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## Non-collateralised Structured Products

### Addendum to the Base Listing Document dated 30 April 2024 relating to Structured Products to be issued by



## Korea Investment & Securities Asia Limited

*(incorporated with limited liability in Hong Kong)*

This addendum (the “**Addendum**”), for which we accept full responsibility, is a supplement to and should be read in conjunction with our base listing document dated 30 April 2024 (the “**Base Listing Document**”), and 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 (“**CBBCs**”) and other structured products (together, the “**Structured Products**”) to be listed on the Stock Exchange from time to time. You must read this Addendum in conjunction with the Base Listing Document.

We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this Addendum and the Base Listing Document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Addendum and/or the Base Listing Document misleading.

**The Structured Products are complex products. You should exercise caution in relation to them. 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 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, where necessary, seek professional advice, before they invest in the Structured Products.**

**The Structured Products constitute our general unsecured contractual obligations and of no other person and will rank equally among themselves 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 assets; (b) the fund which has issued the underlying assets, or its trustee (if applicable) or manager; or (c) the index compiler of any underlying index or any company constituting the underlying index. 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).**

## IMPORTANT INFORMATION

**The Structured Products involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.**

### **What documents should you read before investing in the Structured Products?**

You must read this Addendum together with the Base Listing Document (as supplemented by any addendum thereto) and the relevant launch announcement and supplemental listing document (each a “**Launch Announcement and Supplemental Listing Document**”) (including any addendum to such Launch Announcement and Supplemental Listing Document to be issued from time to time) (together, “**Listing Documents**”) before investing in the Structured Products. You should carefully study the risk factors set out in the Listing Documents.

### **Is there any guarantee or collateral for the Structured Products?**

No. Our obligations under the Structured Products are neither guaranteed by any third party, nor collateralised with any of our assets or other collaterals. When you purchase our Structured Products, you are relying on our creditworthiness only, and of no other person. If we become insolvent or default on our obligations under the Structured Products, you can only claim as an unsecured creditor of the Issuer. In such event, you may not be able to recover all or even part of the amount due under the Structured Products (if any).

### **Are we regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission (“SFC”) referred to in Rule 15A.13(3)?**

We are licensed for type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities by the SFC. The Issuer is not regulated by any of the bodies referred to in Rule 15A.13(2) of the Listing Rules.

### **Are we rated by any credit rating agencies?**

We have not been assigned any ratings by any credit rating agencies as at the date of this Addendum.

The Structured Products are not rated.

### **Are we subject to any litigation?**

Save as disclosed in the Listing Documents, we have no litigation or claims of material importance pending or threatened against us.

### **Has our financial position changed since 31 December 2023?**

Save as disclosed in this Addendum and Appendix 4 to the Base Listing Document, there has been no material adverse change in our financial or trading position since 31 December 2023.

### **Where can you read the relevant documents?**

Copies of the Listing Documents (in separate English and Chinese versions) and other documents set out in the relevant launch announcement and supplemental listing document are available on the website of the HKEX at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at <https://kisasiawarrants.com/>

以上各文件可於香港交易所披露易網站[www.hkexnews.hk](http://www.hkexnews.hk) 以及本公司網站 <https://kisasiawarrants.com/> 瀏覽。

### **How can you get further information about us?**

You may visit <https://kisasiawarrants.com/> to obtain further information about us and /or the Structured Products.

You must note that the information on our website will be of a general nature and cannot be relied upon as accurate and/or correct and will not have been prepared exclusively for the purposes of any particular financial instrument issued by us, including the Structured Products.

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**OUR INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2024**

Our interim financial statements for the period ended 30 June 2024 are set out below. The page numbers of our interim financial statements appear above the page numbers of this Addendum.

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**  
(Incorporated in Hong Kong with limited liability)

**Interim Financial Report**  
**For the six months ended 30 June 2024**

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

	Notes	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	258,331	409,533
Intangible assets	4	2,181,792	2,618,690
Right-of-use assets	5(a)	2,317,180	4,634,359
Investment in associate	6	119,773,851	118,731,470
Financial assets measured at amortised cost	7	251,777,982	258,527,565
Statutory deposits	8	694,845,362	661,289,314
Deposits and other assets	9	1,479,701	1,479,701
Deferred tax assets	16	611,822	683,584
		<u>1,073,246,021</u>	<u>1,048,374,216</u>
<b>Current assets</b>			
Amounts due from broker	10	425,265,324	184,160
Amount due from immediate holding company	11	1,514,543	6,199,682
Financial assets measured at amortised cost	7	1,809,371	1,908,243
Financial assets at fair value through profit or loss	12	1,335,021,449	1,220,355,832
Deposits and other assets	9	4,125,659	5,900,815
Cash and cash equivalents	13		
-General accounts		2,285,769,484	2,186,875,932
-Segregated accounts		20,858,325	28,146,965
Trade and other receivables	14	34,994,069	19,871,902
		<u>4,109,358,224</u>	<u>3,469,443,531</u>
<b>Total assets</b>		<u><u>5,182,604,245</u></u>	<u><u>4,517,817,747</u></u>

