交銀國際控股有限公司

BOCOM International Holdings Company Limited

(Incorporated in Hong Kong with limited liability)

Stock code: 3329

2026

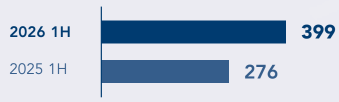
Interim Report

Contents

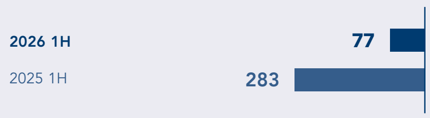
Financial Highlights

Results

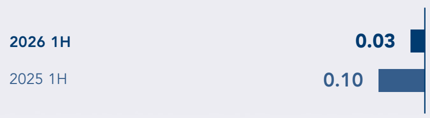
Revenue and other income (HK$' million)



Loss attributable to Shareholders
of the Company (HK$' million)

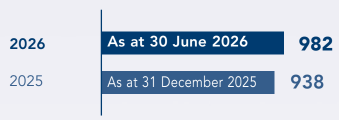


Basic/Diluted loss per Share (HKD)



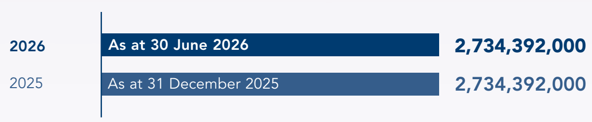
Financial Position

Shareholders' equity – attributable to
shareholders of the Company (HK$' million)



Total assets (HK$' million)

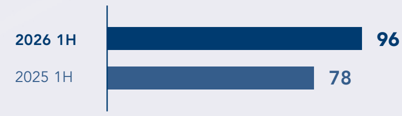
Number of Shares in issue



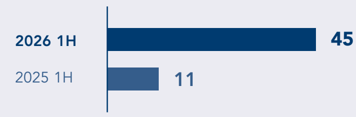
NAV per Share – attributable to
Shareholders of the Company (HK$)

Revenue and other income by segment

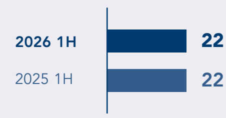
Brokerage (HK$' million)



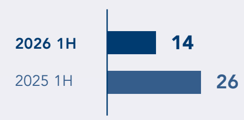
Corporate finance and underwriting (HK$' million)



Asset management and advisory (HK$' million)



Margin financing (HK$' million)



Investment and loans (HK$' million)

Others (HK$' million)

Corporate Information

BOARD OF DIRECTORS

Non-executive Directors
XIAO Ting *(Chairman)*
ZHU Chen

Executive Directors
XIE Jie *(Chief Executive Officer)*
TANG Jue *(Deputy Chief Executive Officer and Chief Risk Officer)*
(appointment effective from 29 June 2026)
WANG Xianjia *(Deputy Chief Executive Officer and Chief Risk Officer)*
(resignation effective from 6 March 2026)
TAN Yueheng
(resignation effective from 1 January 2026)

Independent Non-executive Directors
MA Ning
LIN Zhijun
PU Yonghao

BOARD COMMITTEES

Strategy and Risk Management Committee
XIAO Ting *(Chairman)*
ZHU Chen
XIE Jie
TANG Jue
(appointment effective from 29 June 2026)
WANG Xianjia
(resignation effective from 6 March 2026)
TAN Yueheng
(resignation effective from 1 January 2026)

Audit Committee
LIN Zhijun *(Chairman)*
MA Ning
PU Yonghao

Remuneration Committee
PU Yonghao *(Chairman)*
MA Ning
LIN Zhijun
ZHU Chen

Nomination Committee
MA Ning *(Chairman)*
LIN Zhijun
PU Yonghao
ZHU Chen

COMPANY SECRETARY

ZENG Jiali

AUTHORISED REPRESENTATIVES

TANG Jue
(appointment effective from 29 June 2026)
XIE Jie
(appointment effective from 6 March 2026 and cessation effective from 29 June 2026)
WANG Xianjia
(cessation effective from 6 March 2026)
ZENG Jiali

REGISTERED OFFICE

9/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong

LEGAL ADVISER

As to Hong Kong laws
DLA Piper Hong Kong

AUDITOR

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

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Ltd. Hong Kong Branch
Industrial and Commercial Bank of China (Asia) Limited
Chong Hing Bank Limited
China CITIC Bank International Limited
China Construction Bank (Asia) Corporation Limited
Ping An Bank Co., Ltd.

