

## **ADDENDUM**

### **Non-collateralised Structured Products**

#### **Addendum to Base Listing Document relating to Structured Products to be issued by BOCI ASIA LIMITED**



**BOCI ASIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Hong Kong Exchanges and Clearing Limited (“HKEX”), The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This addendum includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the purpose of giving information with regard to us and our standard warrants (“Warrants”), callable bull/bear contracts (“CBBC”) and other structured products (together, the “Structured Products”) to be listed on the Stock Exchange from time to time. We accept full responsibility for the accuracy of the information contained in the base listing document dated 30 April 2024 (the “Base Listing Document”) and this addendum and confirm that, having made all reasonable enquiries, to the best of our knowledge and belief there are no other facts the omission of which would make any statement in the Base Listing Document and this addendum misleading.

This addendum supplements and amends the Base Listing Document and should be read in conjunction with the Base Listing Document. Additional terms relating to each series of Structured Products will be set out in the relevant launch announcement and supplemental listing document (each a “Launch Announcement and Supplemental Listing Document”) which will be supplemental to, and should be read in conjunction with, the Base Listing Document and this addendum.

The Structured Products involve derivatives. Investors should not invest in the Structured Products unless they fully understand and are willing to assume the risks associated with the Structured Products.

The Structured Products are complex products. Investor should exercise caution in relation to them. Investors are warned that the price of the Structured Products may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Structured Products and carefully study the risk factors set out in the Base Listing Document and the relevant Launch Announcement and Supplemental Listing Document and, when necessary, seek professional advice, before they invest in the Structured Products.

The Structured Products constitute our general unsecured contractual obligations of us as the Issuer and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Structured Products you are relying upon our creditworthiness and have no rights under the Structured Products against (a) the company which has issued the underlying Shares; (b) the fund which has issued the underlying securities or its trustee (if applicable) or manager; or (c) the index compiler of the underlying index or any other person. If we become insolvent or default on our obligations under the Structured Products, you may not be able to recover all or even part of the amount due under the Structured Products (if any).

**Addendum dated 30 September 2024**

## IMPORTANT INFORMATION

### What is this addendum about?

This addendum is for information purposes only and does not constitute an offer, an advertisement or an invitation to the public to subscribe for or to acquire any Structured Products. You should read this addendum together with the Base Listing Document and the relevant Launch Announcement and Supplemental Listing Document, before deciding whether to invest in the Structured Products.

This addendum contains supplemental information about us and inclusion of our unaudited interim financial information for the six month period ended 30 June 2024. This addendum is a supplement to the Base Listing Document.

### Where can you read the relevant documents?

This addendum, Base Listing Document and the relevant Launch Announcement and Supplemental Listing Document and other documents set out in the section headed “Where can you read copies of the relevant documents?” in the Base Listing Document (the “**Listing Documents**”) are available on the website of the HKEX at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.bocifp.com](http://www.bocifp.com).

本增編、基本上市文件及有關的發行公佈及補充上市文件以及於基本上市文件「哪裡可查閱有關文件副本？」一節所列的其他文件（統稱「上市文件」）可於香港交易所披露易網站 [www.hkexnews.hk](http://www.hkexnews.hk) 及我們的網站 [www.bocifp.com](http://www.bocifp.com) 查閱。

The Listing Documents are also available on the website of HKEX at [www.hkexnews.hk](http://www.hkexnews.hk).

上市文件亦可於香港交易所披露易網站 [www.hkexnews.hk](http://www.hkexnews.hk) 查閱。

The Listing Documents are also available on our website at [www.bocifp.com](http://www.bocifp.com).

上市文件亦可於本公司的網站 [www.bocifp.com](http://www.bocifp.com) 查閱。

### Is the Issuer subject to any litigation?

As of the date of this addendum, we and our subsidiaries are not aware of any litigation or claims of material importance pending or threatened against us or them.

### Has our financial position changed since last financial year-end?

Save as disclosed in this addendum, there has been no material adverse change in our financial position or trading position since 31 December 2023 that would have a material adverse effect on our ability to perform our obligations under the Structured Products.

### Is the Issuer regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

We are not regulated by any of the bodies referred to in Rule 15A.13(2) of the Listing Rules but are licensed for type 1 (Dealing in securities) and type 6 (Advising on corporate finance) regulated activity by the Securities and Futures Commission.

### What are the Issuer's credit ratings?

The Issuer has not been assigned any ratings by any credit rating agencies as at the date of this addendum.

