehensive income	(68,775)	(241,936)
– Net loss on financial liabilities at fair value through profit or loss	(38,346)	(88,639)
– Net gain/(loss) on derivative financial instruments	11,340	(65,006)
– Fair value changes from financial liabilities to the investors of the funds consolidated	72,688	9,500
Dividend income from		
– Financial assets at fair value through profit or loss	43,245	82,579
– Financial assets at fair value through other comprehensive income	–	259
	<u>(463,490)</u>	<u>(374,190)</u>
	<u><u>34,526</u></u>	<u><u>304,911</u></u>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
OTHER INCOME		
Handling fees	9,221	11,737
Other interest income	98,857	106,541
Exchange gain	37,016	15,798
Computer software development and maintenance services	187,611	156,634
Information system consultancy services	–	866
Digital RMB marketing service income	1,079	–
Others	19,204	16,690
	<u>352,988</u>	<u>308,266</u>

(b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As the end of the reporting period, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK\$12,816 thousand (31 December 2023: HK\$28,400 thousand). This amount represents revenue expected to be recognised in the future from corporate finance, asset management and advisory services business. The Group will recognise the expected revenue in future when the remaining performance obligations under the contracts are satisfied, which is expected to occur within one year.

5. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on subordinated loans from the ultimate holding company	59,660	57,674
Interest expenses on bank loans from the ultimate holding company	26,424	47,906
Interest expenses on bank loans and overdraft from other financial institutions	160,712	267,392
Interest expenses on obligation under repurchase agreements	231,145	270,523
Interest expenses on lease liabilities	3,813	2,841
Interest expenses on financial liabilities	–	27
Interest expenses on debt securities issued:		
– payable to the ultimate holding company	1,365	1,374
– payable to the fellow subsidiaries	4,512	4,527
– payable to other financial institutions	64,736	65,352
Others	20	55
	<u>552,387</u>	<u>717,671</u>

6. STAFF COSTS

	2024 HK\$'000	2023 HK\$'000
Salaries, bonus, staff allowances	391,750	379,129
Directors' fees	1,080	1,080
Contributions to retirement benefit scheme	18,023	17,773
	<u>410,853</u>	<u>397,982</u>

7. CHANGE IN IMPAIRMENT ALLOWANCE

	2024 HK\$'000	2023 HK\$'000
Change in impairment allowance on:		
Accounts receivable	2,751	2
Margin loans to customers	42,802	5,995
Loans and advances	144,083	11,448
Debt investments at fair value through other comprehensive income	91,108	597,998
Other receivables	31,374	16,304
	<u>312,118</u>	<u>631,747</u>
Bad debts recovery	(6,444)	(6,139)
	<u>305,674</u>	<u>625,608</u>

8. INCOME TAX

	2024 HK\$'000	2023 HK\$'000
Current tax:		
Hong Kong Profits Tax	326	—
PRC Enterprise Income Tax	3,528	708
Under provision in prior years	1,617	25,044
Total current tax	5,471	25,752
Deferred tax	(7,483)	(969)
Income tax (credit)/expense recognised in profit or loss	<u>(2,012)</u>	<u>24,783</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the years. Taxation on overseas profits has been calculated on the estimated assessable profit for the years at the rates of taxation prevailing in the countries in which the Group operates.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the People's Republic of China's entities is 25%.

9. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
No dividend was proposed after the end of the reporting period and previous financial year	—	—

10. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Loss attributable to shareholders of the Company (HK\$'000)	(1,231,356)	(1,469,500)
Weighted average number of ordinary shares in issue (in '000 shares)	2,734,392	2,734,392
Loss per share (in HKD per share)	(0.45)	(0.54)

(b) Diluted

For the years ended 31 December 2024 and 2023, there were no potential diluted ordinary shares. The diluted loss per share was the same as the basic loss per share.

11. LOANS AND ADVANCES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gross loans and advances	1,210,764	1,504,413
Less: impairment allowance	(535,775)	(463,970)
	674,989	1,040,443
Net loans and advances:		
Non-current	11,568	581,270
Current	663,421	459,173
	674,989	1,040,443

The maximum exposure to credit risk at the reporting date is the carrying value of loans and advances above.

