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China Industrial Securities International Financial Group Limited

興證國際金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6058)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Industrial Securities International Financial Group Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025, with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025	2024
		<i>HK\$</i>	<i>HK\$</i>
Commission and fee income	4	285,711,950	301,859,422
Interest revenue	4	274,596,444	158,866,332
Net trading and investment income	4	<u>350,937,574</u>	<u>420,357,867</u>
Total revenue	4	911,245,968	881,083,621
Other income	4	154,899,261	192,598,937
Finance costs		(525,303,081)	(468,207,631)
Commission and fee expenses		(59,273,351)	(73,923,838)
Staff costs	5	(196,968,279)	(238,852,308)
Other operating expenses		(119,095,409)	(119,736,521)
Net reversal of/(provision for) impairment losses on financial assets	5	1,567,867	(37,211,042)
Other gains or losses	5	<u>22,947,241</u>	<u>(1,483,397)</u>
Profit before taxation	5	190,020,217	134,267,821
Taxation	6	<u>(22,963,242)</u>	<u>(26,178,931)</u>
Profit for the year		<u>167,056,975</u>	<u>108,088,890</u>
Attributable to:			
Owners of the Company		<u>167,056,975</u>	<u>108,088,890</u>
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (<i>expressed in HK\$</i>)	7	<u>0.0302</u>	<u>0.0231</u>

	<i>Notes</i>	2025	2024
		HK\$	HK\$
Profit for the year		<u>167,056,975</u>	<u>108,088,890</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
– Equity instruments designated at fair value through other comprehensive income			
– Changes in fair value		64,312,198	35,767,979
– Income tax impact		(3,244,803)	(5,440,320)
Items that may be reclassified subsequently to profit or loss:			
– Debt investments at fair value through other comprehensive income			
– Changes in fair value		68,394,793	13,208,662
– Reclassification to profit or loss on disposal		(12,673,561)	(21,965,441)
– Income tax impact		<u>(5,817,712)</u>	<u>(1,723,515)</u>
Other comprehensive income for the year, net of tax		<u>110,970,915</u>	<u>19,847,365</u>
Total comprehensive income for the year		<u>278,027,890</u>	<u>127,936,255</u>
Attributable to:			
Owners of the Company		<u>278,027,890</u>	<u>127,936,255</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 HK\$	2024 <i>HK\$</i>
Non-current assets			
Property and equipment		16,893,458	37,006,105
Intangible assets		8,260,730	11,448,338
Financial assets at fair value through profit or loss	<i>11</i>	8,849,637	10,908,359
Debt investments at amortised cost	<i>12</i>	3,236,746,213	690,934,760
Reverse repurchase agreements		92,885,100	92,700,369
Statutory deposits		22,925,431	20,723,815
Deferred tax assets		63,258,274	93,974,695
Deposits, other receivables and prepayments		6,393,750	6,403,751
		<u>3,456,212,593</u>	<u>964,100,192</u>
Current assets			
Accounts receivable	<i>8</i>	813,730,980	1,171,860,830
Financial assets at fair value through profit or loss	<i>11</i>	6,597,751,424	4,373,209,742
Financial assets at fair value through other comprehensive income	<i>13</i>	8,415,190,308	4,941,786,306
Debt investments at amortised cost	<i>12</i>	289,888,787	84,222,555
Statutory deposits		15,928,455	9,796,173
Deposits, other receivables and prepayments		402,418,023	387,514,648
Tax receivable		6,402,739	7,967,063
Amount due from a related party		2,848,215	–
Bank balances – trust accounts		2,434,108,361	1,831,016,133
Bank balances – general accounts and cash		2,165,859,422	1,961,292,282
		<u>21,144,126,714</u>	<u>14,768,665,732</u>
Current liabilities			
Accounts payable	<i>9</i>	2,858,409,025	2,246,110,797
Accruals and other payables		120,227,955	124,641,261
Amount due to a related party		5,136,472	4,002,026
Contract liabilities		712,607	1,355,175
Tax payable		469,772	6,826,313
Financial liabilities at fair value through profit or loss		101,256,999	26,180,966
Repurchase agreements		10,142,674,924	5,108,975,622
Bank borrowings		5,156,127,781	2,621,311,780
Notes		8,413,207	60,960,087
Lease liabilities		12,018,729	19,365,469
Other liabilities		301,151,716	96,457,776
		<u>18,706,599,187</u>	<u>10,316,187,272</u>
Net current assets		<u>2,437,527,527</u>	<u>4,452,478,460</u>

	<i>Notes</i>	2025 HK\$	2024 <i>HK\$</i>
Non-current liabilities			
Repurchase agreements		815,312,538	519,317,230
Bonds		650,565,503	649,739,968
Deferred tax liabilities		5,736	8,318
Lease liabilities		<u>–</u>	<u>11,434,683</u>
		<u>1,465,883,777</u>	<u>1,180,500,199</u>
Net assets		<u><u>4,427,856,343</u></u>	<u><u>4,236,078,453</u></u>
Equity			
Share capital	<i>10</i>	400,000,000	400,000,000
Share premium		3,339,895,424	3,379,895,424
Accumulated loss		(830,000,756)	(992,084,722)
Other reserve		11,577,844	11,577,844
Capital reserve		442,441,821	442,441,821
Fair value reserve		<u>63,942,010</u>	<u>(5,751,914)</u>
Equity attributable to holders of the ordinary shares		3,427,856,343	3,236,078,453
Equity attributable to holders of other equity instruments		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Total equity		<u><u>4,427,856,343</u></u>	<u><u>4,236,078,453</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

China Industrial Securities International Financial Group Limited (“**the Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Companies Law on 21 July 2015. The address of the Company’s registered office is PO Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is 32/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of wealth management services, corporate finance services, asset management services and financial products and investments.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

2. Changes in accounting policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

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

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

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

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

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

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

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

The accounting policies of the operating segments are the same as the Group’s accounting policies. Inter-segment revenues are charged among segments at an agreed rate with reference to the rate normally charged to third party customers, the nature of services or the costs incurred.

