兴证国际
INDUSTRIAL SECURITIES INTERNATIONAL

興證國際金融集團有限公司

China Industrial Securities International Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 6058

Connecting
Global Capital

Create Wealth
With Wisdom

Interim Report 2026

Contents

Corporate Information

BOARD OF DIRECTORS

Non-executive Director

Mr. Xiong Bo *(Chairman)*

Executive Directors

Mr. Lin Dan *(Chief Executive Officer)*
(Appointed on 23 January 2026)
Mr. Wei Wei (Appointed on 19 May 2026)
Mr. Ding Xianshu (Appointed on 19 May 2026)

Independent Non-executive Directors

Ms. Ye Jianfang (Appointed on 23 January 2026)
Mr. Tian Li
Ms. Foo Yuet Min (Appointed on 19 May 2026)
Ms. Du Li (Retired on 19 May 2026)

BOARD COMMITTEES

Audit Committee

Ms. Ye Jianfang *(Chairlady)* (Appointed on 23 January 2026)
Mr. Xiong Bo
Mr. Tian Li

Remuneration Committee

Mr. Tian Li *(Chairman)*
Mr. Xiong Bo
Ms. Foo Yuet Min (Appointed on 19 May 2026)
Ms. Du Li (Retired on 19 May 2026)

Nomination Committee

Mr. Xiong Bo *(Chairman)*
Mr. Tian Li
Ms. Foo Yuet Min (Appointed on 19 May 2026)
Ms. Du Li (Retired on 19 May 2026)

COMPANY SECRETARY

Ms. Tsang Wing Man

AUTHORISED REPRESENTATIVES

Mr. Lin Dan
Ms. Tsang Wing Man

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

REGISTERED OFFICE

PO Box 1350
Windward 3, Regatta Office Park
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

32/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial Bank Co., Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
CMB Wing Lung Bank Limited
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch
China Everbright Bank Co., Ltd., Hong Kong Branch
Chiyu Banking Corporation Limited
China Minsheng Bank Corp., Ltd., Hong Kong Branch
Nanyang Commercial Bank, Limited
China Zheshang Bank Co., Ltd, Hong Kong Branch

WEBSITE

www.xyzq.com.hk

STOCK CODE

6058

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The board of directors (the "Board") of China Industrial Securities International Financial Group Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026 together with the comparative figures as follows:

		For the six months ended 30 June	
	Notes	**2026** **HK$** **Unaudited**	2025 HK$ Unaudited
Commission and fee income	*3*	**84,119,237**	160,282,624
Interest revenue	*3*	**220,296,417**	117,922,649
Net trading and investment income	*3*	**291,887,450**	120,046,994
Total revenue	*3*	**596,303,104**	398,252,267
Other income	*3*	**68,081,300**	78,682,788
Finance costs		**(389,227,672)**	(240,686,439)
Commission and fee expenses		**(15,037,159)**	(16,003,107)
Staff costs	*5*	**(80,524,876)**	(90,122,845)
Other operating expenses		**(58,426,790)**	(61,755,055)
Reversal of impairment losses on financial assets	*5*	**4,509,123**	2,056,386
Other gains or losses	*5*	**47,901,574**	52,826,614
Profit before taxation	*5*	**173,578,604**	123,250,609
Taxation	*6*	**(35,830,346)**	(20,318,855)
Profit for the period		**137,748,258**	102,931,754
Attributable to:			
Owners of the Company		**137,748,258**	102,931,754
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (expressed in HK$)	*8*	**0.0344**	0.0142

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Profit for the period	**137,748,258**	102,931,754
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	**(5,083,191)**	46,050,894
– Income tax impact	**9,452,405**	239,403
Items that may be reclassified subsequently to profit or loss:		
– Debt investments at fair value through other comprehensive income		
– Changes in fair value	**10,745,954**	28,032,704
– Reclassification adjustment to profit or loss on disposal	**(23,389,345)**	(2,080,905)
– Income tax impact	**2,083,621**	(1,067,031)
Other comprehensive income for the period, net of tax	**(6,190,556)**	71,175,065
Total comprehensive income for the period	**131,557,702**	174,106,819
Attributable to:		
Owners of the Company	**131,557,702**	174,106,819

The notes on pages 9 to 29 form part of this interim financial report.

Condensed Consolidated Statement of Financial Position

	Notes	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Non-current assets			
Property and equipment		**7,661,297**	16,893,458
Intangible assets		**7,266,850**	8,260,730
Financial assets at fair value through profit or loss	*9*	**9,876,028**	8,849,637
Debt investments at amortised cost	*11*	**4,033,300,189**	3,236,746,213
Reverse repurchase agreements		**90,426,161**	92,885,100
Statutory deposits		**10,949,888**	22,925,431
Deferred tax assets		**57,403,800**	63,258,274
Deposits, other receivables and prepayments		**6,412,371**	6,393,750
		4,223,296,584	3,456,212,593
Current assets			
Accounts receivable	*12*	**1,809,581,848**	813,730,980
Financial assets at fair value through profit or loss	*9*	**9,186,581,813**	6,597,751,424
Financial assets at fair value through other comprehensive income	*10*	**9,845,217,214**	8,415,190,308
Debt investments at amortised cost	*11*	**482,304,548**	289,888,787
Statutory deposits		**28,394,064**	15,928,455
Deposits, other receivables and prepayments		**522,697,916**	402,418,023
Tax receivable		**6,402,739**	6,402,739
Amount due from a related party		**–**	2,848,215
Bank balances – trust accounts		**2,811,982,401**	2,434,108,361
Bank balances – general accounts and cash		**3,400,229,359**	2,165,859,422
		28,093,391,902	21,144,126,714
Current liabilities			
Accounts payable	*14*	**3,852,947,396**	2,858,409,025
Accruals and other payables		**154,415,976**	120,227,955
Amount due to a related party		**5,335,890**	5,136,472
Contract liabilities		**7,647,473**	712,607
Tax payable		**18,909,618**	469,772
Financial liabilities at fair value through profit or loss	*13*	**24,056,007**	101,256,999
Repurchase agreements		**14,645,009,591**	10,142,674,924
Bank borrowings	*15*	**8,236,256,632**	5,156,127,781
Notes	*16*	**2,366,464**	8,413,207
Bonds	*16*	**655,500,819**	–
Lease liabilities		**2,625,075**	12,018,729
Other liabilities		**151,730,806**	301,151,716
		27,756,801,747	18,706,599,187
Net current assets		**336,590,155**	2,437,527,527