12. ACCOUNTS RECEIVABLE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Corporate finance and underwriting business	2,627	17,690
Dealing in securities and futures business		
– Clients	131,346	83,001
– Brokers	91,198	162,868
– Clearing house	687,529	217,767
	910,073	463,636
Less: impairment allowance	(709)	(5,392)
	911,991	475,934

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current (not past due)	910,370	467,894
Less than 31 days past due	167	781
31 – 60 days past due	–	–
61 – 90 days past due	–	581
Over 90 days past due	2,163	12,070
	2,330	13,432
Less: impairment allowance	(709)	(5,392)
	911,991	475,934

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

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

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

13. OTHER RECEIVABLES AND PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other receivables	345,591	511,084
Less: impairment allowance	(63,723)	(69,607)
	<u>281,868</u>	<u>441,477</u>
Prepayments	20,829	13,474
	<u>302,697</u>	<u>454,951</u>

14. MARGIN LOANS TO CUSTOMERS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gross margin loans to customers	995,220	1,325,618
Less: impairment allowance	(161,978)	(119,176)
	<u>833,242</u>	<u>1,206,442</u>
Net margin loans to customers	<u>833,242</u>	<u>1,206,442</u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>

Margin loans to customers analysed by nature

Institutions	241,597	657,710
Individuals	591,645	548,732
	<u>833,242</u>	<u>1,206,442</u>

Total market value of securities pledged as collateral in respect of margin loans to customers analysed by collateral

Stocks	2,845,358	3,893,155
Debt securities	2,259	37,559
Others	709	97,990
	<u>2,848,326</u>	<u>4,028,704</u>

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

15. ACCOUNTS PAYABLE

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

	2024 HK\$'000	2023 HK\$'000
Clients – trade settlement	624,690	315,505
Clearing house	3,181	387
Brokers	230,850	–
	<hr/>	<hr/>
	858,721	315,892
	<hr/> <hr/>	<hr/> <hr/>

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

As one of the earliest licensed securities firms with PRC background in Hong Kong, we are one of the largest securities firms specialising in securities brokerage and margin financing, corporate finance and underwriting, investment and loans, asset management and advisory businesses. We believe that one of our core competitive strengths is our ability to offer comprehensive and integrated financial services and products that fulfil various investment and financing needs of clients. In 2024, the Group made continuous effort in enhancing licensed operations. Nevertheless, as a result of the impact brought by the market environment and various other factors, the Group incurred a loss of HK\$1,231.4 million for the Year as compared to that of HK\$1,469.5 million for 2023.

Securities Brokerage and Margin Financing

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

Against the backdrop of a prominent “winner-takes-all” effect in the Hong Kong stock market, we actively seized market opportunities and enhanced client engagement, achieving overall stable revenue from the stock market and an improvement in market ranking. At the same time, we proactively explored diversified revenue streams. In anticipation of uncertainties in the global interest rate environment, we strategically allocated resources to develop bond trading customers in advance, achieving growth in bond trading volume and revenue.

We also made constant and active adjustments to our client structure. During the Year, we strengthened the linkage of resources within the Group and actively cooperated with BOCOM Group’s Hong Kong institutions to focus on developing local customers in Hong Kong, with significant achievements, including a significant year-on-year increase in the size of linked assets. Collaborating with the branches of BOCOM outside Mainland China (including Hong Kong and Macao) throughout the Year, we realized growth in the amount of and revenue from transactions with customers.

For the year ended 31 December 2024, our commission and fee income from the securities brokerage business was HK\$91.2 million, representing an increase of HK\$9.6 million or 11.7% as compared with 2023.

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

	Year ended 31 December			
	2024		2023	
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>	<i>%</i>
Hong Kong stocks	60.8	66.7	58.0	71.1
Non-Hong Kong stocks	9.2	10.1	9.4	11.5
Bonds	14.8	16.2	7.7	9.4
Others	6.4	7.0	6.5	8.0
	<u>91.2</u>	<u>100.0</u>	<u>81.6</u>	<u>100.0</u>

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

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

In 2024, the number of margin client accounts increased to 9,741. The monthly average loan balance decreased and interest income from margin loans for the year ended 31 December 2024 was HK\$60.1 million, representing a decrease of HK\$49.0 million or 44.9% as compared with 2023.