For the year ended 31 December 2025

	Wealth management HK\$	Corporate finance HK\$	Asset management HK\$	Financial products and investments HK\$	Others HK\$	Eliminations HK\$	Consolidated HK\$
Segment revenue and result							
Commission and fee income	165,152,989	108,969,950	11,589,011	-	-	-	285,711,950
Interest revenue	28,290,921	-	-	246,305,523	-	-	274,596,444
Net trading and investment income	-	-	-	350,937,574	-	-	350,937,574
Inter-segment revenue	1,341,634	-	2,904,335	-	-	(4,245,969)	-
Segment revenue	194,785,544	108,969,950	14,493,346	597,243,097	-	(4,245,969)	911,245,968
Revenue presented in the consolidated statement of profit or loss and other comprehensive income							<u>911,245,968</u>
Segment results	120,185,252	44,985,225	(21,606,039)	24,042,303	22,413,476	-	<u>190,020,217</u>
Profit before taxation presented in the consolidated statement of profit or loss and other comprehensive income							<u>190,020,217</u>
Other segmental information included in the measure of segment results							
Net (reversal of)/provision for impairment losses on financial assets	(3,724,460)	-	-	2,156,593	-	-	(1,567,867)
Depreciation	9,368	-	-	-	21,996,427	-	22,005,795
Amortisation	2,889,445	-	15,645	-	3,971,818	-	6,876,908
Interest income	149,798,534	1,008,382	942,789	592,768,203	220,316,719	(213,015,697)	751,818,930
Interest expenses	32,229,440	-	-	538,024,854	168,064,484	(213,015,697)	525,303,081
Dividend income	-	-	-	167,029,659	-	-	167,029,659

For the year ended 31 December 2024

	Wealth management HK\$	Corporate finance HK\$	Asset management HK\$	Financial products and investments HK\$	Others HK\$	Eliminations HK\$	Consolidated HK\$
Segment revenue and result							
Commission and fee income	158,857,492	130,586,269	12,415,661	-	-	-	301,859,422
Interest revenue	36,170,425	-	-	122,695,907	-	-	158,866,332
Net trading and investment income	-	-	-	420,357,867	-	-	420,357,867
Inter-segment revenue	1,102,586	-	8,011,678	-	-	(9,114,264)	-
Segment revenue	196,130,503	130,586,269	20,427,339	543,053,774	-	(9,114,264)	881,083,621
Revenue presented in the consolidated statement of profit or loss and other comprehensive income							881,083,621
Segment results	123,301,836	54,898,403	(14,979,717)	17,506,530	(46,459,231)	-	134,267,821
Profit before taxation presented in the consolidated statement of profit or loss and other comprehensive income							134,267,821
Other segmental information included in the measure of segment results							
Net provision for/(reversal of) impairment losses on financial assets	37,021,273	1,450,216	(1,681,387)	420,940	-	-	37,211,042
Depreciation	10,237	-	-	-	22,126,508	-	22,136,745
Amortisation	2,890,865	-	17,067	-	3,208,461	-	6,116,393
Interest income	266,530,313	1,142,239	1,433,666	460,034,847	240,096,845	(297,008,495)	672,229,415
Interest expenses	78,688,112	-	-	471,542,810	214,985,204	(297,008,495)	468,207,631
Dividend income	-	-	-	121,318,651	-	-	121,318,651

Geographical information

For the years ended 31 December 2025 and 2024, the Group's revenue from external customers are all derived from activities in Hong Kong based on the location of services delivered and the Group's non-current assets excluding financial instruments are all located in Hong Kong by physical location of assets. As a result, no geographical segment information is presented for both years.

Information about major customers

The largest customer and largest 5 customers contribute approximately 10.66% and 21.36% respectively (2024: 19.83% and 30.63% respectively) to the Group's revenue from external customers during the year ended 31 December 2025.

4. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

Revenue

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
<i>Revenue from contracts with customers within the scope of HKFRS15</i>		
Commission and fee income		
Brokerage:		
Commission and fee income from securities brokerage	151,263,209	141,892,525
Commission and fee income from futures and options brokerage	11,098,439	11,674,879
Commission income from insurance brokerage	2,791,341	5,290,088
	<u>165,152,989</u>	<u>158,857,492</u>
Corporate finance:		
Commission income on placing, underwriting and sub-underwriting		
– Debt securities	92,799,050	113,210,972
– Equity securities	6,366,632	44,416
Corporate advisory fee income	200,400	1,073,735
Sponsor fee income	3,993,360	4,413,231
Arrangement fee income	5,610,508	11,843,915
	<u>108,969,950</u>	<u>130,586,269</u>