The accompanying notes an integral part of these financial statements

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**  
**(Continued)**

	Notes	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	22	3,700,321,900	3,700,321,900
Retained earnings		373,719,243	299,288,596
<b>Total equity</b>		<u>4,074,041,143</u>	<u>3,999,610,496</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss	12	62,400,426	6,148,199
Accrued bonus		8,358,012	14,902,529
Accounts payable and accruals		10,966,176	12,813,037
Amount due to broker	10	409,043,697	1
Lease liabilities	5(b)	2,380,417	4,753,707
Tax payable	16	2,036,031	43,005
Trade and other payables	15	613,378,343	479,546,773
<b>Total current liabilities</b>		<u>1,108,563,102</u>	<u>518,207,251</u>
<b>Total equity and liabilities</b>		<u><u>5,182,604,245</u></u>	<u><u>4,517,817,747</u></u>

The accompanying notes an integral part of these financial statements

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Notes	Six months ended 30 June	
		2024	2023
		HK\$	HK\$
		(Unaudited)	(Unaudited)
<b>Revenue</b>			
Fee income	17	32,232,919	13,421,838
Net gains on financial assets and financial liabilities at fair value through profit or loss	18	18,005,223	56,044,568
Net losses on interest in associates at fair value		(385,278)	(1,065,138)
Dividend income		4,377,571	8,019,977
Interest income	19	28,505,363	53,190,929
		<u>82,735,798</u>	<u>129,612,174</u>
<b>Other income</b>			
Other interest income	19	45,384,909	21,901,007
Income from money market funds		22,626,823	-
Exchange losses, net		(21,599,959)	(5,808,582)
Other income		27,687	6
		<u>46,439,460</u>	<u>16,092,431</u>
<b>Net total income</b>		<u>129,175,258</u>	<u>145,704,605</u>
<b>Expenses</b>			
Staff costs		(26,350,038)	(22,644,061)
Travelling and entertainment		(1,733,436)	(1,964,188)
Information and communication costs		(8,864,720)	(7,706,338)
Insurance costs		(505,069)	(562,069)
Depreciation		(2,478,629)	(2,561,179)
Auditor's remuneration		(96,300)	(4,000)
Transaction fees		(9,015,877)	(1,568,434)
Commission and transaction fees related to loans and funds		(57,569)	(25,826)
Other operating expenses		(2,111,337)	(2,945,686)
Amortisation expense		(436,898)	(436,899)
<b>Total expenses</b>		<u>(51,649,873)</u>	<u>(40,418,680)</u>
Impairment losses (charged)/released		<u>(63,046)</u>	<u>39,561</u>

The accompanying notes an integral part of these financial statements



**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024 (Continued)**

	Notes	Six months ended 30 June	
		2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Finance costs			
- Interest paid to broker		(594)	(1,677,229)
- Interest expense on lease liabilities		(10,102)	(24,292)
- Interest paid for repurchase agreement		-	(5,482,919)
- Interest paid for bank borrowing and overdraft		-	(40,378)
		<u>(10,696)</u>	<u>(7,224,818)</u>
<b>Profit before tax</b>		<b>77,451,643</b>	<b>98,100,668</b>
Tax expense	20	(3,020,996)	(451,024)
<b>Profit and total comprehensive income for the period</b>		<b><u>74,430,647</u></b>	<b><u>97,649,644</u></b>

The accompanying notes an integral part of these financial statements

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

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

	(Unaudited)		
	Share capital HK\$	Retained earnings HK\$	Total HK\$
<b>As at 1 January 2023</b>	3,700,321,900	83,413,093	3,783,734,993
Profits and total comprehensive income for the period	-	97,649,644	97,649,644
<b>As at 30 June 2023</b>	<u>3,700,321,900</u>	<u>181,062,737</u>	<u>3,881,384,637</u>
<b>As at 1 January 2024</b>	3,700,321,900	299,288,596	3,999,610,496
Profits and total comprehensive income for the period	-	74,430,647	74,430,647
<b>As at 30 June 2024</b>	<u>3,700,321,900</u>	<u>373,719,243</u>	<u>4,074,041,143</u>