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

	31/12/2024	31/12/2023
Number of margin accounts	9,741	9,710
Balance of gross margin loans (<i>HK\$' million</i>)	995.2	1,325.6
Monthly average balance (<i>HK\$' million</i>)	1,067.4	1,727.0
Highest month end balance (<i>HK\$' million</i>)	1,331.5	1,935.2
Lowest month end balance (<i>HK\$' million</i>)	796.4	1,325.6
Margin value (<i>HK\$' million</i>) (note 1)	1,113.6	1,156.2
Market value (<i>HK\$' million</i>) (note 2)	2,848.3	4,028.7

Notes:

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

Corporate Finance and Underwriting

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

In 2024, there were a total of 71 new listings on the Stock Exchange (including transfer of listing from GEM to Main Board). The number of new listings decreased by 2.7% as compared with 2023. The aggregate amount of funds raised through IPOs was HK\$87.5 billion in 2024, representing an increase of 88.9% as compared with 2023.

During the Year, we acted as a sole sponsor for one IPO project and joint sponsor for one IPO project. Furthermore, we acted as a global coordinator and/or bookrunner for 14 completed IPO projects. We also acted as financial advisor for two completed financial advisory projects and acted as compliance advisor for one completed financial advisory project. In respect of debt capital market, we completed 87 debt issuance projects, including 32 ESG bond projects, and successfully assisted corporations in raising USD24.6 billion in aggregate. We have built up a team of professionals to strengthen our capabilities in various financial advisory services such as pre-IPO equity financing, private credit, mergers and acquisitions and leveraged finance.

For the year ended 31 December 2024, our commission and fee income from corporate finance and underwriting services was HK\$51.5 million, representing an increase of HK\$26.3 million or 104.2% as compared to that of HK\$25.2 million in 2023.

Asset Management and Advisory

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

As a fund manager, we have continued to build up our core competitiveness in investment and research integration. In particular, as at 31 December 2024, BOCOM International Dragon Core Growth Fund had a return of 17.34%, ranking in the top third of its category in the Hong Kong market. BOCOM International China Dynamic Fund had a return of 24.24%, ranking in the top 10 percent of its category in the Hong Kong market. We have established over 20 BOCOM science and technology innovation equity investment series funds in provinces and cities such as Shanghai, Jiangsu, Zhejiang, Hubei, Shandong, Hebei, Shenzhen and Hainan, which focus on investing in quality enterprises engaged in fields such as new energy automobiles, new energy, semiconductors, artificial intelligence, new materials, bio-pharmaceuticals and next generation information technology. We also provided a full range of integrated financial services to these high quality science and innovation enterprises by leveraging on BOCOM's group resources. We have established the first fund-of-funds in Hainan, with us serving as the fund manager. This fund is specifically designed to target high-quality investment institutions operating in the digital economy and other industries which receive substantial local support. It invests in the respective sub-funds managed by such investment institutions, aiming to assist local governments in attracting investment and capital and foster the growth of sub-fund investors through creating synergy in collaboration with BOCOM's group resources. Furthermore, we provided investors in the PRC and abroad with diversified cross-border asset management product portfolio and a full chain of QFLP and QDIE fund product services. As at 31 December 2024, we have established 18 QFLP funds and one QDIE fund, amongst which our QFLP funds became the first fund of its kind established in Hainan and Qingdao.

As at 31 December 2024, the total amount of our AUM was approximately HK\$18,155.5 million, representing a decrease of 5.8% from HK\$19,283.6 million as at 31 December 2023. For the year ended 31 December 2024, asset management and advisory fee income increased by HK\$0.9 million or 2.5% as compared to that in 2023 to HK\$36.8 million. Proprietary trading gain was HK\$10.0 million, representing the refund of the guarantee fee payment, as compared to a proprietary trading gain of HK\$45.8 million in 2023.