### The Structured Products are not rated.

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## **SUPPLEMENTAL INFORMATION ABOUT US**

Mr. Qian Feng has resigned as director of the Board of Directors of the Issuer with effect from 21 June 2024.

Mr. Wong See Hung has resigned as director of the Board of Directors of the Issuer with effect from 21 June 2024.

Ms. Shen Jing was appointed as a director of the Board of Directors of the Issuer with effect from 21 June 2024.

Mr. Liew Shan Hock was appointed as a director of the Board of Directors of the Issuer with effect from 26 June 2024.

Mr. Mak Sin Yue Michael has resigned as director of the Board of Directors of the Issuer with effect from 23 August 2024.

Mr. Kung Chun Hung Ronnie was appointed as a director of the Board of Directors of the Issuer with effect from 23 August 2024.

## INCLUSION OF OUR INTERIM REPORT 2024

The information set out in this section below includes our Interim Report 2024 which contains the unaudited interim financial information of us and our subsidiaries for the six months ended 30 June 2024. The page numbers above the page numbers of this addendum refer to the pages of our Interim Report 2024.

The principal accounting policies and methods of computation used in the preparation of the unaudited interim report are consistent with those used in our financial statements for the year ended 31 December 2023.

Our Interim Report 2024 is available on our website at [www.bocifp.com](http://www.bocifp.com).

我們的2024年中期報告可於本公司網站 [www.bocifp.com](http://www.bocifp.com) 查閱。

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

|  |       | Unaudited<br>Six months ended<br>30 June |               |
|--|-------|--|---------------|
|  | Notes | 2024<br>HK\$                             | 2023<br>HK\$  |
| Revenue  | 4a    | 1,239,702,457                            | 1,312,845,070 |
| Trading gain, net                                    | 4b    | 70,228,093                               | 117,824,455   |
| Other income   |       | 292,968,900                              | 185,170,990   |
| Total income   |       | 1,602,899,450                            | 1,615,840,515 |
|  |       | -----                                    | -----         |
| Commission and clearing expenses                     |       | (229,842,989)                            | (260,699,680) |
| Staff costs  |       | (197,680,026)                            | (199,180,204) |
| Operating lease rental in respect of leased premises |       | (5,732,076)                              | (5,499,335)   |
| Depreciation   |       | (9,038,646)                              | (9,902,756)   |
| Information technology and communications expenses   |       | (75,295,017)                             | (68,985,861)  |
| Management fees to related companies                 |       | (307,368,821)                            | (317,630,723) |
| Other operating expenses                             |       | (40,074,464)                             | (46,135,972)  |
|  |       | -----                                    | -----         |
|  |       | (865,032,039)                            | (908,034,531) |
|  |       | -----                                    | -----         |
| Finance costs  |       | (146,953,339)                            | (113,083,287) |
|  |       | -----                                    | -----         |
| Profit before taxation                               |       | 590,914,072                              | 594,722,697   |
| Income tax expense                                   | 5     | (30,589,680)                             | (23,256,884)  |
| Profit for the period                                |       | 560,324,392                              | 571,465,813   |
|  |       | =====                                    | =====         |
| Profit attributable to:                              |       |  |               |
| Equity holders of the Company                        |       | 560,324,392                              | 571,465,813   |
|  |       | =====                                    | =====         |

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

|  | Unaudited                |                    |
|--|--------------------------|--------------------|
|  | Six months ended 30 June |                    |
|  | 2024                     | 2023               |
|  | HK\$                     | HK\$               |
| Profit for the period  | 560,324,392              | 571,465,813        |
| Other comprehensive income   |                          |                    |
| <i>Items that may be reclassified to profit or loss</i>  |                          |                    |
| Changes in the fair value of debt instruments at fair value through other comprehensive income | (2,103,851)              | -                  |
| Total comprehensive income for the period  | <u>558,220,541</u>       | <u>571,465,813</u> |
| Attributable to:   |                          |                    |
| Equity holders of the Company  | <u>558,220,541</u>       | <u>571,465,813</u> |