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Asset management:		
Asset management fee income	9,695,729	10,127,980
Investment advisory fee income	<u>1,893,282</u>	<u>2,287,681</u>
	<u>11,589,011</u>	<u>12,415,661</u>
	<u>285,711,950</u>	<u>301,859,422</u>
<i>Revenue from other sources</i>		
Interest revenue		
Financial products and investments:		
Interest income from reverse repurchase agreements	6,452,776	5,900,672
Interest income from debt investments at fair value through other comprehensive income	133,360,062	102,203,555
Interest income from debt investments at amortised cost	<u>106,492,685</u>	<u>14,591,680</u>
	<u>246,305,523</u>	<u>122,695,907</u>
Margin financing:		
Interest income from margin financing	<u>28,290,921</u>	<u>36,170,425</u>
	<u><u>274,596,444</u></u>	<u><u>158,866,332</u></u>

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
<i>Revenue from other sources</i>		
Net trading and investment income		
Financial products and investments:		
Interest income from financial assets at fair value		
through profit or loss	338,442,341	335,230,707
Dividend income from financial assets at fair value		
through profit or loss	6,130,107	5,573,856
Net loss on financial assets at fair value through profit or loss	(99,614,896)	(103,976,218)
Net (loss)/gain on derivatives	(67,591,267)	44,334,416
Net (loss)/gain on financial liabilities at fair value		
through profit or loss	(1,824)	1,484,870
Dividend income from equity instruments designated at fair value		
through other comprehensive income	160,899,552	115,744,795
Net gain on disposals of debt investments at fair value through		
other comprehensive income	12,673,561	21,965,441
	<u>350,937,574</u>	<u>420,357,867</u>
Total revenue	<u>911,245,968</u>	<u>881,083,621</u>

Timing of revenue recognition for commission and fee income from customers

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
A point in time	264,061,786	276,455,168
Over time	21,650,164	25,404,254
	<u>285,711,950</u>	<u>301,859,422</u>
Total	<u>285,711,950</u>	<u>301,859,422</u>

Performance obligations for commission and fee income from customers

(1) Brokerage

The Group provides broking and dealing services for securities, futures and options contracts. Commission income is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed. The Group also provides handling services for securities, futures and options customer accounts. Fee income is recognised when the transaction is executed.

The Group provides custodian services for securities, futures and options customer accounts. The customers simultaneously receives and consumes the benefit provided by the Group, hence the revenue is recognised as a performance obligation satisfied over time.

The Group also provides placement services for insurance and wealth products to customers. Commission income is recognised at a point in time when the placement is completed and is calculated at a certain percentage of the premium paid for certain period of the insurance and wealth products.

(2) Corporate finance

The Group provides placing, underwriting or sub-underwriting services to customers for their fund raising activities in equity and debt capital markets, and also structured products arrangement services. Revenue is recognised when the relevant placing, underwriting, sub-underwriting or structured products arrangement activities are completed. Accordingly, the revenue is recognised at a point in time.

The Group also provides sponsorship services to clients for their fund raising activities and corporate advisory services to corporate clients for their corporate actions. The Group considers that all the services promised in a particular contract of being a sponsor or corporate advisor are interdependent and interrelated and should be therefore accounted for as a single performance obligation. As there is enforceable right to payment for the Group for the performance of services completed up to date based on the contracts with customers regarding sponsor or corporate advisory services, the revenue is recognised over time.

(3) *Asset management*

The Group provides asset management and investment advisory services on diversified and comprehensive investment products to customers. The customers simultaneously receive and consume the benefit provided by the Group, hence the revenue is recognised as a performance obligation satisfied over time. Asset management fee income is charged at a fixed percentage per month of the net asset value of the managed accounts under management of the Group. Investment advisory fee income is charged at a fixed amount per month for managing the investment portfolio of each client.

The Group is also entitled to a performance fee when there is a positive performance for the relevant performance period above the hurdle rate and/or high water mark and it is recognised at the end of the relevant performance period, when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partly unsatisfied) as at 31 December 2025 and 2024 and the expected timing of recognising revenue are as follows:

	2025	2024
	HK\$	HK\$
Within one year	<u>292,154</u>	<u>886,699</u>

This amount represents revenue expected to be recognised in the future from the contracts for sponsorship services. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 months.

Other Income

	2025	2024
	HK\$	HK\$
Interest income from financial institutions	138,780,145	178,132,376
Sundry income	<u>16,119,116</u>	<u>14,466,561</u>
	<u>154,899,261</u>	<u>192,598,937</u>

5. PROFIT BEFORE TAXATION

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs (including directors' emoluments and five highest paid employees' emoluments)	196,968,279	238,852,308
Salaries and bonuses (<i>note a</i>)	193,699,113	234,673,755
Contribution to the MPF Scheme	2,781,382	3,525,264
Other staff costs	487,784	653,289
Auditor's remuneration	2,360,000	2,360,000
Legal and professional fee	11,768,950	12,428,764
Amortisation of intangible assets	6,876,908	6,116,393
Depreciation of property and equipment	22,005,795	22,136,745
Telephone and postage	3,369,110	3,980,731
Maintenance fee	21,755,891	21,636,844
Transportation expenses	2,155,081	2,708,498
Entertainment expenses	1,395,793	1,934,434
Net (reversal of)/provision for impairment losses on financial assets	(1,567,867)	37,211,042
Secured margin loans (<i>note c</i>)	(4,016,202)	37,688,183
Accounts receivable (except for secured margin loans)	335,258	(305,810)
Reverse repurchase agreements	8,903	(9,153)
Bank balances – trust accounts	(43,516)	(592,272)
Debt investments at amortised costs	1,300,699	266,607
Debt investments at FVTOCI	846,991	163,487
Other gains or losses	(22,947,241)	1,483,397
Exchange gain	(46,387,218)	(3,515,098)
Other loss (<i>note b</i>)	23,434,765	4,614,107
Losses on disposals of property and equipment	5,212	384,388

Notes:

- (a) Staff and directors' bonuses are discretionary and determined with reference to the Group's and the individual's performance.