STOCK CODE

HKEX	3329
Reuters	3329.HK
HK Bloomberg	3329 HK

COMPANY WEBSITE

www.bocomgroup.com

Management Discussion and Analysis

MACRO ENVIRONMENT AND MARKET REVIEW

In the first half of 2026, amid geopolitical conflict developments in the Middle East, heightened fluctuations in energy prices, changes in trade policies and monetary policy divergence among major economies, the momentum of global economic growth slowed down. According to the World Economic Outlook released by the International Monetary Fund in July 2026, global economic growth is projected to be approximately 3.0% in 2026, slightly lowering compared with the previous forecast. Meanwhile, a new wave of technological revolution and industrial transformation, represented by artificial intelligence, continued to accelerate. Investment in related industries remained active, becoming an important force in supporting global demand growth and driving industrial upgrading.

Against the backdrop of an increasingly complex and volatile external environment, China's economy remained generally stable, and was moving upward in terms of new momentum and optimised structure in the first half of 2026. During the period, gross domestic product grew by 4.7% year on year. The services sector continued to expand at a relatively fast pace, while high-tech manufacturing maintained relatively strong growth, achieving the continued optimisation of the economic structure and the accelerated cultivation and expansion of new growth drivers.

Hong Kong, China's capital market demonstrated strong resilience amid volatility in the first half of 2026. Although the Hang Seng Index experienced adjustments during the period, market turnover and financing activities remained active. In the first half of the year, average daily turnover in the Hong Kong stock market reached HK$283.0 billion, the number of companies making initial public offerings reached 87, and funds raised through IPO amounted to HK$210.2 billion.

BUSINESS REVIEW

As one of the earliest licensed securities firms with PRC background in Hong Kong, we are a securities firm specialising in securities brokerage and margin financing, corporate finance and underwriting, investment and loans, asset management and advisory businesses. We believe that one of our core competitive strengths is our ability to offer comprehensive financial services and products that fulfil various investment and financing needs of clients. In the first half of 2026, the Group continued to enhance its licensed businesses. Nevertheless, as a result of the impact brought by various factors, the Group incurred a loss of HK$76.6 million for the Reporting Period as compared to that of HK$282.6 million for the same period in 2025.

Securities Brokerage and Margin Financing

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

In the first half of 2026, the Hong Kong stock market exhibited a notable divergence, driven by a combination of factors including shifting global interest rate expectations, geopolitical uncertainties and adjustments to corporate earnings forecasts. As of 30 June 2026, the Hang Seng Index recorded a cumulative decline of 10.7%, and the Hang Seng TECH Index fell by 18.9%. Certain heavyweight sectors such as internet platforms, consumer goods and pharmaceuticals underperformed relatively, whereas stocks related to artificial intelligence (AI) computing hardware, semiconductors and relevant industrial chain remained relatively active. The divergence in the market landscape placed phased pressure on the returns of certain clients' portfolios and also weighed on the retail brokerage business.

In response to this environment, our team, on the one hand, closely tracked market hotspots and the pace of capital rotation to precisely identify the allocation needs of existing clients for equity-related products; on the other hand, leveraging our in-house research capabilities and the Group's resource strengths, we systematically expanded our client base across local, corporate and industrial investment segments, with a view to providing our clients with integrated and comprehensive service solutions.

For the six months ended 30 June 2026, our commission and fee income from the securities brokerage business was HK$78.4 million, representing an increase of HK$7.1 million or 10.0% as compared with the corresponding period in 2025.