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2024**

|  |       | Unaudited<br>30 June<br>2024<br>HK\$ | Audited<br>31 December<br>2023<br>HK\$ |
|--|-------|--------------------------------------|--|
|  | Notes |                                      |  |
| <b>NON-CURRENT ASSETS</b>  |       |                                      |  |
| Plant and equipment  | 6     | -                                    | -                                      |
| Right-of-use assets  |       | 16,570,850                           | 25,609,496                             |
| Intangible assets  |       | 49,715,218                           | 49,715,218                             |
| Financial assets at fair value through other<br>comprehensive income | 7     | 300,000                              | 300,000                                |
| Debt instruments at amortised cost                                   | 9     | 391,674,814                          | -                                      |
| Statutory deposits and other assets                                  |       | 192,013,170                          | 95,110,797                             |
| Deferred income tax assets   |       | 2,276,889                            | 2,087,426                              |
| Total non-current assets   |       | 652,550,941                          | 172,822,937                            |
| <b>CURRENT ASSETS</b>  |       |                                      |  |
| Financial assets at fair value through other<br>comprehensive income | 7     | 1,516,321,292                        | -                                      |
| Financial assets at fair value through profit or loss                | 8     | 242,742,276                          | 175,019,570                            |
| Debt instruments at amortised cost                                   | 9     | 1,760,534,921                        | 3,578,026,183                          |
| Derivative financial instruments                                     | 10    | 75,912,547                           | 69,111,846                             |
| Loans and receivables  | 11    | 14,154,272,929                       | 14,850,141,148                         |
| Amounts due from the immediate holding company                       | 15    | 7,645,580,038                        | 7,691,811,872                          |
| Cash and balances with banks   | 12    | 4,957,679,086                        | 4,178,992,382                          |
| Tax recoverable  |       | -                                    | 270,533                                |
| Total current assets   |       | 30,353,043,089                       | 30,543,373,534                         |
| <b>CURRENT LIABILITIES</b>   |       |                                      |  |
| Subordinated loans from the immediate holding company                | 15    | 2,500,000,000                        | 2,500,000,000                          |
| Bank loans   | 13    | 392,483,955                          | 392,845,852                            |
| Amounts due to the immediate holding company                         | 15    | 3,380,885,386                        | 3,533,362,618                          |
| Amounts due to fellow subsidiaries                                   | 14    | 6,705,964                            | 3,031,791                              |
| Amounts due to a related company                                     | 15    | 320,934                              | 330,179                                |
| Accounts and other payables, and other provisions                    | 16    | 6,743,308,511                        | 6,186,898,902                          |
| Deposits from customers  | 17    | 3,504,065,345                        | 4,246,071,096                          |
| Derivative financial instruments                                     | 10    | 133,755,905                          | 94,031,913                             |
| Financial liabilities at fair value through profit or loss           | 18    | 5,081,220                            | -                                      |
| Lease liabilities  |       | 17,030,563                           | 18,347,466                             |
| Taxation payable   |       | 158,184,021                          | 128,556,859                            |
| Total current liabilities  |       | 16,841,821,804                       | 17,103,476,676                         |
| <b>NET CURRENT ASSETS</b>  |       | 13,511,221,285                       | 13,439,896,858                         |



**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AT 30 JUNE 2024**

|  | Notes | Unaudited<br>30 June<br>2024<br>HK\$ | Audited<br>31 December<br>2023<br>HK\$ |
|--|-------|--------------------------------------|--|
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>   |       | <u>14,163,772,226</u>                | <u>13,612,719,795</u>                  |
| <b>NON-CURRENT LIABILITIES</b>   |       |                                      |  |
| Accounts and other payables, and other provisions  | 16    | 6,102,606                            | 5,476,606                              |
| Leased liabilities   |       | <u>-</u>                             | <u>7,794,110</u>                       |
| Total non-current liabilities  |       | <u>6,102,606</u>                     | <u>13,270,716</u>                      |
| <b>Net assets</b>  |       | <u><u>14,157,669,620</u></u>         | <u><u>13,599,449,079</u></u>           |
| <b>EQUITY</b>  |       |                                      |  |
| Share capital  | 19    | 2,000,000,000                        | 2,000,000,000                          |
| Reserve for fair value change of financial assets at fair value through other comprehensive income |       | (1,968,653)                          | 135,198                                |
| Retained earnings  |       | <u>12,159,638,273</u>                | <u>11,599,313,881</u>                  |
| Total equity   |       | <u><u>14,157,669,620</u></u>         | <u><u>13,599,449,079</u></u>           |