- (b) Included in other loss is the net loss of consolidated investment funds' net asset value attributable to third-party unit holders/shareholders of HK\$23,434,765 (2024: HK\$4,614,107).
- (c) According to the assessment of the expected credit loss model, net reversal of impairment losses on secured margin loans of HK\$4,016,202 (2024: net provision for impairment losses of HK\$37,688,183) were made for the year, including (i) impairment losses recognised of HK\$17,461,340 (2024: HK\$41,893,062); net of (ii) reversal of impairment losses of HK\$21,477,542 (2024: HK\$4,204,879).

6. TAXATION

	2025	2024
	HK\$	HK\$
Hong Kong Profits Tax:		
Current year	1,316,418	6,826,313
Over-provision in prior years	(4,500)	(305,756)
	1,311,918	6,520,557
Deferred Tax	21,651,324	19,658,374
	22,963,242	26,178,931

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one entity of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this entity, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this entity was calculated at the same basis in 2024.

The tax expense for the years ended 31 December 2025 and 2024 can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025	2024
	HK\$	HK\$
Profit before taxation	<u>190,020,217</u>	<u>134,267,821</u>
Notional tax on profit before taxation, calculated at 16.5% (2024: 16.5%)	31,353,336	22,154,190
Tax effect of expenses not deductible for tax purpose	12,933,128	9,863,177
Tax effect of income not taxable for tax purpose	(12,593,627)	(32,681,182)
Tax at concessionary tax rate of 8.25% (2024: 8.25%)	(165,000)	(165,000)
Tax effect of deductible temporary difference not recognised	19,260,210	31,118,779
Tax effect of tax losses not recognised	5,186,459	8,043,547
Reversal of tax losses previously recognised	1,556,358	5,666,254
Utilisation of tax losses previously not recognised	(34,563,122)	(17,506,279)
Over-provision in prior years	(4,500)	(305,756)
Others	<u>—</u>	<u>(8,799)</u>
Tax expense for the year	<u>22,963,242</u>	<u>26,178,931</u>

The Group is part of a multinational enterprise group which is subject to the Global Anti Base Erosion Model Rules (“**Pillar Two model rules**”) published by the Organisation for Economic Co-operation and Development. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

7. EARNINGS PER SHARE

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

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Earnings (HK\$)		
Earnings for the purpose of basic earnings per share:		
Profit for the year attributable to owners of the Company	167,056,975	108,088,890
Less: distribution to holder of other equity instruments	<u>(46,250,000)</u>	<u>(15,800,000)</u>
Profit for the year attributable to ordinary equity holders of the Company	<u><u>120,806,975</u></u>	<u><u>92,288,890</u></u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><u>4,000,000,000</u></u>	<u><u>4,000,000,000</u></u>

For each of the years ended 31 December 2025 and 2024, there were no dilutive potential ordinary shares in issue, thus diluted earnings per share is equal to basic earnings per share.

8. ACCOUNTS RECEIVABLE

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Accounts receivable arising from the business of dealing in securities:		
Secured margin loans	415,199,648	1,151,314,120
Less: impairment allowance	(36,938,824)	(533,674,166)
	378,260,824	617,639,954
Clearing houses	226,590,803	154,349,728
Cash clients	80,239,867	32,692,302
Brokers	12,989,539	44,989,047
Less: impairment allowance	(1,160,577)	(825,319)
	318,659,632	231,205,758
	696,920,456	848,845,712
Accounts receivable arising from the business of dealing in futures and options contracts:		
Clearing houses	21,024,829	20,510,294
Brokers	41,181,236	105,701,971
	62,206,065	126,212,265
Accounts receivable arising from the business of corporate finance	24,323,858	29,617,914
Less: impairment allowance	(1,450,216)	(1,450,216)
	22,873,642	28,167,698
Accounts receivable arising from the business of asset management	1,676,308	3,062,938
Less: impairment allowance	(150,000)	(150,000)
	1,526,308	2,912,938
Accounts receivable arising from the business of financial products and investments:		
Brokers	30,204,509	165,722,217
	813,730,980	1,171,860,830

Secured margin loans

The Group provides customers with margin financing for securities transactions, which are secured by customers' securities held as collateral. The Group seeks to maintain strict control over its outstanding receivables, and rigorously monitors credit risks. To minimise exposure to credit risk, the Group evaluates customers' credit rating, financial background and repayment abilities. Management of the Group has set up credit limit for each individual customer, the application for which shall be subject to the Group's authorisation mechanism and submitted to the internal control department and senior management for approval. The maximum credit limit granted for each customer is based on the customer's creditworthiness, financial strength, the past collection statistic and the quality of related collateral. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group and other factors.