The accompanying notes an integral part of these financial statements

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Notes	Six months ended 30 June	
		2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
<b>Operating activities</b>			
Profit before tax		77,451,643	98,100,668
<b>Adjustments for:</b>			
Depreciation		2,478,629	2,561,179
Amortisation expense		436,898	436,899
Impairment losses charged/(released)		63,046	(39,561)
Interest income		(73,890,272)	(75,091,936)
Finance costs		10,696	7,224,818
Net losses on interest in associates at fair value		385,278	1,065,138
Unrealised loss on financial assets and financial liabilities at fair value through profit or loss		15,685,953	11,630,359
Unrealised loss/(gain) on foreign exchange of interest in associates		43,758	(517,057)
<b>Changes in working capital:</b>			
(Increase)/decrease in financial assets at fair value through profit or loss		(127,016,217)	5,122,591
Decrease/(increase) in financial assets measured at amortised cost		8,569,096	(1,819,873,888)
Decrease/ (increase) in due from immediate holding company		4,685,139	(1,357,733)
Increase in deposits and other assets		(31,780,892)	(319,825,293)
(Increase)/decrease in amount due from broker		(425,081,164)	966,024,251
Increase/(decrease) in financial liabilities at fair value through profit or loss		56,252,227	(229,875)
Increase in obligations under repurchase agreements		-	462,105,040
Decrease in accrued bonus		(6,544,517)	(3,977,055)
Decrease in accounts payable and accruals		(1,846,861)	(2,361,931)
Increase in amount due to broker		409,043,696	203,413,225
Increase in trade and other receivables		(21,765,175)	(12,965,146)
Increase in trade and other payables		141,120,210	226,351,619
<b>Cash generated from/(used in) operations</b>		<b>28,301,171</b>	<b>(252,203,688)</b>
Interest received		75,414,240	65,669,416
Interest paid		(594)	(7,200,526)
Tax (paid)/refunded, net		(956,208)	9,321,789
<b>Net cash generated from/(used in) operating activities</b>		<b>102,758,609</b>	<b>(184,413,009)</b>

The accompanying notes an integral part of these financial statements

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024 (Continued)**

	Notes	Six months ended 30 June	
		2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
<b>Investing activities</b>			
Purchased of fixed assets	3	(10,248)	(50,390)
Acquisition of interest in associates		(1,471,417)	(1,476,467)
<b>Net cash used in investing activities</b>		<u>(1,481,665)</u>	<u>(1,526,857)</u>
<b>Financing activity</b>			
Capital element of lease rentals paid		(2,373,290)	(2,359,100)
Interest element of lease rentals paid		(10,102)	(24,292)
<b>Net cash used in investing activity</b>		<u>(2,383,392)</u>	<u>(2,383,392)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		98,893,552	(188,323,258)
Cash and cash equivalents at beginning of the period		<u>2,186,875,932</u>	<u>914,697,565</u>
<b>Cash and cash equivalents at end of the period</b>		<u><u>2,285,769,484</u></u>	<u><u>726,374,307</u></u>

The accompanying notes an integral part of these financial statements

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
韓國投資證券亞洲有限公司

**NOTES TO THE INTERIM FINANCIAL REPORTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**1 Basis of preparation**

The unaudited interim financial report of the Company has been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

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

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

This interim financial report contains financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the 2023 annual financial statements. The interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited and is not reviewed by the auditor.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual financial statements for that financial year 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 Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**NOTES TO THE INTERIM FINANCIAL REPORTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**2 Changes in accounting policies**

The Company has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current (“2020 amendments”)
- Amendments to HKAS 1, Presentation of financial statements: Non-current liabilities with covenants (“2020 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

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period. Directors concluded that the impacts of the adoption of the amended HKFRSs do not have a material impact on these financial statements.