Condensed Consolidated Statement of Financial Position

	Notes	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Non-current liabilities			
Repurchase agreements		**–**	815,312,538
Bonds	*16*	**–**	650,565,503
Deferred tax liabilities		**5,736**	5,736
Lease liabilities		**466,958**	–
		472,694	1,465,883,777
Net assets		**4,559,414,045**	4,427,856,343
Equity			
Share capital	*17*	**400,000,000**	400,000,000
Share premium		**3,339,895,424**	3,339,895,424
Accumulated loss		**(676,791,933)**	(830,000,756)
Other reserve		**11,577,844**	11,577,844
Capital reserve		**442,441,821**	442,441,821
Fair value reserve		**42,290,889**	63,942,010
Equity attributable to holders of the ordinary shares		**3,559,414,045**	3,427,856,343
Equity attributable to holders of other equity instruments	*18*	**1,000,000,000**	1,000,000,000
Total equity		**4,559,414,045**	4,427,856,343

The notes on pages 9 to 29 form part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Equity attributable to owners of the Company								
	Share capital HK$	Share premium HK$	Capital reserve HK$	Other reserve HK$	Fair value reserve HK$	Accumulated loss HK$	Ordinary shareholders sub-total HK$	Other equity instruments HK$	Total equity HK$
At 1 January 2026 (audited)	400,000,000	3,339,895,424	442,441,821	11,577,844	63,942,010	(830,000,756)	3,427,856,343	1,000,000,000	4,427,856,343
Profit for the period	–	–	–	–	–	137,748,258	137,748,258	–	137,748,258
Other comprehensive income for the period	–	–	–	–	(6,190,556)	–	(6,190,556)	–	(6,190,556)
Total comprehensive income for the period	–	–	–	–	(6,190,556)	137,748,258	131,557,702	–	131,557,702
Transfer of fair value reserve to accumulated loss upon disposal	–	–	–	–	(15,460,565)	15,460,565	–	–	–
At 30 June 2026 (unaudited)	400,000,000	3,339,895,424	442,441,821	11,577,844	42,290,889	(676,791,933)	3,559,414,045	1,000,000,000	4,559,414,045

For the six months ended 30 June 2025

	Equity attributable to owners of the Company								
	Share capital HK$	Share premium HK$	Capital reserve HK$	Other reserve HK$	Fair value reserve HK$	Accumulated loss HK$	Ordinary shareholders sub-total HK$	Other equity instruments HK$	Total equity HK$
At 1 January 2025 (audited)	400,000,000	3,379,895,424	442,441,821	11,577,844	(5,751,914)	(992,084,722)	3,236,078,453	1,000,000,000	4,236,078,453
Profit for the period	–	–	–	–	–	102,931,754	102,931,754	–	102,931,754
Other comprehensive income for the period	–	–	–	–	71,175,065	–	71,175,065	–	71,175,065
Total comprehensive income for the period	–	–	–	–	71,175,065	102,931,754	174,106,819	–	174,106,819
Transfer of fair value reserve to accumulated loss upon disposal	–	–	–	–	(16,804,962)	16,804,962	–	–	–
Dividends recognised as distribution	–	(40,000,000)	–	–	–	–	(40,000,000)	–	(40,000,000)
Distribution to holder of other equity instruments	–	–	–	–	–	(46,250,000)	(46,250,000)	–	(46,250,000)
At 30 June 2025 (unaudited)	400,000,000	3,339,895,424	442,441,821	11,577,844	48,618,189	(918,598,006)	3,323,935,272	1,000,000,000	4,323,935,272

The notes on pages 9 to 29 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
NET CASH USED IN OPERATING ACTIVITIES	**(374,268,422)**	(225,780,701)
INVESTING ACTIVITIES		
Dividends and interest received from investments	**305,783,551**	153,154,177
Purchase of property and equipment	**(1,146,017)**	(1,081,530)
Purchase of intangible assets	**(1,489,474)**	(1,869,159)
Purchase of financial assets at fair value through other comprehensive income	**(3,272,498,848)**	(1,462,424,318)
Proceeds from disposals and maturities of financial assets at fair value through other comprehensive income	**1,854,663,060**	1,016,169,414
Purchase of debt investments at amortised cost	**(968,710,933)**	(1,508,379,356)
NET CASH USED IN INVESTING ACTIVITIES	**(2,083,398,661)**	(1,804,430,772)
FINANCING ACTIVITIES		
Interest paid	**(122,871,081)**	(58,736,382)
Bank borrowings raised	**10,905,767,880**	7,212,544,600
Repayments of bank borrowings	**(7,818,406,350)**	(4,832,755,900)
Proceeds from issue of notes	**29,846,437**	114,316,897
Redemption of notes	**(35,821,214)**	(111,932,758)
Capital element of lease rentals paid	**(8,926,696)**	(9,272,071)
Interest element of lease rentals paid	**(209,505)**	(673,907)
Withdrawals from third-party unitholders/shareholders of consolidated investment funds	**(152,693,610)**	(2,128,022)
Dividends paid to ordinary shareholders	**–**	(40,000,000)
Distribution to holder of other equity instruments	**–**	(46,250,000)
NET CASH GENERATED FROM FINANCING ACTIVITIES	**2,796,685,861**	2,225,112,457
NET INCREASE IN CASH AND CASH EQUIVALENTS	**339,018,778**	194,900,984
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	**2,109,757,641**	1,791,898,242
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	**2,448,776,419**	1,986,799,226
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances – general accounts and cash	**2,204,248,181**	1,489,394,971
Time deposits with original maturity of less than three months when acquired	**244,528,238**	497,404,255
Cash and cash equivalents as stated in the consolidated statement of cash flows	**2,448,776,419**	1,986,799,226
Time deposits with original maturity more than three months but less than one year when acquired	**951,452,940**	282,619,172
Bank balances- general accounts and cash as stated in the consolidated statement of financial position	**3,400,229,359**	2,269,418,398
NET CASH USED IN OPERATING ACTIVITIES INCLUDE:		
Interest paid	**(146,795,851)**	(151,860,022)
Interest received	**218,293,010**	185,446,706
Dividend received	**500,984**	3,405,563

The notes on pages 9 to 29 form part of this interim financial report.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. GENERAL

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

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 17 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2(b).

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

(b) Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amendments to HKFRSs for the first time for the current period's financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKFRS 9 and HKFRS 7	*Classification and Measurement of Financial Instruments*
Amendments to HKFRS Accounting Standards	*Presentation and Disclosure in Financial Statements*

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

3. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

Revenue

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Revenue from contracts with customers within the scope of HKFRS15		
Commission and fee income		
Brokerage:		
Commission and fee income from securities brokerage	**60,225,392**	55,579,713
Commission and fee income from futures and options brokerage	**2,531,115**	7,072,735
Commission income from insurance brokerage	**278,573**	1,838,638
	63,035,080	64,491,086
Corporate finance:		
Commission income on placing, underwriting and sub-underwriting		
– Debt securities	**2,784,543**	85,240,629
– Equity securities	**3,698,669**	549,487
Corporate advisory fee income	**–**	200,400
Sponsor fee income	**5,354,817**	1,053,487
Arrangement fee income	**2,346,300**	3,035,803
	14,184,329	90,079,806
Asset management:		
Asset management fee income	**5,931,707**	4,747,274
Investment advisory fee income	**968,121**	964,458
	6,899,828	5,711,732
	84,119,237	160,282,624
Revenue from other sources		
Interest revenue		
Financial products and investments:		
Interest income from reverse repurchase agreements	**2,960,938**	3,398,352
Interest income from debt investments at fair value through other comprehensive income	**107,864,844**	59,758,858
Interest income from debt investments at amortised cost	**95,954,349**	41,369,311
	206,780,131	104,526,521
Margin financing:		
Interest income from margin financing	**13,516,286**	13,396,128
	220,296,417	117,922,649