As at 31 December 2025 and 2024, the loans are repayable on demand subsequent to settlement date and are analysed as follows:

	2025	2024
	HK\$	HK\$
Non credit-impaired secured margin loans		
– Gross amount	370,609,067	475,809,860
– Carrying amount	369,705,410	474,699,118
Credit-impaired secured margin loans		
– Gross amount	44,590,581	675,504,260
– Carrying amount	8,555,414	142,940,836
Market value of securities pledged in respect of all margin loans	3,095,114,000	2,558,654,000

Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the amount of accounts receivable outstanding exceeds the margin value of securities deposited.

The collateral held can be repledged or be sold at the Group's discretion to settle any outstanding amount owed by margin clients. The Group had obtained margin clients' consent to pledge their securities collateral to secure banking facilities granted to the Group to finance the margin loan. As at 31 December 2025 and 2024, no bank borrowings were secured by charges over client's pledged securities.

During the years ended 31 December 2025 and 2024, no margin loans were granted to the directors of the Company and directors of the subsidiaries.

During the year ended 31 December 2025, secured margin loans with gross carrying amount of HK\$492.7 million (2024: HK\$420.6 million) had been written off.

Accounts receivable (except for secured margin loans)

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

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

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

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

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

Corporate finance clients

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Not past due	14,009,580	9,318,600
Less than 31 days	2,210,986	7,501,959
31 – 60 days	22,763	9,417,143
61 – 90 days	438,660	1,796,001
91 – 180 days	117,340	52,098
181 – 365 days	6,074,313	81,897
Over 365 days	1,450,216	1,450,216
	24,323,858	29,617,914

Asset management clients

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Less than 31 days	1,160,128	1,546,832
31 – 60 days	120,000	622,645
61 – 90 days	65,000	596,344
91 – 180 days	100,472	147,117
181 – 365 days	80,708	–
Over 365 days	150,000	150,000
	<u>1,676,308</u>	<u>3,062,938</u>

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

9. ACCOUNTS PAYABLE

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Accounts payable arising from the business of dealing in securities:		
Clearing house	–	4,552,535
Brokers	45,135,769	1,961,657
Clients	2,472,721,771	1,736,296,194
	<u>2,517,857,540</u>	<u>1,742,810,386</u>
Accounts payable arising from the business of dealing in futures and options contracts:		
Clients	255,966,589	336,877,496
Accounts payable arising from the business of financial products and investments:		
Brokers	84,584,896	149,564,486
Clients	–	16,858,429
	<u>84,584,896</u>	<u>166,422,915</u>
	<u>2,858,409,025</u>	<u>2,246,110,797</u>

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

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

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

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

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

The Group has accounts payable arising from the business of dealing in securities of HK\$19,743,871 due to the immediate holding company as at 31 December 2025 (2024: HK\$4,050,272).

10. SHARE CAPITAL

Details of the movement of share capital for both years are as follows:

	Number of ordinary shares of HK\$0.10 each	Share capital <i>HK\$</i>
Authorised:		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>20,000,000,000</u>	<u>2,000,000,000</u>
Issued and fully paid:		
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>4,000,000,000</u>	<u>400,000,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Equity securities		
– Listed in Hong Kong	77,753,700	43,216,093
– Listed outside Hong Kong	77,472,242	40,735,485
Debt securities (<i>note a</i>)		
– Listed in Hong Kong	2,001,118,120	1,859,671,756
– Listed outside Hong Kong	2,247,412,210	952,304,277
– Unlisted	1,854,991,794	1,292,556,444
Funds		
– Unlisted	296,707,209	161,869,564
Derivatives (<i>note b</i>)	<u>51,145,786</u>	<u>33,764,482</u>
	<u>6,606,601,061</u>	<u>4,384,118,101</u>
Analysed as:		
Current	6,597,751,424	4,373,209,742
Non-current (<i>note c</i>)	<u>8,849,637</u>	<u>10,908,359</u>
	<u>6,606,601,061</u>	<u>4,384,118,101</u>

Notes:

- (a) Included in the portfolio of held for trading debt securities, certain debt securities have been sold under a repurchase agreement during the year ended 31 December 2025 and 2024.
- (b) As at 31 December 2025, the Group entered into swap contracts and currency forwards with total notional amounts of RMB119,562,011 and USD131,440,494 (2024: RMB498,183,306 and USD60,000,000), which reference to equity index, fund interest and debt securities.
- (c) As at 31 December 2025 and 2024, included in the non-current portion is an unlisted investment fund that the directors of the Group do not expect to realise within twelve months after the reporting period.

12. DEBT INVESTMENTS AT AMORTISED COST

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Debt securities		
– Listed in Hong Kong	2,085,857,269	603,155,362
– Listed outside Hong Kong	1,088,885,793	101,424,481
– Unlisted	353,557,209	70,942,044
Less: impairment allowance	<u>(1,665,271)</u>	<u>(364,572)</u>
	<u>3,526,635,000</u>	<u>775,157,315</u>
Analysed as:		
Current	289,888,787	84,222,555
Non-current	<u>3,236,746,213</u>	<u>690,934,760</u>
	<u>3,526,635,000</u>	<u>775,157,315</u>

The carrying amounts of the debt investments at amortised cost approximate to their fair values as at 31 December 2025 and 2024.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Equity instruments designated at FVTOCI (<i>note</i>)		
– Listed in Hong Kong	2,895,754,688	1,885,666,046
– Listed outside Hong Kong	1,189,579,471	756,506,017
– Unlisted	256,004,568	115,467,226
Debt securities		
– Listed in Hong Kong	1,656,551,931	1,257,918,032
– Listed outside Hong Kong	1,617,400,852	621,996,318
– Unlisted	<u>799,898,798</u>	<u>304,232,667</u>
	<u>8,415,190,308</u>	<u>4,941,786,306</u>
Analysed as:		
Current	8,415,190,308	4,941,786,306
Non-current	<u>–</u>	<u>–</u>
	<u>8,415,190,308</u>	<u>4,941,786,306</u>

Note: The Group has designated those equity instruments at fair value through other comprehensive income (“**FVTOCI**”) as these investments are not held for trading purpose.