Investment and Loans

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

For equity investments, in recent years, we carried out plans with foresight centered on new quality productive forces by closely monitoring strategic emerging industries, advanced manufacturing industries, areas such as those with technological innovation and upgrading of traditional industries, participated in debt-equity hybrid investments in enterprises with high growth potential, enriched allocation strategies and expanded investment scope through investing in sub-funds. For bond investments, we preferred short-to-medium duration products with good credit standing and offshore premium.

For structured financing and corporate loans, we launched a full spectrum of credit business during the Reporting Period, including leveraged financing, structured products, asset-backed loans, etc. In terms of asset classes, we mainly focused on loans with high-quality underlying assets and counterparties with good credit track record. During the Reporting Period, we had seven clients, comprising one individual client and six corporate clients. Our corporate clients primarily included corporate clients in real estate industry, stated-owned enterprises and manufacturing industry, to which the principal amount of loans granted amounted to HK\$694 million, HK\$502 million and HK\$10 million, respectively, as at 31 December 2024 (as at 31 December 2023: the principal amount of loans granted to corporate clients in the real estate industry, stated-owned enterprises and pharmaceuticals industry amounted to HK\$798 million, HK\$520 million and HK\$55 million,

respectively). The funding sources of our credit business included bank and other borrowings, obligation under repurchase agreements, subordinated loans, debt securities issued and internal funding. We determined the credit limit of respective clients based on various factors, including but not limited to the total value of assets maintained with the Group as well as their background, annual income, trading patterns and credit history. During the Reporting Period, the aggregate amount of loans granted to the top five clients was HK\$1,196 million, accounting for 98.8% of the total amount of loans granted by the Group during the Reporting Period, in which HK\$502 million was granted to the single largest client, representing 41.4% of the total amount of loans granted by the Group during the Reporting Period (as at 31 December 2023: the aggregate amount of loans granted to the top five clients was HK\$1,301 million, accounting for 86.5% of the total amount of loans granted by the Group during 2023, in which HK\$520 million was granted to the single largest client, representing 34.6% of the total amount of loans granted by the Group during 2023).

During the Reporting Period, the loans provided by the Group primarily included short-term and long-term loans. The interest rates we charged for the short-term loans ranged from 5.25% to 9.51% per annum, whilst the interest rates charged for the long-term loans ranged from 6.5% to 7.0% per annum (as at 31 December 2023: the interest rates charged for the short-term loans ranged from 5.25% to 8.784% per annum, whilst the interest rates charged for the long-term loans ranged from 5.5% to 7.0% per annum). We considered a number of factors when determining the interest rate to be charged to each client, including the comprehensive business relationship, risk exposure (which covers, among others, the financial capability, business prospect, credit history and background of the client) and funding cost.

For the year ended 31 December 2024, interest income from loans and advances and financial assets at fair value through other comprehensive income was HK\$258.5 million, representing a decrease of approximately 39.5% as compared to HK\$427.3 million in 2023. Proprietary trading loss was HK\$473.5 million, representing an increase in loss of HK\$53.5 million from 2023.

In general, we require our clients to provide collateral in the form of floating charge or fixed charge to secure their payment obligations under the loans granted to protect our financial position. For the secured collateral, during the Reporting Period, all of the secured collateral was in the form of securities (as at 31 December 2023: 90.2% of the secured collateral was in the form of securities and 9.8% was in the form of real estate properties).

During the Reporting Period, the Group granted short-term loans with maturity of one year in the principal amount ranging from HK\$4 million to HK\$502 million to its clients having considered the concentration risks of the loan portfolio and the underlying collateral (as at 31 December 2023: short-term loans with maturity of one year in the principal amount ranging from HK\$55 million to HK\$360 million were granted); whilst long-term loans with maturity ranging from two to five years in the principal amount ranging from HK\$71 million to HK\$168 million were only granted to corporate clients under syndication arrangement (as at 31 December 2023: long-term loans with maturity ranging from two to six years in the principal amount ranging from HK\$71 million to HK\$520 million were granted).