**3 Property and equipment**

	<i>Furniture</i> HK\$	<i>Leasehold improvement</i> HK\$	<i>Office equipment</i> HK\$	<i>Total</i> HK\$
<b>As at 31 December 2023</b> (Audited)				
Cost	593,575	1,357,121	3,363,230	5,313,926
Accumulated depreciation	(563,463)	(1,249,066)	(3,091,864)	(4,904,393)
Net book value	<u>30,112</u>	<u>108,055</u>	<u>271,366</u>	<u>409,533</u>
<b>As at 30 June 2024</b> (Unaudited)				
Cost	595,075	1,357,121	3,371,978	5,324,174
Accumulated depreciation	(573,126)	(1,313,899)	(3,178,818)	(5,065,843)
Net book value	<u>21,949</u>	<u>43,222</u>	<u>193,160</u>	<u>258,331</u>

During the six months ended 30 June 2024, the Company acquired items of property and equipment with a cost of HK\$10,248 (six months ended 30 June 2023: HK\$50,390).

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**NOTES TO THE INTERIM FINANCIAL REPORTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**4 Intangible assets**

	<i>Trading right</i> HK\$	<i>Computer &amp; software</i> HK\$	<i>Total</i> HK\$
<b>As at 31 December 2023</b> (Audited)			
Cost	1,000,000	4,368,987	5,368,987
Accumulated amortisation	-	(2,750,297)	(2,750,297)
Net book value	<u>1,000,000</u>	<u>1,618,690</u>	<u>2,618,690</u>
<b>As at 30 June 2024</b> (Unaudited)			
Cost	1,000,000	4,368,987	5,368,987
Accumulated amortisation	-	(3,187,195)	(3,187,195)
Net book value	<u>1,000,000</u>	<u>1,181,792</u>	<u>2,181,792</u>

During the six months ended 30 June 2024, the Company has not acquired any items of intangible assets (six months ended 30 June 2023: HK\$ nil).

**5 Leases**

**(a) Right-of-use assets**

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
Other properties leased for own use, carried at depreciation cost	<u>2,317,180</u>	<u>4,634,359</u>
<b>(b) Lease liabilities</b>		
Current	<u>2,380,417</u>	<u>4,753,707</u>
	<u>2,380,417</u>	<u>4,753,707</u>

During the six months ended 30 June 2024, the Company has neither entered into any lease agreement nor recognised right-of-use assets and lease liabilities (six months ended 30 June 2023: HK\$ nil).

**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**NOTES TO THE INTERIM FINANCIAL REPORTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**6 Investment in associate**

Associates held by the Company held for capital appreciation are measured at fair value in the financial statements, breakdown as below:

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
Clean Energy Transition Fund LP	119,773,851	118,731,470

The following list contains the particulars of the associate, which is unlisted limited partnership whose quoted market price is not available:

<i>Name of associate</i>	<i>Form of business structure</i>	<i>Place of incorporation and business</i>	<i>Particulars of the Fund commitment</i>	<i>Proportion of ownership interest held by the Company</i>	<i>Principal activity</i>
Clean Energy Transition Fund LP	Limited Partnership	Cayman Islands	US\$15,000,000 of US\$28,350,000	52.91%	Investment (Note 1)

Note 1: The investment in Clean Energy Transition Fund LP, a partnership whose investment objective is to invest in clean energy transition companies.

**7 Financial assets measured at amortised cost**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
Loans	256,057,152	262,842,561
Less: impairment allowances	(2,469,799)	(2,406,753)
	<u>253,587,353</u>	<u>260,435,808</u>
Presentation in financial position:-		
- Current portion	1,809,371	1,908,243
- Non-current portion	251,777,982	258,527,565
	<u>253,587,353</u>	<u>260,435,808</u>



**KOREA INVESTMENT AND SECURITIES ASIA LIMITED**  
**韓國投資證券亞洲有限公司**

**NOTES TO THE INTERIM FINANCIAL REPORTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**8 Statutory deposits**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
The Hong Kong Securities Clearing Company Limited		
- Admission fee deposit	50,000	50,000
- Guarantee fund deposit	3,390,846	72,647
- Mainland security deposit	477,523	527,165
SEHK		
- Fidelity fund and compensation fund deposit	100,000	100,000
- Stamp duty deposit	30,000	30,000
HKFE		
- Reserve fund deposit	62,926,811	78,235,332
- Client deposit	587,614,165	449,430,969
- House deposit	32,685,632	131,343,201
SEOCH		
- Reserve fund deposit	1,523,386	1,500,000
- House deposit	6,046,999	-
	<u>694,845,362</u>	<u>661,289,314</u>

**9 Deposits and other assets**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
<b>Non-current</b>		
Rental and other deposits	1,479,701	1,479,701
	<u>1,479,701</u>	<u>1,479,701</u>
<b>Current</b>		
Prepayments and other deposits	4,125,659	5,900,815
	<u>4,125,659</u>	<u>5,900,815</u>