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

|  | Unaudited     |  |                   |                |
|--|---------------|--|-------------------|----------------|
|  | Share capital | Reserve for fair<br>value change of<br>financial assets<br>at fair value<br>through other<br>comprehensive<br>income | Retained earnings | Total          |
|  | HK\$          | HK\$   | HK\$              | HK\$           |
| Balance at 1 January 2024                                  | 2,000,000,000 | 135,198  | 11,599,313,881    | 13,599,449,079 |
| Profit and total<br>comprehensive income for<br>the period | -             | (2,103,851)  | 560,324,392       | 558,220,541    |
| Balance at 30 June 2024                                    | 2,000,000,000 | (1,968,653)  | 12,159,638,273    | 14,157,669,620 |
| Balance at 1 January 2023                                  | 2,000,000,000 | 135,000  | 10,446,308,531    | 12,446,443,531 |
| Profit and total<br>comprehensive income for<br>the period | -             | -  | 571,465,813       | 571,465,813    |
| Balance at 30 June 2023                                    | 2,000,000,000 | 135,000  | 11,017,774,344    | 13,017,909,344 |

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

|  | Unaudited<br>Six months ended<br>30 June |                      |
|--|--|----------------------|
|  | 2024<br>HK\$                             | 2023<br>HK\$         |
| Net cash inflow/(outflow) from operating activities  | 851,469,398                              | (2,068,455,101)      |
| Net cash outflow from investing activities   | (9,111,013)                              | (8,865,223)          |
| Net cash outflow from financing activities   | -  | -                    |
| Net increase/(decrease) in cash and cash equivalents   | 842,358,385                              | (2,077,320,324)      |
| Cash and cash equivalents at 1 January   | 4,005,260,840                            | 5,031,891,056        |
| Cash and cash equivalents at 30 June   | <u>4,847,619,225</u>                     | <u>2,954,570,732</u> |
| <b>Analysis of balance of cash and cash equivalents</b>  |  |                      |
| Cash at banks and in hand  | 4,447,707,626                            | 2,102,771,668        |
| Short-term bank deposits and placements with banks with<br>original maturity within three months | <u>399,911,599</u>                       | <u>851,799,064</u>   |
| Cash and cash equivalents at end of period   | <u>4,847,619,225</u>                     | <u>2,954,570,732</u> |

Note: The condensed consolidated statement of cash flows has been restated to reclassify the cash flow from debt instruments at amortised cost from investing activities to operating activities in view of the nature of the Group's business.

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**1 Basis of preparation**

The unaudited interim report of BOCI Asia Limited and its subsidiaries (“the Group”) is prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

**2 Accounting policies**

The accounting policies and methods of computation used in the preparation of the unaudited interim report are consistent with those used in the Group’s consolidated financial statements for the year ended 31 December 2023 and should be read in conjunction with the Group’s consolidated financial statements for 2023.

**3 Segment information**

The operating businesses of BOC International Holdings Limited (“the BOCI Group”), the Group’s immediate holding company, are organized and managed separately according to the nature of the products and services provided, with each segment reporting a strategic business unit that offers different products. The Group’s operating business segment and structure follow that of the BOCI Group.

Business segments have been used as a primary reporting format and no geographical segment analysis is presented as most of the Group’s major business activities and assets are conducted in Hong Kong.

The main business segments of the Group are as follows:

|                                |   |
|--------------------------------|---|
| Investment banking             | <ul style="list-style-type: none"><li>• Provides a wide range of securities origination services for issuer clients, including underwriting and placement of public and private equity, debt and related securities.</li><li>• Advises clients on mergers, acquisitions and restructurings.</li></ul> |
| Brokerage & wealth management  | <ul style="list-style-type: none"><li>• Provides brokerage and margin financing service to individual and institutional clients.</li></ul>  |
| Private banking                | <ul style="list-style-type: none"><li>• Provides a range of services for high net-worth individual clients and corporate clients.</li></ul>   |
| Fixed income & equity market   | <ul style="list-style-type: none"><li>• Facilitates client transactions and makes markets in securities, derivatives, currencies, commodities and other financial instruments to satisfy client demands.</li><li>• Engages in principal and in proprietary trading activities.</li></ul>              |
| Leveraged & structured finance | <ul style="list-style-type: none"><li>• Provides structured financing and financial advisory services.</li></ul>  |
| Treasury and others            | <ul style="list-style-type: none"><li>• Provides central treasury services on behalf of Group companies.</li></ul>  |

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**3 Segment information (continued)**

The Group's segment results for six months ended 30 June 2024 are as follows:

Unaudited

|                                      | Investments<br>banking<br>HK\$'000 | Brokerage &<br>wealth<br>management<br>HK\$'000 | Private<br>banking<br>HK\$'000 | Fixed<br>income &<br>equity<br>market<br>HK\$'000 | Leveraged<br>&<br>structured<br>finance<br>HK\$'000 | Treasury<br>and others<br>HK\$'000 | Elimination<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------|------------------------------------|---|--------------------------------|---|---|------------------------------------|-------------------------|-------------------|
| <u>Six months ended 30 June 2024</u> |                                    |   |                                |   |   |                                    |                         |                   |
| Total income – external              | 26,817                             | 1,173,416                                       | 141,824                        | 78,709  | 4,881   | 177,252                            | -                       | 1,602,899         |
| Total income – inter-segment         | -                                  | -   | -                              | -   | -   | 17,134                             | (17,134)                | -                 |
| Commission and clearing expenses     | (52)                               | (215,708)                                       | (3,018)                        | (10,843)  | -   | (222)                              | -                       | (229,843)         |
| Depreciation                         | -                                  | (3,920)   | -                              | (4,358)   | -   | (761)                              | -                       | (9,039)           |
| Other operating expenses             | (47,352)                           | (94,218)  | (78,328)                       | (85,654)  | (3,773)   | (9,456)                            | -                       | (318,781)         |
| Finance costs – external             | -                                  | (1,678)   | (7,397)                        | (1,606)   | (2)   | (136,270)                          | -                       | (146,953)         |
| Finance costs – inter-segment        | -                                  | -   | (17,134)                       | -   | -   | -                                  | 17,134                  | -                 |
| Segment results                      | (20,587)                           | 857,892   | 35,947                         | (23,752)  | 1,106   | 47,677                             | -                       | 898,283           |
| Unallocated cost                     |                                    |   |                                |   |   |                                    |                         | (307,369)         |
| Operating profits                    |                                    |   |                                |   |   |                                    |                         | <u>590,914</u>    |
| <u>Six months ended 30 June 2023</u> |                                    |   |                                |   |   |                                    |                         |                   |
| Total income – external              | 22,498                             | 1,216,595                                       | 141,497                        | 138,627   | 9,467   | 87,156                             | -                       | 1,615,840         |
| Total income – inter-segment         | -                                  | -   | -                              | -   | -   | 17,883                             | (17,883)                | -                 |
| Commission and clearing expenses     | -                                  | (236,851)                                       | (2,324)                        | (21,262)  | -   | (263)                              | -                       | (260,700)         |
| Depreciation                         | -                                  | (4,784)   | -                              | (4,358)   | -   | (761)                              | -                       | (9,903)           |
| Other operating expenses             | (50,070)                           | (112,889)                                       | (66,620)                       | (80,815)  | (3,592)   | (5,813)                            | -                       | (319,799)         |
| Finance costs – external             | -                                  | (2,460)   | (4,930)                        | (4,073)   | (1)   | (101,620)                          | -                       | (113,084)         |
| Finance costs – inter-segment        | -                                  | -   | (17,883)                       | -   | -   | -                                  | 17,883                  | -                 |
| Segment results                      | (27,572)                           | 859,611   | 49,740                         | 28,119  | 5,874   | (3,418)                            | -                       | 912,354           |
| Unallocated cost                     |                                    |   |                                |   |   |                                    |                         | (317,631)         |
| Operating profits                    |                                    |   |                                |   |   |                                    |                         | <u>594,723</u>    |

**BOCI ASIA LIMITED**  
**中銀國際亞洲有限公司**

**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**4 Revenue and trading gain, net**

**(a) Revenue**

|   | Unaudited<br>Six months ended<br>30 June |                      |
|---|--|----------------------|
|   | 2024<br>HK\$                             | 2023<br>HK\$         |
| Brokerage commission                                      | 473,938,920                              | 483,074,136          |
| Underwriting and placement commission                     | 7,777,517                                | 15,194,387           |
| Corporate finance and loan syndication fees               | 37,790,927                               | 26,368,980           |
| Interest income from bank deposits and loans to customers | 714,091,679                              | 774,566,722          |
| Dividend income from listed equities held for trading     | 6,103,414                                | 13,640,845           |
|   | <u>1,239,702,457</u>                     | <u>1,312,845,070</u> |