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

	For the six months ended 30 June			
	2026		2025	
	HK$'million	%	HK$'million	%
Hong Kong stocks	**63.5**	**81.0**	58.1	81.5
Non-Hong Kong stocks	**6.2**	**7.9**	4.8	6.7
Bonds	**6.1**	**7.8**	5.1	7.2
Others	**2.6**	**3.3**	3.3	4.6
	78.4	**100.0**	71.3	100.0

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

In the first half of 2026, the number of margin client accounts increased to 9,811. The monthly average loan balance decreased and interest income from margin loans for the six months ended 30 June 2026 was HK$14.4 million, representing a decrease of HK$11.2 million or 43.7% as compared with the corresponding period in 2025.

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

	30/6/2026	31/12/2025
Number of margin accounts	**9,811**	9,780
Balance of gross margin loans (HK$'million)	**419.2**	398.9
Monthly average balance (HK$'million)	**428.9**	794.0
Highest month end balance (HK$'million)	**465.1**	1,173.1
Lowest month end balance (HK$'million)	**409.3**	398.9
Margin value (HK$'million) (Note 1)	**672.9**	644.3
Market value (HK$'million) (Note 2)	**1,834.9**	2,001.7

Notes:

1. Margin value refers to the market value of the securities pledged as collateral for margin loans multiplied by a collateral discount ratio for each individual security.

2. Market value refers to the value of the securities pledged as collateral for margin loans at the real-time price of each individual security.

Corporate Finance and Underwriting

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

In the first half of 2026, there were a total of 87 new listings on the Stock Exchange (including transfer of listing from GEM to Main Board). The number of new listings increased by 97.7% as compared with the corresponding period in 2025. The aggregate amount of funds raised through IPOs was HK$210.2 billion, representing an increase of 92.1% as compared with the corresponding period in 2025.

During the Reporting Period, we completed one IPO project as a joint sponsor. Furthermore, we acted as an overall coordinator and a global coordinator/bookrunner for nine completed IPO Main Board listing projects. In respect of debt capital markets, we completed 33 debt issuance projects and successfully assisted corporations in raising USD10.7 billion in aggregate. We also acted as financial advisor for two completed financial advisory projects.

For the six months ended 30 June 2026, our commission and fee income from corporate finance and underwriting services was HK$45.5 million, representing an increase of HK$34.6 million or 315.8% as compared to HK$10.9 million in the corresponding period of 2025.

Asset Management and Advisory

We offer a full range of asset management products including both public and private equity funds, and discretionary management accounts, as well as investment advisory services, and provide comprehensive investment solutions and high-quality services to corporations, institutions, high-net-worth clients and individual investors.

We leveraged our experience in managing private equity funds in the domestic market to boost the Hong Kong market. In April 2026, as a co-manager, the Company submitted an application for, and was successfully selected under, the ITVF Enhanced Scheme (ITVF優化計劃) launched by the Innovation and Technology Commission of Hong Kong to proceed with the establishment of a fund, and support the development of innovation and technology ecosystem of Hong Kong via fund investments. The Company also intends to leverage this initiative as a bridge to actively foster in-depth cooperation between Shanghai and Hong Kong in the innovation and technology sector.

In the first half of 2026, we capitalised on market hotspots by offering asset management products to clients, focusing on IPO subscription strategies in the Hong Kong equity market, delivering sound returns to our clients. In respect of existing funds, we have continued to build up our core competitiveness in investment and research integration. Our USD-denominated money market fund operated smoothly, by always prioritising risk control and liquidity security, and maintained the highest rating for money funds of "mfAAAg" from China Chengxin (Asia Pacific) Credit Ratings Company Limited. The return of BOCOM International Dragon Core Growth Fund from the beginning of the year to 30 June 2026 outperformed the Hang Seng Index and the Hang Seng TECH Index during the same period.

As at 30 June 2026, the total amount of our AUM was approximately HK$18,463.7 million, representing a decrease of 18.3% from HK$22,593.5 million as at 31 December 2025. For the six months ended 30 June 2026, asset management and advisory fee income decreased by HK$0.3 million or 1.5%, as compared to the same period in 2025, to HK$21.6 million.