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**10 Amount due from / to broker**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
<b>Amount due from broker</b>		
Deposit	231,258,327	184,160
Receivables arising from the unsettled trade of securities	194,006,997	-
	<u>425,265,324</u>	<u>184,160</u>
<b>Amount due to broker</b>		
Overdraft (Note)	-	1
Payables arising from the unsettled trade of securities	409,043,697	-
	<u>409,043,697</u>	<u>1</u>

Note: The overdraft amount bears interest at overnight reference rate plus 61 (2023: 61) basis points. The interest amount paid during period amounted to HK\$ Nil (2023: HK\$1,677,229). Custody assets, deposits and debt securities, which broker takes custody of, have been pledged as security against overdraft facilities granted to the Company by broker.

**11 Amounts due from immediate holding company**

Amount due from immediate holding company represent commission income receivable in accordance with written service agreements. The balances are unsecured, non-interest bearing and repayable on demand.

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**12 Financial assets and liabilities at fair value through profit or loss**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
<b>Financial assets</b>		
Loans	-	476,986,840
Equity securities	352,585,585	363,627,336
Debt securities	414,409,713	-
Exchange-traded funds	249,996,149	110,678,510
Unlisted investment funds (note a)	290,696,925	255,960,993
Forward contracts (note b)	376,479	-
Derivative warrants	-	200
Exchange-traded stock option	14,063,174	-
Convertible notes	12,893,424	13,101,953
	<u>1,335,021,449</u>	<u>1,220,355,832</u>
<b>Financial liabilities</b>		
Forward contracts (note b)	(318,408)	(6,065,624)
Derivative warrants	(61,036,189)	(82,575)
Exchange-traded stock option	(1,045,829)	-
	<u>(62,400,426)</u>	<u>(6,148,199)</u>

Note a):

The Company held interest in several unlisted investment funds which are limited partnerships. The funds provide the Company with a variety of investment opportunities through managed investment strategies.

The Company concluded that the investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because the voting rights in the funds are not dominant rights in deciding who controls the funds.

Investments in unlisted investment funds is recorded at the net asset value and adjusted thereafter for the post acquisition change on the Company's share of unlisted investment fund's net assets.

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**12 Financial assets and liabilities at fair value through profit or loss (Continued)**

Note b):

During the reporting period, the company has entered into various forward currency contracts to manage its exchange rate exposures on foreign currency assets and liabilities. The total notional amounts of the forward currency contracts hold by the Company as of period end is HK\$ 179,361,901 (2023: HK\$359,067,330). Management selected not to adopt hedge accounting for the foreign currencies transactions.

**13 Cash and cash equivalents**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
Bank balances at authorised financial institutions:		
(i) General accounts		
- Cash	69,350,710	36,515,395
- Time deposit with original maturity of 3 months or less	1,381,757,843	1,339,961,431
(ii) Segregated accounts	20,858,325	28,146,965
Cash and bank balances	1,471,966,878	1,404,623,791
Less: Client's money in segregated trust accounts	(20,858,325)	(28,146,965)
	1,451,108,553	1,376,476,826
Deposits at market money funds	834,660,931	810,399,106
	<u>2,285,769,484</u>	<u>2,186,875,932</u>

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**14 Trade and other receivables**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
Accounts receivable arising from the ordinary course of business of dealing in securities:		
Clients		
- third parties	79,453	153,943
- intermediate holding company	5,682,881	1,448,918
Clearing house	4,905,235	61,476
	<hr/>	<hr/>
	10,667,569	1,664,337
Other receivables, deposits and prepayments	24,326,500	18,207,565
	<hr/>	<hr/>
	<u>34,994,069</u>	<u>19,871,902</u>

The majority of the Company's account receivables, particularly those arising from the ordinary course of business of dealing and broking, are revolving in nature.

**15 Trade and other payables**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
Accounts payable arising from the ordinary course of business of dealing in securities and futures:		
Clients		
- third parties	21,719,907	20,456,108
- intermediate holding company	587,818,871	457,883,983
Clearing house	3,839,565	1,206,682
	<hr/>	<hr/>
	613,378,343	479,546,773
	<hr/>	<hr/>
	<u>613,378,343</u>	<u>479,546,773</u>

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**16 Income tax in statement of financial position**

	At 30 June 2024 HK\$ (Unaudited)	At 31 December 2023 HK\$ (Audited)
<u>Current tax:</u>		
Provision for Hong Kong Profits Tax for the period	1,993,026	43,005
	<u>1,993,026</u>	<u>43,005</u>
Balance of Profits Tax provision relating to prior years	43,005	-
	<u>2,036,031</u>	<u>43,005</u>
Income tax payable	<u>2,036,031</u>	<u>43,005</u>

Deferred tax liabilities/(assets) recognised:

Deferred income tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2023: 16.5%).