3. REVENUE AND OTHER INCOME *(Continued)*

Revenue *(Continued)*

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Revenue from other sources *(Continued)*		
Net trading and investment income		
Financial products and investments:		
Interest income from financial assets at fair value through profit or loss	**231,317,023**	163,715,677
Dividend income from financial assets at fair value through profit or loss	**500,894**	3,405,563
Net loss on financial assets at fair value through profit or loss	**(152,027,589)**	(77,535,818)
Net gain/(loss) on derivatives	**59,417,987**	(42,259,405)
Dividend income from equity instruments designated at fair value through other comprehensive income	**129,289,790**	70,640,072
Net gain on disposals of debt investments at fair value through other comprehensive income	**23,389,345**	2,080,905
	291,887,450	120,046,994
Total revenue	**596,303,104**	398,252,267

Timing of revenue recognition for commission and fee income from customers

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
A point in time	**68,893,168**	150,408,675
Over time	**15,226,069**	9,873,949
	84,119,237	160,282,624

Other income

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Interest income from financial institutions	**61,148,192**	71,563,816
Sundry income	**6,933,108**	7,118,972
	68,081,300	78,682,788

4. SEGMENT REPORTING

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

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

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

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

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

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

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

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

For the six months ended 30 June 2026 (unaudited)

	Wealth management HK$	Corporate finance HK$	Assets management HK$	Financial products and investments HK$	Others HK$	Eliminations HK$	Consolidated HK$
Segment revenue and result							
Commission and fee income	63,035,080	14,184,329	6,899,828	–	–	–	84,119,237
Interest revenue	13,516,286	–	–	206,780,131	–	–	220,296,417
Net trading and investment income	–	–	–	291,887,450	–	–	291,887,450
Inter-segment revenue	955,419	–	1,703,537	–	–	(2,658,956)	–
Segment revenue	77,506,785	14,184,329	8,603,365	498,667,581	–	(2,658,956)	596,303,104
Revenue presented in the condensed consolidated statement of profit or loss and other comprehensive income							596,303,104
Segment results	45,136,478	(14,253,149)	(7,463,506)	129,631,377	20,527,404	–	173,578,604
Profit before taxation presented in the condensed consolidated statement of profit or loss and other comprehensive income							173,578,604

4. SEGMENT REPORTING *(Continued)*

For the six months ended 30 June 2025 (unaudited)

	Wealth management HK$	Corporate finance HK$	Assets management HK$	Financial products and investments HK$	Others HK$	Eliminations HK$	Consolidated HK$
Segment revenue and result							
Commission and fee income	64,491,086	90,079,806	5,711,732	–	–	–	160,282,624
Interest revenue	13,396,128	–	–	104,526,521	–	–	117,922,649
Net trading and investment income	–	–	–	120,046,994	–	–	120,046,994
Inter-segment revenue	652,872	–	1,224,654	–	–	(1,877,526)	–
Segment revenue	78,540,086	90,079,806	6,936,386	224,573,515	–	(1,877,526)	398,252,267
Revenue presented in the condensed consolidated statement of profit or loss and other comprehensive income							398,252,267
Segment results	71,522,648	58,764,177	(10,658,375)	(15,929,680)	19,551,839	–	123,250,609
Profit before taxation presented in the condensed consolidated statement of profit or loss and other comprehensive income							123,250,609

5. PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs (including directors' remuneration)	**80,524,876**	90,122,845
Salaries and bonuses	**79,052,925**	88,298,848
Contribution to the Mandatory Provident Fund Scheme	**1,242,112**	1,537,767
Other staff costs	**229,839**	286,230
Legal and professional fee	**8,268,482**	5,342,913
Amortisation of intangible assets	**2,483,354**	3,632,567
Depreciation	**10,378,178**	11,250,042
Owned property and equipment	**1,413,946**	2,277,269
Right-of-use assets	**8,964,232**	8,972,773
Maintenance fee	**9,088,638**	7,942,618
Reversal of impairment losses on financial assets	**(4,509,123)**	(2,056,386)
Secured margin loans	**(5,047,397)**	(2,597,904)
Debt investments at amortised cost	**340,391**	622,345
Debt investments at fair value through other comprehensive income	**197,883**	(80,827)
Other gains or losses	**(47,901,574)**	(52,826,614)
Exchange gain	**(51,174,274)**	(60,830,488)
Other loss	**3,272,700**	8,314,274

6. TAXATION

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Hong Kong Profits Tax:		
Current period	**18,439,846**	701,091
Deferred tax	**17,390,500**	19,617,764
	35,830,346	20,318,855

6. TAXATION *(Continued)*

The provision for Hong Kong Profits Tax is calculated by applying the annual effective tax rate of 16.5% (2025: 16.5%) to the estimated assessable profit for the six months ended 30 June 2026, except for one entity of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

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

7. DIVIDENDS

No dividend in respect of the year ended 31 December 2025 was declared and paid during the six months ended 30 June 2026 (30 June 2025: final dividend in repect 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 and paid during the six months ended 30 June 2025).

The Board did not declare the payment of interim dividend for the six months ended 30 June 2026 and 2025.

8. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Earnings (HK$)		
Earnings for the purpose of basic earnings per share:		
Profit for the period attributable to owners of the Company	**137,748,258**	102,931,754
Less: distribution to holder of other equity instruments	**–**	(46,250,000)
Profit for the period attributable to ordinary equity holders of the Company	**137,748,258**	56,681,754
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,000,000,000**	4,000,000,000

For each of the six months ended 30 June 2026 (unaudited) and 30 June 2025 (unaudited), there were no dilutive potential ordinary shares in issue, thus diluted earnings per share is equal to basic earnings per share.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Equity securities		
– Listed in Hong Kong	**–**	77,753,700
– Listed outside Hong Kong	**–**	77,472,242
Debt securities		
– Listed in Hong Kong	**2,419,307,712**	2,001,118,120
– Listed outside Hong Kong	**3,705,338,707**	2,247,412,210
– Unlisted	**2,518,638,581**	1,854,991,794
Funds		
– Unlisted	**405,536,000**	296,707,209
Financial products	**117,641,690**	–
Derivatives	**29,995,151**	51,145,786
	9,196,457,841	6,606,601,061
Analysed as		
Current	**9,186,581,813**	6,597,751,424
Non-current	**9,876,028**	8,849,637
	9,196,457,841	6,606,601,061

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Equity instruments designated at FVTOCI *(note)*		
– Listed in Hong Kong	**2,548,665,164**	2,895,754,688
– Listed outside Hong Kong	**2,165,692,270**	1,189,579,471
– Unlisted	**255,381,920**	256,004,568
Debt securities		
– Listed in Hong Kong	**1,872,618,083**	1,656,551,931
– Listed outside Hong Kong	**1,953,967,707**	1,617,400,852
– Unlisted	**1,048,892,070**	799,898,798
	9,845,217,214	8,415,190,308
Analysed as		
Current	**9,845,217,214**	8,415,190,308
Non-current	**–**	–
	9,845,217,214	8,415,190,308

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.