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

	31/12/2024		31/12/2023	
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>	<i>%</i>
Fixed income securities	5,876.8	67.0	8,093.8	72.8
Bonds	5,673.3	64.7	7,604.0	68.4
Preference shares	203.5	2.3	489.8	4.4
Equity investments	48.3	0.6	97.3	0.9
Funds	2,838.1	32.4	2,927.1	26.3

Research

Our research team provides independent and objective research on macroeconomics, major global asset classes, and cross-asset and multi-perspective investment strategies. In 2024, we enhanced our research on regional economics and new quality productive forces, while continuing to focus on forward-looking and thematic research. We are committed to comprehensive research on emerging industries, uncovering sector and company investment opportunities. Meanwhile, we leverage our rich and premium resources to provide institutional clients with tailor-made investment research services. Going forward, we will continue to feature forward-looking, in-depth, and differentiated insights to bolster our competitiveness. In 2024, our research team was awarded the “Fastest Growing Research Institution” by Wind and the “Overseas Star Research Institution” by iFinD in the Financial Institution Award. As at 31 December 2024, our research covered stocks of over 150 listed companies across nine industries, with the number of in-depth reports increasing by 13% year-on-year to over 100. Our analysts’ roadshows on various platforms attracted nearly 500,000 viewers.

Financial Review

Financial Performance

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

	Year ended 31 December	
	2024	2023
	HK\$'million	HK\$'million
Brokerage	101.9	95.4
Corporate finance and underwriting	51.4	25.2
Asset management and advisory	46.9	81.9
Margin financing	60.1	109.1
Investment and loans	(200.1)	11.0
Others	327.3	290.6
Total	387.5	613.2

The Group's loss for the year ended 31 December 2024 was approximately HK\$1,231.4 million, comparing with a loss of HK\$1,469.5 million in 2023.

Operating Expenses

The Group's operating expenses and finance costs for the year ended 31 December 2024 amounted to HK\$1,622.8 million (2023: HK\$2,075.3 million), an analysis of which is set out below:

	Year ended 31 December			
	2024		2023	
	HK\$'million	%	HK\$'million	%
Commission and brokerage expenses	24.6	1.5	23.9	1.2
Finance costs	552.4	34.0	717.7	34.6
Staff costs	410.9	25.3	398.0	19.2
Depreciation	121.5	7.5	124.3	6.0
Other operating expenses	207.7	12.8	185.8	8.9
Change in impairment allowance	305.7	18.9	625.6	30.1
Total	1,622.8	100.0	2,075.3	100.0

Finance costs decreased by 23.0%, mainly due to a reduction in loans.

As at 31 December 2024, the Group recognised an accumulated impairment allowance of HK\$1,127.4 million (a decrease of HK\$590.4 million from the accumulated impairment allowance as at 31 December 2023). The accumulated impairment losses as at 31 December 2024 comprised primarily of (i) impairment losses on loans and advances amounting to HK\$535.8 million (the “**Loan Impairment**”) and (ii) impairment losses on debt investments at fair value through other comprehensive income (the “**debt investments**”) amounting to HK\$365.2 million (the “**Debt Impairment**”). The Loan Impairment and the Debt Impairment were primarily attributable to the volatility in the capital market and the downturn in the real estate market in Mainland China.

The Group's impairment losses on loans and advances and debt investments are calculated based on a three-stage expected credit loss (the “**ECL**”) model. The Group applies the ECL model to assess the Loan Impairment and the Debt Impairment and in doing such assessment, the Group, in accordance with HKFRS 9, takes into account the following factors:

- (i) the probability of default and in assessing such probability, the Group will (a) conduct past due age analysis; (b) perform due diligence on each debtor's changes in credit rating, business, financial or economic conditions and changes in the expected performance and behaviour of each debtor; and (c) consider the macro-environment and the repayment history of each debtor; and
- (ii) the loss given default and the expected cash shortfall between the cash flows due to the Group in accordance with the agreements and the cash flows that the Group expects to receive and in assessing such, the Group will take into account the collaterals (if any) provided for the debts, the seniority of the claim and potential recovery scenarios based on financial statements.