Deferred tax (assets)/liabilities at the end of reporting period is as follows:

	<i>Depreciation allowances in excess of the related depreciation</i> HK\$	<i>Credit loss allowance</i> HK\$	<i>Other provision</i> HK\$	<i>Total</i> HK\$
As at 31 December 2023 (Audited)	<u>149,926</u>	<u>(434,329)</u>	<u>(399,181)</u>	<u>(683,584)</u>
As at 30 June 2024 (Unaudited)	<u>135,804</u>	<u>(407,516)</u>	<u>(340,110)</u>	<u>(611,822)</u>

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**17 Fee income**

	Six months ended 30 June	
	2024	2023
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Commission income from client referral	10,934,272	8,938,261
Commission income from securities and futures dealing	3,108,190	3,784,215
Commission income from underwriting and placement	9,063,866	-
Advisory income	9,126,591	699,362
	<u>32,232,919</u>	<u>13,421,838</u>

**18 Net gains on financial assets and financial liabilities at fair value through profit or loss**

	Six months ended 30 June	
	2024	2023
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Net loss on unlisted loans	(2,793,590)	(324,595)
Net gain/(loss) on equity securities	86,524,552	(41,738,742)
Net loss on exchange traded funds	(2,005,481)	(817,903)
Net gain on unlisted funds	5,289,160	5,955,235
Net loss on convertible notes	(981,007)	-
Net (loss)/gain on bonds	(3,924,268)	10,149,435
Net (loss)/gain on derivatives	(64,104,143)	82,821,138
	<u>18,005,223</u>	<u>56,044,568</u>

**19 Interest income**

	Six months ended 30 June	
	2024	2023
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Interest income calculated using the effective interest method	19,022,395	23,810,390
Interest income from financial assets measured at fair value through profit or loss	9,482,968	29,380,539
	<u>28,505,363</u>	<u>53,190,929</u>
Other interest income from bank and other authorised institutions	<u>45,384,909</u>	<u>21,901,007</u>

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**20 Taxation**

Under the two-tiered profits tax rates regime, the Hong Kong Profits Tax rate for the first HK\$2 million of assessable profits will be lowered to 8.25% (half of the rate specified in schedule 8 to the Inland Revenue Ordinance) for corporations. Assessable profits above HK\$2 million will continue to be subject to the rate of 16.5% for corporations.

The amount of taxation credited/charged to the statement of comprehensive income represents:

	Six months ended 30 June	
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
Current tax expense		
- Provision of Hong Kong Profits Tax for the period	1,993,026	-
- Withholding tax	956,208	483,693
	<u>2,949,234</u>	<u>483,693</u>
Deferred taxation	71,762	(32,669)
	<u>3,020,996</u>	<u>451,024</u>

**21 Related party transactions**

**(a) Commission income from client referral**

The Company provides client referral services to Korea Investment & Securities Company Limited (immediate holding company of the Company). Commission income represents the sharing of brokerage commissions received by Korea Investment & Securities Company Limited on the trades mainly in Korean listed investments as entered into by the clients referred by the Company. In accordance with the fully disclosed clearing agreements for the respective clients referred by the Company, the Company earns a certain percentage of the commissions received by Korea Investment & Securities Company Limited on the trades entered into by these clients.

During the six months ended 30 June 2024, an amount of HK\$ 10,934,272 was earned from Korea Investment & Securities Company Limited (for the first half of 2023: HK\$8,938,261), with receivable of HK\$1,514,543 as at 30 June 2024 (As of 31 December 2023: HK\$635,619).

**(b) Commission income/expenditure from acquisition financing**

The Company entered into the business cooperation agreement with Korea Investment & Securities Company Limited (immediate holding company of the Company) to conduct business activities related to investment banking business. Korea Investment & Securities Company Limited allocates the Company with appropriate revenue according to the agreement. The Company and Korea Investment & Securities Company Limited cooperated and conducted business activities together in relation to acquisition financing business.

During the six months ended 30 June 2024, no commission was earned from Korea Investment & Securities Company Limited (for the first half of 2023: HK\$ Nil), with no outstanding receivable as at 30 June 2024 (As of 31 December 2023: HK\$5,564,062).