11. DEBT INVESTMENTS AT AMORTISED COST

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Debt securities		
– Listed in Hong Kong	**2,818,977,191**	2,085,857,269
– Listed outside Hong Kong	**1,338,664,492**	1,088,885,793
– Unlisted	**359,968,717**	353,557,209
Less: impairment allowance	**(2,005,663)**	(1,665,271)
	4,515,604,737	3,526,635,000
Analysed as		
Current	**482,304,548**	289,888,787
Non-current	**4,033,300,189**	3,236,746,213
	4,515,604,737	3,526,635,000

12. ACCOUNTS RECEIVABLE

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Accounts receivable arising from the business of dealing in securities:		
Secured margin loans	**523,921,099**	415,199,648
Less: impairment allowance	**(31,946,756)**	(36,938,824)
	491,974,343	378,260,824
Clearing houses	**399,118,827**	226,590,803
Cash clients	**45,465,326**	80,239,867
Brokers	**17,132,367**	12,989,539
Less: impairment allowance	**(1,160,577)**	(1,160,577)
	460,555,943	318,659,632
	952,530,286	696,920,456
Accounts receivable arising from the business of dealing in futures and options contracts:		
Clearing houses	**50,474,530**	21,024,829
Brokers	**54,181,393**	41,181,236
	104,655,923	62,206,065
Accounts receivable arising from the business of corporate finance:	**22,401,388**	24,323,858
Less: impairment allowance	**(1,450,216)**	(1,450,216)
	20,951,172	22,873,642
Accounts receivable arising from the business of asset management:	**1,926,703**	1,676,308
Less: impairment allowance	**(150,000)**	(150,000)
	1,776,703	1,526,308
Accounts receivable arising from the business of financial products and investments:		
Brokers	**729,667,764**	30,204,509
	1,809,581,848	813,730,980

12. ACCOUNTS RECEIVABLE *(Continued)*

Secured margin loans

As at 30 June 2026 and 31 December 2025, the secured margin loans are repayable on demand subsequent to settlement date.

Accounts receivable (except for secured margin loans)

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

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

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

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

12. ACCOUNTS RECEIVABLE *(Continued)*

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

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

Corporate finance clients

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Not past due	**14,523,182**	14,009,580
Less than 31 days	**4,522,067**	2,210,986
31–60 days	**24,905**	22,763
61–90 days	**58,196**	438,660
91–180 days	**540,649**	117,340
181-365 days	**417,090**	6,074,313
Over 365 days	**2,315,299**	1,450,216
	22,401,388	24,323,858

Asset management clients

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Less than 31 days	**1,206,733**	1,160,128
31–60 days	**85,000**	120,000
61–90 days	**65,000**	65,000
91–180 days	**159,000**	100,472
181–365 days	**199,788**	80,708
Over 365 days	**211,182**	150,000
	1,926,703	1,676,308

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.

13. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Held for trading		
Derivatives	**24,056,007**	101,256,999
	24,056,007	101,256,999
Analysed as:		
Current	**24,056,007**	101,256,999
Non-current	**–**	–
	24,056,007	101,256,999

14. ACCOUNTS PAYABLE

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Accounts payable arising from the business of dealing in securities:		
Clearing house	**120,513,106**	–
Brokers	**9,197,900**	45,135,769
Clients	**2,900,500,150**	2,472,721,771
	3,030,211,156	2,517,857,540
Accounts payable arising from the business of dealing in futures and options contracts:		
Clients	**122,088,897**	255,966,589
Accounts payable arising from the business of financial products and investments:		
Brokers	**649,554,742**	84,584,896
Clients	**51,092,601**	–
	700,647,343	84,584,896
	3,852,947,396	2,858,409,025

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.

14. ACCOUNTS PAYABLE *(Continued)*

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$20,274,120 due to the immediate holding company as at 30 June 2026 (31 December 2025: HK$19,743,871).

15. BANK BORROWINGS

	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Variable rate borrowings	**8,236,256,632**	5,156,127,781

The bank borrowings consist of loans borrowed by the Group from banks to facilitate investment and general working capital.

The interest rate of the Group's bank borrowings ranged from 1.71% to 4.27% as at 30 June 2026 (31 December 2025: 2.05% to 4.46%).

At 30 June 2026, the equivalent amount of HK$5,962,924,200 (net of the bank charge) (31 December 2025: HK$5,124,686,130) had been drawn by the Group under the aggregated banking facilities of HK$12,206,608,000 (31 December 2025: HK$11,347,819,000) of the Group. Industrial Securities provided letters of comfort to support the banking facilities of the Group amounting to HK$7,107,045,000 as at 30 June 2026 (31 December 2025: HK$6,817,944,000). Out of which HK$3,482,620,800 had been drawn as at 30 June 2026 (31 December 2025: HK$3,366,042,550).

The Group issued a syndicated loan during the period. As at 30 June 2026, the equivalent amount of HK$2,249,123,460 had been drawn by the Group under the aggregated syndicated loan amount of HK$4,023,700,400.

No bank borrowings were secured by charges over client's pledged securities as at 30 June 2026 and 31 December 2025.

16. BONDS AND NOTES

Bonds

On 2 February 2024, the Company issued US$300,000,000 corporate bonds (the "Corporate Bonds") with floating interest rate of secured overnight financing rate + 0.9% per annum with a three year maturity which is guaranteed by the Company's controlling shareholder, Industrial Securities Co., Ltd.

With reference to the announcements of the Company dated 23 September 2024, No Registration Event in relation to the Corporate Bonds has occurred during 2024. Pursuant to the terms and conditions of the bonds, certain bondholders have exercised the put option and total aggregate principal amount of US$217,000,000 of the Corporate Bonds were redeemed on 30 October 2024. Such redeemed Corporate Bonds were cancelled subsequently in accordance with their respective terms and conditions. Accordingly, aggregate principal amount of US$83,000,000 of the Corporate Bonds were outstanding as at 31 December 2025 and 30 June 2026.