Investment and Loans

Our investment business comprises mainly equity investments, bond investments and unlisted fund investments. On the other hand, our loan business comprises mainly structured financing and loans. We aim to achieve a balance between investment returns and tolerable risks.

The Group's equity investment strategy is focused on achieving long-term capital appreciation. In recent years, we carried out plans with foresight centred on new quality productive forces by closely monitoring strategic emerging industries, advanced manufacturing industries, areas such as those with technological innovation and upgrading of traditional industries, participated in debt-equity hybrid investments in enterprises with high growth potential. As of 30 June 2026, the Group's equity investments comprised over 70 equity securities (including listed securities, unlisted securities and perpetual bonds, details of which are set out on page 41 under Note 12 to the Condensed Consolidated Financial Statements) with an aggregate fair value through profit or loss of approximately HK$2,366.2 million, representing approximately 15.91% of the Group's total assets. The funding sources of our equity investments included bank and other borrowings, obligation under repurchase agreements, debt securities issued and internal funding. In terms of performance, the equity investments have yielded profit of approximately HK$16.1 million in the first half of the year.

The Group's bond investment strategy aims to generate stable interest income and preserve capital through a prudent approach to fixed income securities. The Group preferred short-to-medium duration products having maturity of one to three years with good credit standing. For debt securities which the Group intended to hold for collecting cash flows and for selling ("**non-trading bonds**"), they were classified as financial assets at fair value through other comprehensive income whereas for debt securities which the Group intended to hold for trading purpose ("**trading bonds**"), they were classified as financial assets at fair value through profit or loss. As of 30 June 2026, the Group invested in over 80 non-trading bonds with aggregate fair value through other comprehensive income of approximately HK$5,191.9 million and in over 30 trading bonds with aggregate fair value through profit or loss of approximately HK$794.8 million, representing approximately 34.92% and 5.35% of the Group's total assets, respectively. With respect to the bond investments, as of 30 June 2026, more than 50% of such bonds were investment grade bonds; and approximately 40% of such bonds having maturity of one to three years, with the rest of them having maturities over three years. The funding sources of our debt investments included bank and other borrowings, obligation under repurchase agreements, debt securities issued and internal funding. In terms of performance, the non-trading bonds have yielded profit of approximately HK$87.9 million and the trading bonds have yielded profit of approximately HK$16.2 million in the first half of the year.

The Group's investment strategy for unlisted fund is focused on achieving long term capital appreciation and stable returns by identifying high-quality, privately held investment opportunities. The strategy targets funds managed by established managers with proven track records, primarily in sectors aligned with the Group's core competencies or those demonstrating strong growth potential. As of 30 June 2026, the Group invested in 10 unlisted funds with aggregate fair value through profit or loss of approximately HK$1,856.1 million, representing approximately 12.48% of the Group's total assets. The funding sources of our unlisted fund investments included bank and other borrowings, obligation under repurchase agreements, debt securities issued and internal funding. In terms of performance, the unlisted fund investments have yielded profit of approximately HK$27.3 million in the first half of the year. As of 30 June 2026, the top two unlisted fund investments accounted for approximately 61.7% of the total unlisted fund investments. The Company made the largest unlisted fund investment in Amber Leading Fund, L.P. ("**Amber**") in April 2018. The Company held a significant investment in Amber as of 30 June 2026, representing 5% or more of the Group's total assets. The Company had a commitment amount of US$30 million, accounting for 4.92% of total commitment of Amber. The initial cost of the investment in Amber was approximately HK$231 million, and its current fair value was assessed at HK$793.8 million, representing approximately 5.3% of the Group's total assets. In terms of performance, the investment has yielded unrealised loss of HK$2.0 million in the first half of the year. The purpose of the investment is to generate income and achieve capital appreciation. The second largest unlisted fund investment made by the Company was the Company's indirect investment in Global Logistics Properties Limited and its subsidiaries through its direct investment in a fund. The investment was fully funded in December 2017. The initial cost of the investment was HK$234.0 million and its fair value as at 30 June 2026 was assessed at HK$351.7 million, representing 2.4% of the Group's total assets. In terms of performance, the investment has yielded unrealised loss of HK$22.4 million in the first half of the year. The purpose of the investment is to generate income and achieve capital appreciation.