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**21 Related party transactions (Continued)**

**(c) Commission income from underwriting and placement**

The Company is providing underwriting and placement services to Korea Investment & Securities Company Limited and charges commission income based on the trades.

During the six months ended 30 June 2024, an amount of HK\$ 1,970,419 was earned from Korea Investment & Securities Company Limited (for the first half of 2023: HK\$ Nil), with no outstanding receivable as at 30 June 2024 (As of 31 December 2023: HK\$ Nil).

**(d) Commission income from securities and futures dealing**

The Company is providing securities and futures dealing services to Korea Investment & Securities Company Limited and charges commission income based on the trades.

**22 Share capital**

**Ordinary shares, issued and fully paid:**

	Number of shares	Share capital HK\$
At 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	475,000,000	3,700,321,900

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

**23 Commitments**

The outstanding capital commitment on the fund investments and on Investment in associate not provided for in the financial statements at 30 June 2024 is approximately HK\$172.5m (31 December 2023: HK\$208.9m).

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**24 Fair value measurement of financial instruments**

The following table presents the fair value of the Company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The determination of what constitutes "observable" requires significant judgment by the directors. The directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy of the Company's financial assets measured at fair value:

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>At 30 June 2024</b>				
(Unaudited)				
<b>Assets</b>				
<i>Financial assets at fair value through profit or loss</i>				
- Equity securities	344,776,732	-	7,808,853	352,585,585
- Debt securities	-	414,409,713	-	414,409,713
- Exchange traded funds	249,996,149	-	-	249,996,149
- Fund	-	-	290,696,925	290,696,925
- Forward contracts	-	376,479	-	376,479
- Exchange traded option	14,063,174	-	-	14,063,174
- Convertible notes	-	-	12,893,424	12,893,424
	<u>608,836,055</u>	<u>414,786,192</u>	<u>311,399,202</u>	<u>1,335,021,449</u>
<b>Liabilities</b>				
<i>Financial liabilities at fair value through profit or loss</i>				
- Forward contracts	-	(318,408)	-	(318,408)
- Exchange traded option	(1,045,829)	-	-	(1,045,829)
- Derivative warrants	(61,036,189)	-	-	(61,036,189)
	<u>(62,082,018)</u>	<u>(318,408)</u>	<u>-</u>	<u>(62,400,426)</u>

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**24 Fair value measurement of financial instruments (Continued)**

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>At 31 December 2023</b> (Audited)				
<b>Assets</b>				
<i>Financial assets at fair value through profit or loss</i>				
- Loans	-	-	476,986,840	476,986,840
- Equity securities	355,815,659	-	7,811,677	363,627,336
- Exchange traded funds	110,678,510	-	-	110,678,510
- Fund	-	-	255,960,993	255,960,993
- Derivative warrants	200	-	-	200
- Convertible notes	-	-	13,101,953	13,101,953
	<u>466,494,369</u>	<u>-</u>	<u>753,861,463</u>	<u>1,220,355,832</u>
<b>Liabilities</b>				
<i>Financial liabilities at fair value through profit or loss</i>				
- Forward contracts	-	(6,065,624)	-	(6,065,624)
- Derivative warrants	(82,575)	-	-	(82,575)
	<u>(82,575)</u>	<u>(6,065,624)</u>	<u>-</u>	<u>(6,148,199)</u>

During six months ended 30 June 2024, there were no significant transfers between instruments in Level 1, Level 2 and Level 3, or transfers into or out of Level 3 (2023: nil). The Company's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

*Valuation techniques and inputs used in Level 2 fair value measurements*

The fair value of the unquoted debt securities is determined by discounting the future coupons and principal amount. The discount rate used is derived with reference to debt securities with similar risk profile.

The fair value of the foreign currency forward contracts is the discounted amount that the Company would receive or pay at maturity date, taking into account the current interest rates of the underlying currencies and the creditworthiness of the counterparty.