Notes

In 2023, the Company has established the Euro-commercial paper programme under which it may offer and issue unsecured notes in tranches of an aggregate principal amount of up to HK$5,000,000,000 (or its equivalent in other currencies) to professional investors. As at 30 June 2026, the Company has outstanding notes of HK$2,366,464 (31 December 2025: HK$8,413,207) with tenors not more than 364 days. The interest rate of outstanding notes was 3.64% (31 December 2025: ranged from 3.60% to 4.10%).

17. SHARE CAPITAL

Details of the share capital are as follows:

	Number of ordinary shares of HK$0.10 each	**Share capital** HK$
Authorised:		
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	20,000,000,000	2,000,000,000
Issued and fully paid:		
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	4,000,000,000	400,000,000

18. OTHER EQUITY INSTRUMENT

On 16 June 2021, the Company issued HK$1,000,000,000 subordinated perpetual securities (the "Perpetual Securities") to Industrial Securities (Hong Kong) with an initial distribution rate of 1.58% per annum. There is no maturity date for the Perpetual Securities. The Company has the sole and absolute discretion to defer any distributions. The Perpetual Securities constitute direct, unconditional, unsecured and subordinated obligations of the Company and are classified as equity instruments and recorded as equity in the condensed consolidated statement of financial position. Pursuant to the subscription agreement and with effect from 16 June 2024, the distribution rate was revised to 4.625% per annum. No distribution (30 June 2025: HK$46,250,000) relating to the Perpetual Securities was paid during the six months ended 30 June 2026.

19. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and other price risk), credit risk and liquidity risk.

The unaudited condensed consolidated interim financial statements do not include all financial risk management information and disclosures related to the unaudited condensed consolidated financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2025.

There has been no change in the risk management policies during the current period.

Fair value measurement of financial instruments

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: 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: 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: Fair value measured using significant unobservable inputs.

Fair value of the financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated using discounted cash flow method.

The carrying amounts of the financial assets and financial liabilities not measured at fair value on a recurring basis approximate their fair values as at 30 June 2026 and 31 December 2025.

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following tables give information about how the fair values of these financial assets and financial liabilities are determined including their fair value hierarchy, valuation technique(s) and key inputs used.

19. FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

	Fair value as at			
	30 June 2026 HK$ Unaudited	31 December 2025 HK$ Audited	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
1) Financial assets at fair value through profit or loss				
Equity securities				
– Traded on stock exchanges	**–**	155,225,942	Level 1	Quoted price in active markets
Debt securities				
– Traded on stock exchanges and unlisted	**8,026,711,096**	5,297,300,937	Level 2	Quoted from brokers or market makers
– Unlisted	**–**	194,418,699	Level 2	Recent transaction price
– Unlisted	**616,573,904**	611,802,488	Level 3	Fair value of collaterals *(note a)*
Funds				
– Unlisted public	**55,685,031**	18,080,433	Level 1	Quoted price in active markets
– Unlisted private	**339,974,941**	269,777,139	Level 2	NAV of funds with observable quoted price of underlying investment in active market
– Unlisted private	**9,876,028**	8,849,637	Level 3	Direct market comparison approach with NAV of fund provided by external counterparty *(note b)*
Financial products	**117,641,690**	–	Level 1	Quoted price in active markets
Derivatives	**–**	410,635	Level 2	Quoted from broker
Derivatives	**17,913,841**	35,163,066	Level 2	Net return calculated by relevant index and quoted market prices
Derivatives	**12,081,310**	15,572,085	Level 3	Discounted cash flow model *(note c)*
	9,196,457,841	6,606,601,061		

19. FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

	Fair value as at 30 June 2026 HK$ Unaudited	31 December 2025 HK$ Audited	Fair value hierarchy	Valuation technique(s) and key input(s)
2) Financial assets at fair value through other comprehensive income				
Equity instruments designated at FVTOCI				
– Traded on stock exchanges and unlisted	**4,969,739,354**	4,341,338,727	Level 2	Quoted from brokers or market makers
Debt securities at FVTOCI				
– Traded on stock exchanges and unlisted	**4,875,477,860**	4,073,851,581	Level 2	Quoted from brokers or market makers
	9,845,217,214	8,415,190,308		
3) Financial liabilities held for trading				
Derivatives	**24,056,007**	34,183,302	Level 2	Net return calculated by relevant index and quoted market prices
Derivatives	**–**	2,088,476	Level 3	Discounted cash flow model *(note c)*
Derivatives	**–**	64,985,221	Level 3	Option pricing models *(note d)*
	24,056,007	101,256,999		
4) Other liabilities				
Third parties unit holders/ shareholders of consolidated investment funds	**151,730,806**	301,151,716	Level 2	NAV of funds with observable quoted price of underlying active market

19. FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Notes:

(a) The unobservable inputs are the fair value of collaterals. Due to limitation of public information, management has exercised significant judgement in determining the fair value of collaterals.

(b) The directors of the Company determined that the reported net asset value of the unlisted investment fund represents the fair value of the fund. The directors of the Company considered that the relationship of unobservable inputs to the fair value of such investment is in positive relationship that the higher the reported net asset value adopted in the valuation assessment, the higher the fair value would be resulted.

(c) The unobservable inputs are risk adjusted discount rate and risk adjusted foreign exchange rate of USD over RMB. The directors of the Company considered that the higher the discount rate and foreign exchange rate of USD over RMB, the lower the fair values of derivatives would be resulted.

(d) The unobservable input is implied volatility. The directors of the Company considered that the higher the implied volatility, the higher the fair values of derivatives would be resulted.

Reconciliation of level 3 fair value measurements

	2026		2025	
	Financial liabilities at fair value through profit or loss HK$	**Financial assets at fair value through profit or loss HK$**	Financial liabilities at fair value through profit or loss HK$	Financial assets at fair value through profit or loss HK$
As at 1 January	**(67,073,697)**	**636,224,210**	(8,665,528)	714,874,877
Total gains/(losses) recognised in profit or loss	**67,073,697**	**2,307,032**	(21,616,102)	17,817,667
As at 30 June	**–**	**638,531,242**	(30,281,630)	732,692,544

20. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in the notes to the unaudited condensed consolidated financial statements, the Group had the following material transactions with related parties.

(a) Compensation of key management personnel

The remuneration of key management during the six months ended 30 June 2026 and 2025 was as follows:

	For the six months ended 30 June	
	2026	2025
	HK$	HK$
	Unaudited	Unaudited
Salary and short-term benefits	**15,417,565**	14,492,453
Post-employment benefits	**129,000**	106,500

(b) Consultancy services from a fellow subsidiary

The Company has entered into a service agreement with Industrial Securities (Shenzhen) Company Limited ("Industrial Securities (Shenzhen)"), a fellow subsidiary, pursuant to which Industrial Securities (Shenzhen) has agreed to provide consultancy services to the Group for a fee charged at cost plus a mark up of 6%.

During the six months ended 30 June 2026, the Company paid a consultancy service fee of HK$843 (2025: HK$5,714,077) to Industrial Securities (Shenzhen) in accordance with the relevant service agreement.