During the year ended 31 December 2025, the Group disposed of certain equity instruments designated at FVTOCI in response to the change in market conditions. The fair value of the equity instruments disposed at the date of derecognition was HK\$1,418,683,861 (2024: HK\$1,006,555,464). The cumulative gain on disposal of HK\$41,276,991 (2024: HK\$18,533,225) was transferred from fair value reserve to accumulated loss.

14. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
2024 Final – HK\$0.01 (2024: 2023 Final – HK\$Nil) per share	<u>40,000,000</u>	<u>–</u>

The final dividend in respect of the year ended 31 December 2024 of HK\$0.01 per ordinary share, in an aggregate amount of HK\$40,000,000, was approved at the annual general meeting held on 16 May 2025 and was paid on 17 June 2025.

The directors of the Company did not recommend any payment of final dividend in respect of the year ended 31 December 2025.

15. COMMITMENTS

Investment commitments

The Group had no investment commitments contracted as at 31 December 2025 (2024: Nil).

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance has been expressed by the auditor on the preliminary announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

I. MARKET REVIEW

In 2025, despite the slowdown in global economic growth and various uncertainties such as geopolitical tensions, Hong Kong, as an international financial centre, demonstrated strong resilience, while the Hong Kong stock market delivered outstanding performance among major global stock markets. The Hang Seng Index rose by nearly 28% throughout the year, with a significant increase in market trading activity; the turnover of the spot market increased by 89.5% year-on-year to HK\$249.8 billion; and southbound capital inflow also reached a historic high, injecting sustained momentum into the market. In respect of listing and financing activities, the Hong Kong IPO market experienced a robust recovery as the Hong Kong Stock Exchange implemented multiple measures to attract companies to list in Hong Kong and international investors demonstrated growing demand for core Chinese assets. During the period, a total of 119 new listings were completed, representing a year-on-year increase of 67.61%, and raising a total of HK\$285.843 billion, a year-on-year increase of 224.9%.

II. RESULTS REVIEW

For the year ended 31 December 2025, the Group achieved an operating revenue of HK\$911.25 million (2024: HK\$881.08 million), representing a year-on-year increase of 3.42%. For the year ended 31 December 2025, the net profit after tax of the Group amounted to HK\$167.06 million (2024: HK\$108.09 million), representing a significant year-on-year increase of 54.56% and demonstrating a new level of profitability. The growth in profit was mainly attributable to the increase in revenue from the Group's core businesses of commission and fee income from the brokerage services, financial products and investments.

For the year ended 31 December 2025, the Group's operating revenue from wealth management services, corporate finance services, asset management services, financial products and investments saw a decrease of 0.82%, a decrease of 16.56%, a decrease of 6.68% and an increase of 9.98% year-on-year, respectively.

III. OPERATION REVIEW

1. Upholding the three lines of defence in risk management to consolidate the foundation for the stable development of our business

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

2. *Building a synergistic ecosystem to empower high-quality development*

In 2025, with synergy as its core strategy, the Group has focused on building a synergistic ecosystem, activated synergistic momentum by leveraging the three-dimensional synergistic system characterized by “shared resources, co-built platforms and interconnected mechanisms” (資源共通、平台共建、機制共聯), and drove all business lines to achieve qualitative and efficiency leaps through systematic resource allocation and in-depth cross-team empowerment within the framework of integrated collaborative services, standardized collaborative products and unified collaborative risk management, thereby empowering high-quality development.

3. *Remarkable achievements in environmental, social and governance management, with enhancement in both brand strength and market recognition*

In 2025, with green finance as its core driver, the Group has continued to deepen its practices in the environmental, social and governance (ESG) field, and achieved positive progress in advancing sustainable development. During the year, the Group underwrote a total of 60 green and sustainable bonds with a financing scale of over HK\$107.0 billion, significantly higher than that of previous years, demonstrating the Group’s professional execution capabilities in green financial services. With excellent corporate governance, robust green financial practices, active social contribution and financial innovation, the Group has been awarded the BBB grade by Wind ESG Rating for four consecutive years, fully demonstrating the Group’s professional strength and continuous progress in ESG, as well as extensive recognition from professional institutions.

At the same time, the brand strength and market recognition of the Group have been strengthened simultaneously. In 2025, the Group’s stock continued to be included as a constituent of the MSCI Hong Kong Small Cap Index, which has further consolidated the Group’s offshore fund raising capabilities, and enhanced its visibility and influence in the international capital markets. The Group has been rated “BBB” by Fitch for two consecutive years with a “Stable” outlook, fully demonstrating its robust financial fundamentals and resilience to risks. In addition, the Group also won multiple prestigious honours during the year, including the Bloomberg Businessweek’s Financial Institution Award, China Securities Golden Bauhinia Awards, Hong Kong Green and Sustainable Finance Awards and other corporate level awards, demonstrating the high level of market recognition for the Group’s comprehensive strength and effectively expanding brand reputation in the market and industry influence.