For the purpose of impairment assessment, the loans and advances and debt investments are classified as Stage 1, 2 and 3 under the ECL model. According to prevailing accounting standards, Stage 1 are debts with no significant increase in credit risk of the financial instrument since their initial recognition. Stage 2 are debts with increase in credit risk of the financial instrument since their initial recognition. Stage 3 are debts with significant increase in credit risk of the financial instrument since their initial recognition and are considered as credit-impaired.

Impairment was assessed for each of the loans and advances and debt investments and the ECL for internal impairment assessment has taken into account relevant considerations including: (i) expected life and contractual terms of the financial instrument; (ii) probability of default; and (iii) loss given default.

As at 31 December 2024, the Loan Impairment was made for seven individual and corporate customers, none of which are connected with the Group. Among such seven borrowers, none of the borrowers fell within Stage 2 and five borrowers fell within Stage 3 (i.e. credit impaired) (the “**Stage 3 Borrowers**”). As at 31 December 2024, the total outstanding principal amounts owed by the Stage 3 Borrowers amounted to HK\$698.8 million (representing approximately 57.7% of the total amount of loans and advances granted by the Group as at 31 December 2024).

As at 31 December 2024, the Debt Impairment was made in respect of 59 debt securities invested by the Group. Among such 59 debt securities, three debt securities fell within Stage 2 (the “**Stage 2 Debt**”) and seven debt securities fell within Stage 3 (the “**Stage 3 Debt**”). As at 31 December 2024, the total fair value of the Stage 2 Debt and the Stage 3 Debt amounted to HK\$279.4 million and HK\$28.2 million, respectively.

The Group has adopted debt collection procedures to minimise the impairment loss, which includes (i) closely monitoring the progress of repayment by checking if there is any overdue balance or late payment each month; (ii) sending reminders to the debtors to remind them of the outstanding balance status; (iii) engaging in negotiations and discussions with debtors on repayment; (iv) issuing statutory demand letters to debtors on amounts due; and (v) where appropriate, initiating legal actions against debtors for recovery of amounts due and taking possession of collaterals pledged. The action to be taken by the Group with respect to each debtor depends on, among others, the size of the debt, the financial capability and future prospect of the debtor, the likelihood of default, the loss given if default and the value of the collaterals (if any).

Liquidity, Financial Resources and Gearing Ratio

The Group's cash and bank balances as at 31 December 2024 increased by HK\$278.5 million to HK\$1,577.9 million (31 December 2023: HK\$1,299.4 million).

The Group's net current assets decreased by HK\$364.0 million to HK\$3,694.4 million as at 31 December 2024 (31 December 2023: HK\$4,058.4 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 1.6 times as at 31 December 2024 (31 December 2023: 1.6 times).

As at 31 December 2024, the total borrowings of the Group amounted to HK\$11,649.0 million (31 December 2023: HK\$14,149.0 million), comprising of bank and other borrowings, obligation under repurchase agreements, subordinated loans and debt securities issued. Among these, the subordinated loans from the ultimate holding company amounted to HK\$1,000.0 million (31 December 2023: HK\$1,000.0 million).

Debt securities issued represented US\$500 million 1.75% guaranteed notes issued by a wholly-owned subsidiary of the Company on 28 June 2021 under the medium term note programme. The notes and the programme are listed on the Stock Exchange and the notes are issued to professional investors only as described in the pricing supplement dated 22 June 2021 and the offering circular dated 4 June 2021. The notes will mature on 28 June 2026 and are guaranteed by the Company.

As at 31 December 2024, the Group's gearing ratio was 1,319.6% (31 December 2023: 787.5%), as calculated by dividing total borrowings by total equity.

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

Capital Structure

The Group finances its working capital requirements by cash generated from its business operations, bank loans (including loans from BOCOM) and medium term notes. Our capital structure consists of share capital and reserves.

Principal Risks

The Group faces a number of principal risks and uncertainties that if not properly managed could create an exposure for the Group. Thorough risk assessment and mitigation help to ensure these risks are well managed and effectively controlled. The Group focuses on addressing the following principal risks:

Currency Risk

The Group has certain transactions denominated in foreign currencies and is therefore exposed to exchange rate fluctuations. Our currency risk exposure mainly lies in RMB and USD at present. The exchange rate of HKD against USD is relatively stable under the current pegged rate system in Hong Kong.