21. INTEREST IN CONSOLIDATED STRUCTURED ENTITIES

The Group had consolidated certain structured entities including investment funds. For the investment funds where the Group involves as manager and also as investor, the Group assesses whether the combination of funds it held together with its remuneration creates exposure to variability of returns from the activities of the investment funds that is of such significance that it indicates that the Group is a principal.

Third-party interests in consolidated structured entities consist of third-party unit holders/shareholders' interests in consolidated structured entities which are reflected as a liability since they can be put back to the Group for cash. The realisation of net assets attributable to third-party unit holders/shareholders' interests in consolidated structured entities cannot be predicted with accuracy since these represent the interests of third-party unit holders/shareholders in consolidated investment funds that are subject to the actions of third-party unit holders/shareholders.

For the six months ended 30 June 2026, changes in interests held by third-party unit holders/shareholders of HK$3,272,700 (2025: HK$8,314,274) in consolidated structured entities are included as other loss within other gains or losses in the condensed consolidated statement of profit or loss and other comprehensive income and the interests held by third-party unit holders/shareholders amounted to HK$151,730,806 (31 December 2025: HK$301,151,716) as at 30 June 2026 are included in other liabilities in the condensed consolidated statement of financial position.

22. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform with the current period's presentation.

Management Discussion and Analysis

I. MARKET REVIEW

In the first half of 2026, divergences in the global macroeconomic recovery intensified, and escalating geopolitical conflicts in the Middle East pushed up energy prices and inflationary pressures. Major global equity markets generally trended upwards, while the Hong Kong stock market came under pressure and adjusted amid the combined impact of multiple factors, resulting in relatively weak performance across key indices. During the period, the Hang Seng Index fell 10.73% cumulatively, and the Hang Seng TECH Index fell 18.92% cumulatively, placing them toward the bottom of the pack among global core markets. On the capital side, southbound capital recorded a cumulative net inflow of approximately HK$305.5 billion in the first half of the year, with the inflow scale narrowing significantly year-on-year. On the trading side, market trading activity increased, with average daily turnover reaching HK$283.0 billion, representing a growth of 18% as compared with the same period last year. The primary market of the Hong Kong stock market experienced a notable recovery, with 87 newly listed companies in the first half of the year, nearly double the number in the same period last year. The total funds raised amounted to approximately HK$210.1 billion, representing a significant year-on-year increase of 92%, marking a five-year high for the same period, as the market's financing function continued to rebound.

II. RESULTS AND OVERVIEW

For the six months ended 30 June 2026, the Group recorded an operating revenue of HK$596.30 million (30 June 2025: HK$398.25 million), representing a year-on-year increase of 49.73%. For the six months ended 30 June 2026, the net profit after tax of the Group amounted to HK$137.75 million (30 June 2025: HK$102.93 million), representing a year-on-year increase of 33.83%, which demonstrated steady improvement in profitability. The growth in profit was primarily attributable to the tangible results of the Group's business structure optimization, with financial products and investments, asset management, and other core business segments contributing significantly higher revenues, thereby driving a concurrent improvement in both the scale and quality of the Group's overall profit.

For the six months ended 30 June 2026, the Group's operating revenue from wealth management services, corporate finance services, asset management services, and financial products and investments recorded decreases of 1.72% and 84.26%, and increases of 20.84% and122.06% year-on-year, respectively.

III. 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 six months ended 30 June 2026, the Group's revenue from wealth management business amounted to HK$76.55 million (30 June 2025: HK$77.89 million), representing a year-on-year decrease of 1.72%. Of this, commission and fee income from the brokerage services amounted to HK$63.04 million (30 June 2025: HK$64.49 million), representing a year-on-year decrease of 2.25%.

During the reporting period, the Group actively expanded its business footprint under the Cross-boundary Wealth Management Connect Scheme. Its new share subscription business performed strongly, with the cumulative subscription scale increasing by over 400% year-on-year. The cumulative new credit facilities extended under the margin financing business grew by 281% year-on-year. The wealth management business continued to refine its product portfolio, covering diversified asset classes and currency allocations, effectively catering to clients' cross-border asset allocation needs. At the same time, the Group accelerated the development of the "Zhiji Wealth Management" product matrix, comprehensively deepening its buyer-side investment advisory business layout, and continuously upgrading toward asset allocation-driven companion investing. In respect of institutional client, the client structure continued to improve, with the number of clients increasing by 24% year-on-year. Meanwhile, leveraging its in-depth investment research capabilities and differentiated service systems, the Group has further strengthened its business competitiveness and development resilience. The Group has received the Outstanding Wealth Management Platform Award in the securities sector at Bloomberg Businessweek's "Financial Institutions 2026" for three consecutive years.

Corporate finance

For the six months ended 30 June 2026, the Group's revenue from corporate finance business amounted to HK$14.18 million (30 June 2025: HK$90.08 million), representing a year-on-year decrease of 84.26%. Of this, income from sponsor fee amounted to HK$5.35 million (30 June 2025: HK$1.05 million) and commission income from placing, underwriting and sub-underwriting of debt securities amounted to HK$2.78 million (30 June 2025: HK$85.24 million).

During the reporting period, the Group's equity underwriting business delivered outstanding performance, with the number of underwriting deals ranking 5th among Chinese securities firms in Hong Kong. The Group assisted 10 companies in completing equity financing projects, representing a 100% year-on-year increase in underwriting volume and a 385% year-on-year increase in underwriting amount. On the bond underwriting front, despite broad market headwinds during the period, the Group continued to deepen its engagement with core clients and steadily advance its project pipeline and execution. The Group ranked 8th among Chinese securities firms in terms of underwriting amount, and retained its No. 1 position in the Fujian Province for offshore bond underwriting, maintaining a solid industry ranking. Leveraging its outstanding capabilities in green and sustainable financing services, the Group was awarded the "ESG Underwriting Institution of the Year" at the DMI 2025 China Offshore Bond Annual Institution Selection.

Asset management

For the six months ended 30 June 2026, the Group's revenue from asset management business amounted to HK$6.90 million (30 June 2025: HK$5.71 million), representing a year-on-year increase of 20.84%. During the reporting period, the Group deepened its "large asset management" business layout, and continued to enhance its "multi-asset + multi-strategy FOF" product matrix, with assets under management exceeding HK$10 billion. The scale of the Group's core equity product, the China Core Assets Fund, recorded steady growth as compared with the end of last year, and its returns consistently outperformed the Hang Seng China Enterprises Index. At the same time, the Global Investment Grade Bond Fund received in-principle approval from the Hong Kong Securities and Futures Commission, further enriching the Group's product offerings. Currently, the Group has gradually established a diversified product system covering fixed income, Hong Kong IPOs, multi-asset allocation and FOF strategies, which not only provides clients with one-stop asset allocation solutions, but also cultivates new growth drivers for high-quality development.