**(b) Trading gain, net**

|  | Unaudited<br>Six months ended<br>30 June |                    |
|--|--|--------------------|
|  | 2024<br>HK\$                             | 2023<br>HK\$       |
| Net realised/unrealised gain on financial assets and financial liabilities |  |                    |
| - Equity securities  | 30,704,841                               | 15,933,304         |
| - Debt securities  | 36,495,169                               | 27,752,224         |
| - Derivative financial instruments   | 3,028,083                                | 74,138,927         |
|  | <u>70,228,093</u>                        | <u>117,824,455</u> |

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**5 Income tax expense**

Hong Kong profits tax has been provided at the rate of 16.5% (first half of 2023: 16.5%) on the estimated assessable profit for the first half of the year. The amount of taxation charged to the condensed consolidated income statement represents:

|                         | Unaudited<br>Six months ended<br>30 June |                   |
|-------------------------|--|-------------------|
|                         | 2024<br>HK\$                             | 2023<br>HK\$      |
| Current income tax:     |  |                   |
| - Hong Kong profits tax | 29,900,020                               | 25,207,776        |
| - Overseas taxation     | 879,123                                  | 29,376            |
| Deferred income tax     | (189,463)                                | (1,980,268)       |
|                         | <u>30,589,680</u>                        | <u>23,256,884</u> |

**6 Plant and equipment**

During the six months ended 30 June 2024, the Group did not spend (first half of 2023: Nil) on the acquisitions of plant and equipment.

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**7 Financial assets at fair value through other comprehensive income**

|  | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|--|---|---|
| <u>Non-current</u>                                   |   |   |
| Club debentures, unlisted                            | 300,000                                 | 300,000                                   |
| <u>Current</u>                                       |   |   |
| Other debt securities, unlisted                      | 1,516,321,292                           | -   |
| Analysed by type of issuers as follows:              |   |   |
| Corporates   | 300,000                                 | 300,000                                   |
| Banks  | 1,516,321,292                           | -   |
|  | 1,516,621,292                           | 300,000                                   |
| Analysed by issue specific credit rating as follows: |   |   |
| A+ to A-   | 1,516,321,292                           | -   |
| Unrated  | 300,000                                 | 300,000                                   |
|  | 1,516,621,292                           | 300,000                                   |

**8 Financial assets at fair value through profit or loss**

|                                   | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|-----------------------------------|---|---|
| Trading securities, at fair value |   |   |
| - Listed equity securities        | 242,742,276                             | 175,019,570                               |



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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**9 Debt instruments at amortised cost**

|  | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|--|---|---|
| <u>Non-current</u>                                   |   |   |
| United States Treasury Bills, unlisted               | 391,944,729                             | -   |
| Less: Allowance for impairment losses – Stage 1      | (269,915)                               | -   |
|  | <u>391,674,814</u>                      | <u>-</u>                                  |
| <u>Current</u>                                       |   |   |
| Hong Kong Exchange Fund Bills, unlisted              | -                                       | 447,483,938                               |
| United States Treasury Bills, unlisted               | 754,311,097                             | 982,398,924                               |
| Other debt securities, unlisted                      | 1,006,291,929                           | 2,148,657,267                             |
| Less: Allowance for impairment losses – Stage 1      | (68,105)                                | (513,946)                                 |
|  | <u>1,760,534,921</u>                    | <u>3,578,026,183</u>                      |
| Analysed by type of issuers as follows:              |   |   |
| Sovereigns   | 1,145,969,442                           | 1,429,794,157                             |
| Public sector entity                                 | 418,568,529                             | 1,150,742,093                             |
| Banks  | 587,671,764                             | 997,489,933                               |
|  | <u>2,152,209,735</u>                    | <u>3,578,026,183</u>                      |
| Analysed by issue specific credit rating as follows: |   |   |
| AA+ to AA-   | 1,564,537,971                           | 2,580,536,250                             |
| A+ to A-   | 587,671,764                             | 997,489,933                               |
|  | <u>2,152,209,735</u>                    | <u>3,578,026,183</u>                      |

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**10 Derivative financial instruments**

The Group enters into equity, foreign exchange and interest rate derivative financial instruments for trading and risk management purposes. The types of derivatives utilised by the Group are shown in the following table:

| Derivatives          | Description   |
|----------------------|---|
| Forwards and futures | These instruments are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price. Forward contracts are tailor-made agreements that are transacted between counterparties in the over-the-counter (OTC) market, whereas futures are standardised contracts transacted on regulated exchanges. The major types of forward and futures transactions undertaken by the Group are index futures.   |
| Options              | Options are contractual agreements under which, typically, the seller (writer) grants the purchaser the right, but not the obligation, either to buy (call option) or to sell (put option) by or at a set date, a specified quantity of a financial instrument or commodity at a predetermined price. The purchaser pays a premium to the seller for this right. Options involving more complex payment structures are also transacted. Options may be traded OTC or on a regulated exchange, and may be traded in the form of securities (warrants). |
| Swaps                | These are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined period. Most swaps are traded OTC. The major types of swap transactions undertaken by the Group are foreign exchange rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an exchange of currencies.  |