Interest Rate Risk

Our interest rate risk relates primarily to margin loans to customers, loans and subordinated loans and investments in debt securities. The Group has set up an asset portfolio management system to mitigate interest rate risk by diversification of assets and regular monitoring of risk exposure so as to quantify market exposure in duration terms.

Credit Risk

Our credit risk arises from the possibility that our clients or counterparties for a transaction may default. The Group has a range of credit policies and practices in place to mitigate such risk and ensure such risk is monitored on an ongoing basis.

Liquidity Risk

Our businesses rely on having sufficient funds to pay due debts, perform payment obligations and satisfy the capital requirements. The Group has implemented internal measures to monitor the liquidity risk and the foreseeable funding requirements to ensure certain subsidiaries of the Company that are regulated under the SFO continuously comply with the relevant rules and regulations.

Operational Risk

Our operational risk arises from direct or indirect financial loss resulting from incomplete or irregular internal processes, personnel mistakes, information technology system failures, or external events. The Group has implemented a range of internal controls and other measures to mitigate such risk.

Market Risk

In addition to the currency risk and interest rate risk mentioned above, our exposure to market risk also includes price risk of assets. The Group has implemented measures to manage and monitor such risks in order to keep potential losses to an acceptable level.

Material Acquisitions and Disposals

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

Significant Investments Held

As at 31 December 2024, the Company held a significant investment in Amber Leading Fund, L.P. (“AMBER”), representing 5% or more of the Group’s total assets. The Company had a commitment amount of HK\$232 million, accounting for 4.92% of total commitment of AMBER. The initial cost of the investment in AMBER was HK\$230 million, and its current fair value is assessed at HK\$785 million, which accounted for approximately 5.4% of the Group’s total assets. In terms of performance, the investment has yielded unrealised gain of HK\$3 million during the Year. This investment is considered revenue-generating in the ordinary course of the Group’s business and is classified as “financial assets at fair value through profit or loss” in the financial statements. AMBER is organised for the purpose of investing indirectly through intermediate holding entities in ARM Technology (China) Co. Ltd, with a view to generating income and capital appreciation.

Charges on Group Assets

As at 31 December 2024, there was no charge on Group assets (31 December 2023: Nil).

Capital Commitments

As at 31 December 2024, the Group had no significant capital commitment.

Employees and Remuneration Policies

As at 31 December 2024, the Group had a total of 541 employees. Total staff costs amounted to approximately HK\$410.9 million for the year ended 31 December 2024.

The Group continuously refines its remuneration and incentive policies to boost business development and ensure employees receive competitive remuneration packages. The remuneration of the Directors is determined with reference to their duties, responsibilities, experience and to the prevailing market conditions. Mandatory provident fund scheme contributions and insurance packages have been provided to employees in accordance with local laws and regulations. The Group also provides various staff benefits according to among others, the relevant internal policy of the Company. We conduct performance evaluations of our employees annually to provide feedback on their performance.

We systematically provide comprehensive and diverse trainings to improve the professional skills of our employees. Employees are subsidised for participating in training courses which keep them abreast of the latest industry and technical developments.

Contingent Liabilities

As at 31 December 2024, the Group had no material contingent liabilities.

OUTLOOK AND STRATEGY

The global economic landscape in 2025 is expected to be characterized by the coexistence of loose monetary policy and structural challenges. Liquidity has improved as major central banks around the world have entered a rate cutting cycle. However, against the backdrop of geopolitical and supply chain adjustments, central banks around the world may remain cautious about the pace of interest rate cuts. At the same time, the global economy is still facing deep-rooted structural challenges. Under a complex macroeconomic environment, the pace of recovery of different economies may diverge further, and the asynchrony will likely lead to increased volatility in global financial markets.