IV. BUSINESS REVIEW

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

Wealth management

For the year ended 31 December 2025, the Group's revenue from wealth management business amounted to HK\$193.44 million (2024: HK\$195.03 million), representing a year-on-year decrease of 0.82%. Among which, commission and fee income from the brokerage services amounted to HK\$165.15 million (2024: HK\$158.86 million), representing a year-on-year increase of 3.96%. In 2025, the Group's trading volume of Hong Kong stocks recorded a year-on-year increase of 47% to HK\$72.3 billion, delivering an outstanding performance. The product portfolio for wealth management business has been continuously expanded, with a total of 125 products launched. By offering products with diversified asset classes and currency allocations, the Group has effectively met clients' cross-border wealth management needs. During the year, sales volume of various financial products reached approximately HK\$1.8 billion, representing a year-on-year increase of 5%. Meanwhile, the Group has actively deepened its participation in the Cross-boundary Wealth Management Connect Scheme, with a substantial year-on-year increase of 600% in the number of new accounts opened, facilitating financial market connectivity in the Greater Bay Area. For institutional client services, the Group focused on developing top-tier institutional clients, deepened investment research empowerment, built a differentiated service system, continuously optimized client structure, and enhanced business competitiveness and development resilience.

Corporate finance

For the year ended 31 December 2025, the Group's revenue from corporate finance business amounted to HK\$108.97 million (2024: HK\$130.59 million), representing a year-on-year decrease of 16.56%. Among which, income from sponsor fee amounted to HK\$3.99 million (2024: HK\$4.41 million) and commission income from placing, underwriting and sub-underwriting of debt securities amounted to HK\$92.80 million (2024: HK\$113.21 million). In 2025, the Group ranked 8th among Chinese securities firms in Hong Kong in respect of the number of equity underwriting deals, which was nine place higher than last year, with a substantial year-on-year increase of 250% in the number of underwriting. As the lead sponsor, overall coordinator, global coordinator, bookrunner and lead manager for the initial public offering of Impression Dahongpao Co., Ltd. (Stock Code: 2695.HK), the Group successfully assisted the company in becoming the first listed company specializing in landscape live performance on the Hong Kong Stock Exchange.

The Group's bond underwriting business has maintained steady growth, with its market competitiveness and regional advantages further consolidated and enhanced. The Group ranked 7th place in terms of underwriting amount of bond underwriting business among Chinese securities firms in Hong Kong, which was two place higher than last year. In Fujian Province's offshore bond underwriting market, the Group retained its top position. In 2025, the Group received multiple prestigious external awards including Bond Excellence Award in the securities sector by Bloomberg Businessweek's "Financial Institutions 2025", effectively enhancing the Company's brand image.

Asset management

For the year ended 31 December 2025, the Group's revenue from asset management business amounted to HK\$11.59 million (2024: HK\$12.42 million), representing a year-on-year decrease of 6.68%. During the reporting period, the Group achieved a leapfrog growth in assets under management through strategic expansion of its institutional client dedicated account business, with a year-on-year increase of 67% to approximately HK\$9.3 billion, significantly optimizing its business structure. The Group's core equity asset management product, China Core Asset Fund, delivered consistently outstanding performance, with an annual return of 27.85%, outperforming the return of the Hang Seng China Enterprises Index. The Group continued to deepen its core competence of investment research integration and build a diversified product matrix to provide clients with more comprehensive asset allocation options.

Financial products and investments

For the year ended 31 December 2025, the Group's revenue from financial products and investments amounted to HK\$597.24 million (2024: HK\$543.05 million), representing a year-on-year increase of 9.98%. Under the neutral and moderate risk preference, the Group strictly controlled credit risk, actively adjusted its strategy according to the market situation, seized the market opportunities, proactively expanded its investment scale amid the rate-cutting cycle while diversifying product allocations through optimized position structure and duration management, thereby enhancing returns under controlled risk parameters. The Group's fixed income investments delivered particularly outstanding performance, with regular fixed income investment yields significantly outperforming the Bloomberg Barclays China US Dollar Bond Index, while maintaining a Sharpe ratio consistently above 1. Equity investments also achieved an excellent return exceeding 20%. Through prudent risk management and precise market judgment, the Group has achieved steady growth in investment scale while simultaneously enhancing both revenue scale and return quality, fully demonstrating the professionalism and stability of the Group's investment capabilities.

FINANCIAL POSITION

As at 31 December 2025, the total assets of the Group were HK\$24,600.34 million (31 December 2024: HK\$15,732.77 million). As at 31 December 2025, the total liabilities of the Group amounted to HK\$20,172.48 million (31 December 2024: HK\$11,496.69 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2025, the net current assets of the Group were HK\$2,437.53 million (31 December 2024: HK\$4,452.48 million). As at 31 December 2025, the current ratio of the Group (defined as current assets divided by current liabilities as at the end of the respective financial year) is at 1.1 times (31 December 2024: 1.4 times).

For the year ended 31 December 2025, the net cash inflow of the Group was HK\$204.57 million (31 December 2024: inflow of HK\$69.14 million), and the bank balance of the Group as at 31 December 2025 was HK\$2,165.86 million (31 December 2024: HK\$1,961.29 million).

As at 31 December 2025, the total bank borrowings of the Group were HK\$5,156.13 million (31 December 2024: HK\$2,621.31 million).