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**24 Fair value measurement of financial instruments (Continued)**

*Valuation techniques and significant unobservable inputs used in Level 3 fair value measurements*

	<i>Fair value at 30 June 2024 HK\$ (Unaudited)</i>	<i>Fair value at 31 December 2023 HK\$ (Audited)</i>	<i>Valuation technique</i>	<i>Unobservable input</i>	<i>Range for unobservable input</i>	<i>Sensitivity to changes in unobservable input</i>
Unlisted investment funds	290,696,925	255,960,993	Net asset value	Liquidity lock-up/ no right of withdrawal	N/A	The estimated fair value would decrease if the liquidity lock-up discount is higher
Unlisted loans	-	476,986,840	The present value of cash flows discounted	Discount rate	2023: 7.13% to 7.88% p.a.	The estimated fair value would increase if discount rate decrease
Unlisted equity securities	7,808,853	7,811,677	Recent transaction price	Liquidity	N/A	N/A
Unlisted convertible notes	12,893,424	13,101,953	Binomial option pricing model	Discount Rate	14.4% (2023: 13.3%)	The estimated fair value would increase if discount rate decrease
	<u>311,399,202</u>	<u>753,861,463</u>				

The fund held by the Company is a Level 3 investments which the Company values based on the shareholding percentage of the net asset value of the fund as at period-end date.

The loans held by the Company is a Level 3 investments which the Company values based on the present values of future cash flows, discounted at interest rates based on the government yield curve as at the end of the reporting period plus an adequate constant credit spread, adjusted for the company's own credit risk.

The unlisted equity securities held by the Company is a Level 3 investments, which values based on the recent transaction price.

The convertible notes held by the Company is a Level 3 investments which the Company values based on the binomial option pricing model, discounted at bond yield derived by the United States risk-free rate and option-adjusted spread of the bonds with CCC credit rating.

For period ended 30 June 2024 and 2023, there were no transfers between levels.

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**24 Fair value measurement of financial instruments (Continued)**

The movements during the period in the balance of these Level 3 investments are as follows:

	<i>Unlisted investment funds HK\$</i>	<i>Unlisted loans HK\$</i>	<i>Unlisted equity securities HK\$</i>	<i>Unlisted convertible notes HK\$</i>	<i>Total HK\$</i>
2024 (Unaudited)					
At 1 January	255,960,993	476,986,840	7,811,677	13,101,953	753,861,463
Additions	41,464,830	-	-	-	41,464,830
Disposals	(8,825,813)	(470,803,354)	-	-	(479,629,167)
Accrued interests, net	-	4,292,141	-	778,103	5,070,244
Unrealised gain/(loss) recognised, net	5,289,160	(2,793,590)	-	(981,007)	1,514,563
Exchange loss, net	(3,192,245)	(7,682,037)	(2,824)	(5,625)	(10,882,731)
At 30 June	<u>290,696,925</u>	<u>-</u>	<u>7,808,853</u>	<u>12,893,424</u>	<u>311,399,202</u>
Total gain/(loss) for the period	<u>5,289,160</u>	<u>(2,793,590)</u>	<u>-</u>	<u>(981,007)</u>	<u>1,514,563</u>
	<i>Unlisted investment funds HK\$</i>	<i>Unlisted loans HK\$</i>	<i>Unlisted equity securities HK\$</i>	<i>Unlisted convertible notes HK\$</i>	<i>Total HK\$</i>
2023 (Unaudited)					
At 1 January	149,327,832	361,033,925	-	-	510,361,757
Additions	13,417,157	-	7,803,690	11,770,533	32,991,380
Disposals	(5,136,836)	-	-	-	(5,136,836)
Accrued interests, net	-	397,531	-	-	397,531
Unrealised gain/(loss) recognised, net	5,955,235	(324,595)	-	-	5,630,640
Exchange loss, net	390,540	(14,116,209)	34,830	(12,711)	(13,703,550)
At 30 June	<u>163,953,928</u>	<u>346,990,652</u>	<u>7,838,520</u>	<u>11,757,822</u>	<u>530,540,922</u>
Total gain/(loss) for the period	<u>5,955,235</u>	<u>(324,595)</u>	<u>-</u>	<u>-</u>	<u>5,630,640</u>

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**25 Subsequent event**

There have been no matters or circumstances that have arisen since the end of the financial period, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the status.

**26 Comparative figure**

Certain comparative figures have been reclassified to conform to current period's presentation and to provide comparative amounts in respect of items. The revised presentation reflects more appropriately the nature of these items. These reclassifications have neither effect on the reported financial position, results nor cash flows of the Company.

## **PARTIES**

### **OUR OFFICE**

#### **Korea Investment & Securities Asia Limited**

Suites 3711-12, 3716-19, Jardine House  
1 Connaught Place, Central  
Hong Kong

### **LIQUIDITY PROVIDER**

#### **Korea Investment & Securities Asia Limited**

Suites 3711-12, 3716-19, Jardine House  
1 Connaught Place, Central  
Hong Kong

### **LEGAL ADVISOR AS TO HONG KONG LAW**

#### **King & Wood Mallesons**

13th Floor, Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central, Hong Kong