On China's economic front, it is anticipated that in 2025, through the implementation of more proactive fiscal policy and moderately easy monetary policy, increasing support will be directed towards technological innovation, green development, consumption stimulation, as well as private and small and micro businesses. It is expected to drive sustained economic recovery and improvement, while fostering new economic growth points through the enhancement of social welfare and livelihoods, thereby creating a synergistic interplay between economic development and livelihood advancements. Underpinned by the strong resilience and solid fundamentals of the Mainland's economy, Hong Kong's economy is projected to continue its moderate growth in 2025. The Hong Kong capital market will maintain its pivotal role in global capital markets, retaining its vibrancy.

The Company will continue to adhere to the working principles of strengthening the foundation, making progress amidst stability, and improving quality and efficiency, and closely focus on the "Five Subjects" of financial endeavours: sci-tech finance, green finance, inclusive finance, pension finance and digital finance. With a focus on new productive forces, the Company will develop its distinctive businesses, foster its business concept of integrity, stability, compliance, prudence and innovation, enhance its professional capabilities, deepen the transformation of its business structure. The Company will also amplify its risk management and control capabilities, and continuously beef up the financial service functions as a securities firm with banking background, offering customers with full-life cycle financial services, and providing higher quality, more efficient and safer financial services for the development of the real economy, so as to promote the high-quality development of the Company and create value for all of our shareholders and investors.

FINAL DIVIDEND

The Directors did not recommend the payment of a final dividend of the Year to the Shareholders.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code of the Listing Rules as its own code of corporate governance. During the year ended 31 December 2024, the Company has complied with all the code provisions set out in part 2 of the Corporate Governance Code.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors confirmed that they had complied with the Model Code during the year ended 31 December 2024 in response to specific enquiry made by the Company.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed with management and the Company's auditor, KPMG, the accounting principles and practices adopted by the Group and discussed financial reporting matters including the review of the consolidated financial results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF KPMG

The figures in respect of the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 of the Group as set out in the preliminary announcement have been compared by the Company's auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with the 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 KPMG on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bocomgroup.com). The 2024 annual report containing all the information required by the Listing Rules will be made available on the above websites in due course.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in June 2025. The notice of annual general meeting and a circular to Shareholders, which set out details of the business to be conducted at the annual general meeting, will be published in due course.

DEFINITIONS

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

“AUM”	the amount of assets under management
“Board”	the board of Directors of the Company
“BOCOM”	Bank of Communications Co., Ltd. (交通銀行股份有限公司), established in 1908, a company registered in the PRC as a joint stock limited liability company on 24 December 2004, the H shares and A shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively, and the ultimate controlling Shareholder of the Company
“BOCOM Group”	BOCOM and its subsidiaries (excluding the Group)
“BOCOM International (Shanghai)”	BOCOM International (Shanghai) Equity Investment Management Co., Ltd.* (交銀國際(上海)股權投資管理有限公司), a company incorporated in the PRC with limited liability on 25 October 2010 and a subsidiary of the Company
“BOCOM International (Shenzhen)”	BOCOM International Private Equity Fund Management (Shenzhen) Company Limited* (交銀國際私募股權基金管理(深圳)有限公司), a company incorporated in the PRC with limited liability on 3 February 2016, a subsidiary of the Company
“Company”	BOCOM International Holdings Company Limited (交銀國際控股有限公司), a company incorporated in Hong Kong with limited liability on 3 June 1998, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	director(s) of the Company
“Group” or “we” or “us”	the Company and its subsidiaries

“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	the Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO(s)”	initial public offering(s)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PRC” or “China”	the People’s Republic of China
“QDIE”	Qualified Domestic Investment Entity
“QFLP”	Qualified Foreign Limited Partnership
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”, “U.S.” or “United States”	the United States of America

“USD” or “US\$” United States dollars, the lawful currency of the United States

“Year” or “Reporting Period” the year ended 31 December 2024

* *For identification purpose only*

By order of the Board
BOCOM International Holdings Company Limited
XIAO Ting
Chairman and Non-executive Director

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises Mr. XIAO Ting, Mr. SHAN Zengjian and Ms. ZHU Chen as Non-executive Directors; Mr. XIE Jie, Mr. WANG Xianjia and Mr. TAN Yueheng as Executive Directors; and Mr. TSE Yung Hoi, Mr. MA Ning, and Mr. LIN Zhijun as Independent Non-executive Directors.