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**10 Derivative financial instruments (continued)**

The contract/notional amounts and fair values of derivative financial instruments held by the Group are set out in the following tables. The contract/notional amounts of these instruments indicate the volume of transactions outstanding at the end of reporting periods and certain of them provide a basis for comparison with fair value instruments recognised in the condensed consolidated statement of financial position. However, they do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate fair values of derivative financial instruments assets and liabilities can fluctuate significantly from time to time.

|                         | Notional<br>amount<br>HK\$'000 | Unaudited<br>At 30 June 2024 |                     |
|-------------------------|--------------------------------|------------------------------|---------------------|
|                         |                                | Assets<br>HK\$               | Liabilities<br>HK\$ |
| Exchange rate contracts | 2,004,282                      | 1,632,881                    | 5,036,366           |
| Equity contracts        | 4,445,883                      | 74,279,666                   | 128,719,539         |
|                         |                                | <u>75,912,547</u>            | <u>133,755,905</u>  |

  

|                         | Notional<br>amount<br>HK\$'000 | Audited<br>At 31 December 2023 |                     |
|-------------------------|--------------------------------|--------------------------------|---------------------|
|                         |                                | Assets<br>HK\$                 | Liabilities<br>HK\$ |
| Exchange rate contracts | 1,902,274                      | 4,590,699                      | 4,650,341           |
| Equity contracts        | 4,222,365                      | 64,521,147                     | 89,381,572          |
|                         |                                | <u>69,111,846</u>              | <u>94,031,913</u>   |

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**11 Loans and receivables**

|  | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|--|---|---|
| Account receivables from dealing in securities | 6,007,014,523                           | 6,470,336,248                             |
| Fees and commission receivable                 | 101,670,883                             | 110,970,828                               |
| Deposits, prepayments and other receivables    | 155,200,009                             | 120,514,258                               |
| Loans to customers                             | 7,953,011,701                           | 8,210,590,039                             |
| Gross  | 14,216,897,116                          | 14,912,411,373                            |
| Less: Impairment allowance                     | (62,624,187)                            | (62,270,225)                              |
|  | <u>14,154,272,929</u>                   | <u>14,850,141,148</u>                     |

Loans to customers, which include receivables from margin clients and repo loans of approximately HK\$5,882 million (end of 2023: approximately HK\$5,972 million), were secured by listed securities and cash deposits. The Group is permitted to sell or re-pledge such collateral.

The receivables have excluded the brokerage client monies maintained in the trust accounts with a clearing participant and other brokers, HKFE Clearing Corporation Limited and Stock Exchange Options Clearing House.

**12 Cash and balances with banks**

|   | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|---|---|---|
| Cash at bank and in hand                        | 4,447,707,626                           | 2,855,528,348                             |
| Placements with banks                           |   |   |
| – with original maturity within three months    | 399,911,599                             | 1,149,732,492                             |
| – with original maturity over three months      | 110,100,358                             | 173,809,092                               |
| Gross   | 4,957,719,583                           | 4,179,069,932                             |
| Less: Allowance for impairment losses – Stage 1 | (40,497)                                | (77,550)                                  |
|   | <u>4,957,679,086</u>                    | <u>4,178,992,382</u>                      |

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**12 Cash and balances with banks (continued)**

The Group maintains trust accounts with authorised institutions as part of its normal business transactions. At 30 June 2024, trust accounts with authorised institutions not otherwise dealt with in the condensed consolidated financial statements amounted to approximately HK\$22,512 million (end of 2023: HK\$21,637 million).

**13 Bank loans**

|                           | Unaudited<br>At 30 June<br>2024 | Audited<br>At 31 December<br>2023 |
|---------------------------|---------------------------------|-----------------------------------|
| Bank loans<br>– unsecured | 392,483,955                     | 392,845,852                       |

Bank loans of the Group were unsecured, borne prevailing market interest rate and repayable within 3 months.

**14 Amounts due to fellow subsidiaries**

Amounts due to fellow subsidiaries are non-interest bearing with carrying balances approximating their fair value.