As at 31 December 2025, the Group had outstanding bonds of HK\$650.57 million (31 December 2024: HK\$649.74 million) and outstanding notes of HK\$8.41 million (31 December 2024: HK\$60.96 million). As at 31 December 2025, the gearing ratio of the Group (defined as the sum of repurchase agreements, bank borrowings, outstanding bonds and outstanding notes divided by total equity) increased by 167% to 379% (31 December 2024: 212%).

Total equity attributable to holders of ordinary shares of the Company amounted to HK\$3,427.86 million as at 31 December 2025 (31 December 2024: HK\$3,236.08 million).

FUTURE PLAN

Looking ahead to 2026, the global economy will continue to advance under multiple pressures. Increased volatility in financial markets, stagflation risks commonly faced by developed economies, the geopolitical situation entering a highly volatile phase, and the global trade environment showing a weak recovery trend will suppress the growth momentum of the global economy and exacerbate the uncertainty of the future market.

The Group will continue to adhere to the principle of “stable operation and progress amidst stability”, secure opportunities such as the Cross-boundary Wealth Management Connect Scheme and mutual recognition of funds, carry out in-depth transformation and upgrade of its wealth management business; strengthen technological R&D and product reserves and continuously launch innovative products to better meet clients’ diverse needs; leverage on brand and professional advantages for the bond underwriting business to consolidate and enhance its leading market position, while capturing opportunities arising from the Hong Kong stock market and focusing on hot sectors to strengthen synergies and competitiveness in equity financing; stick to the bottom line of compliance and risk control, and uphold the philosophy of green financial services, optimize resource allocation, build a professional, market-oriented and international talent pool, further deepen synergies between domestic and international operations within the large investment banking system, empower global clients in multiple dimensions with comprehensive financial services, actively support Chinese enterprises to “go global”, and strive to play a more important role in the construction of the Belt and Road Initiative.

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

For the year ended 31 December 2025, the Group had no significant investments, material acquisition or disposal of subsidiaries and affiliated companies.

PLEDGE OF ASSETS BY THE GROUP

For the year ended 31 December 2025, the Group's assets pledged were mainly debt securities pledged as collaterals for repurchase agreements.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had 195 full-time employees including the Directors (31 December 2024: 209 full-time employees including the Directors). Total remuneration for the year ended 31 December 2025 amounted to HK\$196.97 million (2024: HK\$238.85 million). The remuneration policy will be reviewed by the Group from time to time in accordance with market practice, and the bonus will be distributed with reference to individual performance appraisal, prevailing market condition and the financial performance of the Group. Other employee benefits include contributions to the mandatory provident fund scheme and medical care insurance.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities for the year ended 31 December 2025 and up to the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

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

RISK MANAGEMENT

Risk management framework and mechanism

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

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

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

Credit risk

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

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

Liquidity risk

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

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

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

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

Market risk

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

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

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

Operational risk

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

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

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

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

Compliance and legal risks

The Group has proactively promoted the establishment of a stable and sound compliance and legal risk management framework, formulated relevant policies, processes and templates, kept a close eye on the prevailing laws and regulations relating to business operations, and made timely adjustments and improvements to the internal compliance and legal risk management policies and processes based on the changes of external laws and regulations to ensure that the Company's business operations comply with the laws and regulations as amended from time to time. The Group has set up a compliance management structure and established three lines of defence for compliance management, of which the legal and compliance department takes the lead in formulating the compliance management policies and procedures of the Group, providing compliance advice for various business plans and affairs, closely monitoring the compliance operation of the licensed businesses of the Group, and supervising all business segments to strictly implement relevant regulatory requirements. Meanwhile, in order to foster a sound compliance culture atmosphere and strengthen compliance awareness, the legal and compliance department has taken the lead in organising legal and compliance trainings for employees from time to time and provided internal guidance for the latest regulatory updates.

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

Reputation risk

The Group's exposure to reputation risk refers to the risk of public negative views on the Group from shareholders, employees, customers, third-party cooperation institutions and regulatory agencies caused by the operations, management and other behaviours or external events. With a complete corporate governance structure, the Group has proactively promoted the construction of reputation risk management mechanism, effectively prevented reputation risk and addressed reputation risk events by upholding the principles of prevention first, proactivity and swift response, and conducted all-rounded and whole-process management over classification, identification, assessment, reporting, handling and evaluation of reputation risk occurred in the course of the operation and management, so as to minimise losses and negative impacts on the reputation and brand image of the Group. During the reporting period, the Group has further improved its reputation risk management system, maintained an overall stable public sentiment, and has not experienced major reputation risk events.

CLOSURE OF REGISTER OF MEMBERS

The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM is Tuesday, 19 May 2026. For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Thursday, 14 May 2026 to Tuesday, 19 May 2026, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending and voting at the AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 13 May 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company and its subsidiaries during the Year (including sales of treasury shares (as defined in the Listing Rules)).

During the Year, the Company did not hold any treasury shares.

COMPETING INTERESTS

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

DIRECTORS’ SECURITIES TRANSACTIONS

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

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix C1 to the Listing Rules during the year ended 31 December 2025.

AUDIT COMMITTEE

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

The Group's annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee, which was of the opinion that such results have complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

By Order of the Board

China Industrial Securities International Financial Group Limited

Xiong Bo

Chairman

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises one non-executive Director, namely Mr. Xiong Bo (Chairman), one executive Director, namely Mr. Lin Dan, and three independent non-executive Directors, namely Ms. Ye Jianfang, Mr. Tian Li and Ms. Du Li.