Financial products and investments

For the six months ended 30 June 2026, the Group's revenue from financial products and investments amounted to HK$498.67 million (30 June 2025: HK$224.57 million), representing a significant year-on-year increase of 122.06%. Under the neutral and prudent risk preference, the Group strictly controlled credit risk defense line. It captures market rotation opportunities through continuously optimizing its portfolio structure, implementing global multi-asset allocation, and establishing a risk hedging system covering foreign exchange risk and interest rate risk. As a result, the Group has achieved investment returns that consistently outperformed its performance benchmark, amid significant market volatility. At the same time, the Group focused on the core objectives of "expanding and stabilising interest margins" by increasing its allocation to medium-and-long-term accounts and broadening its diversified income channels, effectively mitigating the impact of market price fluctuations on profit or loss for the current period. During the reporting period, the Group continued to enrich its investment instruments for financial products, and its derivatives scale grew by 18% year-on-year.

FINANCIAL POSITION

As at 30 June 2026, the total assets of the Group were HK$32,316.69 million (31 December 2025: HK$24,600.34 million).

As at 30 June 2026, the total liabilities of the Group amounted to HK$27,757.27 million (31 December 2025: HK$20,172.48 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the net current assets of the Group were HK$336.59 million (31 December 2025: HK$2,437.53 million). As at 30 June 2026, the current ratio of the Group (defined as current assets divided by current liabilities as at the end of the respective financial year/period) is at 1.0 times (31 December 2025: 1.1 times).

For the six months ended 30 June 2026, the net cash inflow of the Group was HK$1,234.37 million (31 December 2025: inflow of HK$204.57 million), and the bank balance of the Group as at 30 June 2026 was HK$3,400.23 million (31 December 2025: HK$2,165.86 million).

As at 30 June 2026, the total bank borrowings of the Group were HK$8,236.26 million (31 December 2025: HK$5,156.13 million).

As at 30 June 2026, the Group had outstanding bonds of HK$655.50 million (31 December 2025: HK$650.57 million) and outstanding notes of HK$2.37 million (31 December 2025: HK$8.41 million). As at 30 June 2026, 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 137% to 516% (31 December 2025: 379%).

Total equity attributable to holders of ordinary shares of the Company amounted to HK$3,559.41 million as at 30 June 2026 (31 December 2025: HK$3,427.86 million).

FUTURE PLAN

Looking ahead to the second half of 2026, the Group will continue to uphold the principle of "prudent operation and steady progress", focus on the three key areas of "wealth management, institutional services and investment banking", accelerate the transformation of its "Zhiji Wealth Management" buyer-side investment advisory business, and deepen its cross-border business layout. The Company will continue to capture opportunities arising from the Cross-boundary Wealth Management Connect Scheme and mutual fund recognition, build a differentiated cross-border product portfolio, drive institutional sales through research services, expand its professional investor client base, and establish a prime brokerage service model. Leveraging the "Fujian-Hong Kong Technology and Finance Meeting Hub" as a key platform, the Company will develop an integrated cross-border investment banking mechanism, and continue to strengthen the foundation for its international business development. At the same time, the Company will steadfastly uphold the bottom line of compliance and risk control, embrace the philosophy of green financial services, optimise resource allocation, build a professional, market-oriented and international talent team, and fully implement the Group's strategy for the coordinated development of domestic and overseas investment banking businesses. It will also empower global clients with cross-border integrated financial services from multiple dimensions, precisely capture the historic opportunities of "Investment in China" and "China Investment", and continue to deepen the Group's international business footprint.

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

For the six months ended 30 June 2026, the Group had no significant investments, material acquisition or disposal of subsidiaries and affiliated companies.

PLEDGE OF ASSETS BY THE GROUP

For the six months ended 30 June 2026, the Group's assets pledged were mainly debt securities pledged as collaterals for repurchase agreements.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had 157 full-time employees including the Directors (30 June 2025: 164 full-time employees including the Directors). Total remuneration for the six months ended 30 June 2026 amounted to HK$80.52 million (30 June 2025: HK$90.12 million). The remuneration policy will be reviewed by the Group from time to time in accordance with market practice, and the bonus will be distributed with reference to individual performance appraisal, prevailing market condition and the financial performance of the Group. Other employee benefits include contributions to the mandatory provident fund scheme and medical care insurance.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities for the six months ended 30 June 2026 and up to the date of this report.

EVENTS AFTER THE REPORTING PERIOD

As of the date of this report, 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, the risk management department, all 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. With respect to the Company's investment and financing projects, the Group has established relevant credit review policies, formulated systems governing various types of credit limits, transaction limits and pledged security ratios, conducted pre-approvals in accordance with such systems, regularly re-examined the implementation of existing investment and financing projects and margin loans to assess the credit risk exposure, and has taken appropriate measures to mitigate risks.

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

Liquidity risk

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

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

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

The Group has met its financing needs primarily through obtaining bank loans from certain banks and issuing bonds, and constantly explored and expanded financing channels and methods. The Group has also adopted strict liquidity management measures, including but not limited to daily monitoring reports, future cash flow forecasts and liquidity stress tests, to ensure that the planning and management of liquidity are 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 all departments. 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 Group has organised relevant anti-fraud training in response to regulatory trends and revised its relevant anti-fraud policies. 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 Group's 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 within the Group 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.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company (the "Chief Executive") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

Long Position in Ordinary Shares of HK$0.1 each of the Company

Name of Directors	Capacity/Nature	Number of Shares held	Approximate percentage
Xiong Bo	Beneficial owner	2,058,531	0.05%
Lin Dan	Beneficial owner	398,000	0.00%
Ding Xianshu	Beneficial owner	4,896,327	0.12%

Save as disclosed above, as at 30 June 2026, none of the Directors or Chief Executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as the Directors and the Chief Executive are aware, as at 30 June 2026, the following persons/corporations (other than a Director or the Chief Executive) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name	Nature of Interest	Number of Shares held	Approximate percentage of Shareholding
Industrial Securities (Hong Kong) Financial Holdings Limited	Beneficial owner	2,439,377,644	60.98%
Industrial Securities Co., Ltd.* *(Note 1)*	Interest of controlled corporation	2,439,377,644	60.98%
Harvest Capital Management Co., Ltd. *(Note 2)*	Investment manager	293,232,000	7.33%
Harvest Fund Management Co., Ltd. *(Note 2)*	Interest of controlled corporation	293,232,000	7.33%
China Credit Trust Co., Ltd. *(Note 2)*	Interest of controlled corporation	293,232,000	7.33%
Hao Kang Financial Holdings (Group) Limited *(Note 3)*	Beneficial owner	205,853,089	5.15%
Apex Trade Holdings Limited *(Note 3)*	Interest of controlled corporation	205,853,089	5.15%
Chen Jiaquan *(Note 3)*	Interest of controlled corporation	205,853,089	5.15%
Yang Zhiying *(Note 4)*	Interest of spouse	205,853,089	5.15%

Notes:

1. Industrial Securities Co., Ltd.* holds the entire issued share capital of Industrial Securities (Hong Kong) Financial Holdings Limited. Therefore, Industrial Securities Co., Ltd.* is deemed or taken to be interested in all the Shares held by Industrial Securities (Hong Kong) Financial Holdings Limited for the purposes of the SFO.