**15 Amounts due from/to the immediate holding company/a related company/subordinated loans from the immediate holding company**

Amounts due to the immediate holding company for daily administrative activities are unsecured, interest free and repayable upon demand.

Amounts due from/ to the immediate holding company for cash management and general funding purpose are unsecured and bear prevailing market interest rate and repayable within 1 year.

Amounts due to an associate of the immediate holding company are unsecured, interest free and repayable upon demand.

Subordinated loans were borrowed from the immediate holding company of HK\$2,500,000,000 (end of 2023: HK\$2,500,000,000), which are unsecured and bear interest at commercial interest rates. The loans were approved by the Hong Kong Securities and Futures Commission as subordinated loans for exclusion from ranking liabilities in accordance with section 53(2) of the Hong Kong Securities and Futures (Financial Resources) Rules in the computation of regulatory liquid capital.

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**16 Accounts and other payables, and other provisions**

|   | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|---|---|---|
| Accounts payable from dealing in securities | 6,518,403,880                           | 5,969,733,006                             |
| Accounts payable from securities trading    | 32,913                                  | -   |
| Discretionary bonus payable/provision       | 135,978,423                             | 134,513,424                               |
| Others payables and accrued expenses        | 94,995,901                              | 88,129,078                                |
|   | <u>6,749,411,117</u>                    | <u>6,192,375,508</u>                      |
| Current                                     | <u>6,743,308,511</u>                    | <u>6,186,898,902</u>                      |
| Non-Current                                 | <u>6,102,606</u>                        | <u>5,476,606</u>                          |

The carrying amounts of accounts payable approximate their fair value. All accounts payables are non-interest bearing.

Accounts payable represent amounts due to brokerage clients, brokers and clearing houses, and are due within one month. Accounts payable to clients exclude those payables placed in trust accounts with authorized institutions, HKFE Clearing Corporation Limited, Stock Exchange Options Clearing House and other financial institutions.

**17 Deposits from customers**

All the deposits from customers are time, call and notice deposits. The majority of them will mature within 1 year.

**18 Financial liabilities at fair value through profit or loss**

|                                   | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|-----------------------------------|---|---|
| Trading securities, at fair value |   |   |
| - Listed equity securities        | <u>5,081,220</u>                        | <u>-</u>                                  |

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**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

**19 Share capital**

|   | Unaudited<br>At 30 June<br>2024<br>HK\$ | Audited<br>At 31 December<br>2023<br>HK\$ |
|---|---|---|
| Issued and fully paid:                  |   |   |
| 200,000 (2023: 200,000) ordinary shares | <u>2,000,000,000</u>                    | <u>2,000,000,000</u>                      |

**20 Material related-party transactions**

Related parties are those parties that have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties can be individuals or other entities.

During the period, the Group entered into various transactions with related parties. These transactions were conducted on normal commercial terms.

Summary of material transactions entered into during the ordinary course of business with related parties in BOCI Group and Bank of China Limited are as follows:

|   | Unaudited<br>Six months ended<br>30 June<br>2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|--|------------------|
| Condensed consolidated income statement items:          |  |                  |
| Interest income from bank deposits                      | 22,961   | 28,066           |
| Brokerage commission                                    | 233,071  | 113,410          |
| Underwriting and placement commission                   | 3,910  | 3,932            |
| Management fee income                                   | 10,458   | 21,800           |
| Other income – interest income                          | 153,258  | 87,728           |
| Interest expense on loans and other borrowings          | (126,390)  | (97,515)         |
| Interest expense on customer deposits                   | (184)  | (142)            |
| Interest expense – lease related                        | (306)  | (552)            |
| Commission expenses arising from brokerage activities   | (87,092)   | (1,654)          |
| Management fee expense                                  | (307,369)  | (317,631)        |
| Operating lease related expenses                        | (5,719)  | (5,357)          |
| Staff medical, recruitment, training & welfare expenses | (3,935)  | (3,770)          |
| Bank charges  | (1,064)  | (748)            |
| Marketing and business promotion expenses               | <u>(12)</u>  | <u>(12,014)</u>  |

## **PARTIES**

### **OUR REGISTERED OFFICE**

#### **BOCI Asia Limited**

26/F, Bank of China Tower  
1 Garden Road  
Hong Kong

### **LIQUIDITY PROVIDER AND AGENT**

#### **BOCI Securities Limited**

20/F, Bank of China Tower  
1 Garden Road  
Hong Kong