2. China Credit Trust Co., Ltd holds 40% of the entire issued share capital of Harvest Fund Management Co., Ltd., and Harvest Fund Management Co., Ltd. holds 75% of the entire issued share capital of Harvest Capital Management Co., Ltd. Therefore, China Credit Trust Co., Ltd and Harvest Fund Management Co., Ltd. are deemed or taken to be interested in all the Shares held by Harvest Capital Management Co., Ltd for the purposes of the SFO.

3. Chen Jiaquan holds 70% of the total issued share capital of Apex Trade Holdings Limited and is the sole director of Hao Kang Financial Holdings (Group) Limited and therefore is deemed or taken to be interested in all the Shares held by Apex Trade Holdings Limited and Hao Kang Financial Holdings (Group) Limited for the purpose of the SFO.

4. Yang Zhiying is the spouse of Chen Jiaquan. Under the SFO, Yang Zhiying is deemed, or is taken to be, interested in all the Shares in which Chen Jiaquan is interested.

* *For identification purpose only*

Other Information

Save as disclosed above, as at 30 June 2026, the Company has not been notified by any persons, other than the Directors and the Chief Executive who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company and its subsidiaries during the six months ended 30 June 2026 (including sales of treasury shares (as defined in the Listing Rules)).

During the six months ended 30 June 2026, the Company did not hold any treasury shares.

COMPETING INTERESTS

Save for the continuing connected transactions as disclosed in the section headed "Relationship with the controlling shareholders" and "Connected transactions" in the prospectus of the Company dated 30 September 2016, none of the Directors or the controlling shareholders of the Company nor their respective close associates as defined in the Listing Rules had any interest in business that competed or might compete with business of the Group during the six months ended 30 June 2026.

CHANGES IN INFORMATION OF DIRECTORS

There is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since last published report.

CONTINUING DISCLOSURE OBLIGATION UNDER RULE 13.21 OF THE LISTING RULES

On 17 May 2023, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender") to renew the facility, pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to HK$500,000,000 (or its equivalent in USD) to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to directly or indirectly own at least 51% of the issued share capital of the Company.

On 28 October 2024, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to HK$800,000,000 to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to remain as the single largest shareholder of the Company.

On 12 March 2025, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender") to renew the facility, pursuant to which the Lender has agreed to make available uncommitted bank facilities in an aggregate amount of up to HK$3,000,000,000 to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to own and maintain (directly or indirectly) at least 51% of the issued share capital of the Company.

On 2 April 2025, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available a revolving short-term loan facility in an aggregate amount of up to HK$100,000,000 (or its equivalent in any other currency) to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to own (directly or indirectly) at least 51% issued share capital of the Company.

On 30 May 2025, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender") to renew the facility, pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to HK$300,000,000 (or its equivalent in USD or CNY) to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to hold directly or indirectly not less than 51% of the issued share capital of the Company and maintain the absolute management control over the Company.

On 20 June 2025, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to HK$300,000,000 (or its equivalent in USD or CNY) to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to be the single largest shareholder of the Company and hold not less than 51% of the issued share capital of the Company.

On 24 October 2025, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to HK$500,000,000 to the Company. The validity period of the Facility Letter is subject to the Lender's annual review. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to be the controlling shareholder of the Company.

On 2 December 2025, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender") to renew the facility, pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to US$35,000,000 to the Company. The termination date of the Facility Letter is the date falling 12 months after the date of execution of the Facility Letter or such other date as the Lender may from time to time in its sole discretion determine by reasonable prior notice/subject to annual review by the Lender. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to own (either directly or indirectly) at least 51% of the issued share capital of the Company.

On 19 December 2025, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted short term loan facility in an aggregate amount of up to HK$200,000,000 (or its equivalent in USD or RMB) to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to maintain at all time directly or indirectly at least 51% of the issued share capital of the Company.

On 6 February 2026, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to HK$500,000,000 to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to maintain directly or indirectly not less than 51% of the issued share capital of the Company and maintain the absolute management control over the Company.

On 11 February 2026, the Company as borrower (the "Borrower") entered into a 364-day facility agreement (the "Facility Agreement") with certain financial institutions as lenders for a revolving facility of US$258,000,000 and HK$2,000,000,000. Under the terms of the Facility Agreement, it shall be an event of default if Industrial Securities ceases the (direct or indirect) legal and beneficial owner of at least 51% of the issued share capital of the Company.

On 26 February 2026, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to US$100,000,000 (or its equivalent in HKD or RMB or EUR or JPY) to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to be the (direct or indirect) legal and beneficial owner of at least 51% of the issued share capital of the Company and have the power to (directly or indirectly) exercise control over the Company.

On 5 March 2026, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available a revolving loan facility in an aggregate amount of up to RMB400,000,000 to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to own (directly or indirectly) at least 51% of the issued share capital of the Company.

On 24 March 2026, the Company as borrower entered into a facility letter (the "Facility Letter") with Standard Chartered Bank (Hong Kong) Limited as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted loan facility in an aggregate amount of up to US$30,000,000 to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities does not to maintain its controlling position and management control over the Company.

Other Information

On 30 April 2026, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to CNY50,000,000 (or its equivalent amount in any other currencies) to the Company. As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to remain as the ultimate holding company of the Company.

On 22 May 2026, the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an offshore revolving loan facility in an aggregate amount of up to US$55,000,000 (or its equivalent in HKD). As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to maintain (directly or indirectly) management control over the Company.

On 5 June 2026 the Company as borrower entered into a facility letter (the "Facility Letter") with a bank as lender (the "Lender") to renew the facility, pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to US$60,000,000 to the Company (the "Facility"). As a condition of the Facility Letter, it shall be an event of default if Industrial Securities ceases to own (whether directly or indirectly) at least 51% of the issued share capital of the Company and maintain the management control over the Company.

On 30 June 2026, the Company as borrower entered into a facility agreement (the "Facility Agreement") with a bank as lender (the "Lender"), pursuant to which the Lender has agreed to make available an uncommitted revolving loan facility in an aggregate amount of up to US$70,000,000 (or its equivalent in HKD or CNY) to the Company. As a condition of the Facility Agreement, it shall be an event of default if Industrial Securities ceases to remain as the single largest shareholder of the Company and maintain the management control over the Company.

As at the date of this report, the above specific performance obligations imposed on Industrial Securities under the aforesaid facility letters continued to exist.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2026.

AUDIT COMMITTEE

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

The Group's unaudited condensed consolidated results for the six months ended 30 June 2026 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.