The Group has had risk management policies in place to identify, measure, monitor and control risks. In determining whether to make an investment, the Group will consider factors including but not limited to financial performance, business models, operating results, competitive positioning, management quality, valuation and credit rating (where applicable). For each of the major classes of investments (equity, bond and unlisted funds), the Group has established specific risk limits and consistent methods to assess and manage major risks. The Group sets and regularly monitors these risk limits and takes corrective action when relevant thresholds are approached or breached. With respect to equity investments and unlisted funds, there is a single exposure limit set at a particular absolute amount calculated with reference to certain percentage of the Group's total equity. The Group also has had in place a distressed equity asset limit set in absolute amount to cap the impact of non-performing equity investments and unlisted funds. With respect to bond investments, there are credit rating floor (minimum rating of BBB) and issuer concentration limit (maximum 10% per issuance). The Group also has had in place non-performing asset limit set in absolute amount to monitor the creditworthiness of the bond investments. In addition, the Group also has adopted market risk limits such as stop loss limit, value at risk and basis point value limit to cap potential losses from bond investments resulting from adverse market movements.

The Board has ultimate responsibility for the Group's investment activities including the approval of investment strategy, risk appetite and material investment decisions. The Board has delegated the relevant authority to the Chief Executive Officer to exercise within the scope of such authorisation, and such authority may be further delegated to relevant authorised personnel or committee in accordance with the Group's policies and internal authorisation arrangements. With respect to counterparty risk, the Group's credit risk arises from the possibility that a client or counterparty may default. In respect of equity and bond investments, the Investment Committee of the Group assesses the financial strengths, performance and repayment ability of the relevant issuers prior to making an investment, and closely monitors changes in the issuers' credit ratings, taking immediate action where there is an indication of a deterioration in an issuer's repayment ability. In respect of the loan business, the relevant department conducts due diligence on clients and their guarantors prior to granting credit, and continuously monitors clients' financial condition and repayment ability throughout the life of the loan. With respect to liquidity risk, the Group has implemented internal measures to monitor its liquidity position and foreseeable funding requirements, and aims to maintain sufficient cash and marketable securities, ensure the availability of funding through an adequate amount of committed credit facilities, and assess its ability to close out market positions. The Group's liquidity position is monitored on a daily basis to ensure that the Group's licensed subsidiaries continuously comply with the minimum liquid capital requirements under the Securities and Futures (Financial Resources) Rules. The Investment Committee assists in discharging investment making responsibilities, including approving investment proposals and monitoring and reviewing the Group's investment portfolios. The Chief Executive Officer reports to the Board on the exercise of his delegated authority on a semi-annual basis.

For structured financing and corporate loans, we launched credit business during the Reporting Period, including leveraged financing, structured products, asset-backed loans, etc. In terms of asset classes, we mainly focused on loans to corporate clients. During the Reporting Period, we had two corporate clients. One corporate client was in real estate industry granted in 2020 and one corporate client was in finance industry, to which the principal amount of loans granted, as at 30 June 2026, amounted to HK$330 million and HK$51 million, respectively (as at 31 December 2025: the principal amount of loans granted to corporate clients in the real estate industry and finance industry amounted to HK$452 million and HK$28 million, respectively). The funding sources of our credit business included bank and other borrowings, obligation under repurchase agreements, subordinated loans, debt securities issued and internal funding. We determined the credit limit of respective clients based on various factors, including but not limited to the total value of assets maintained with the Group as well as their background, annual income, trading patterns and credit history. During the Reporting Period, the aggregate amount of loans granted to the two corporate clients was HK$381 million, accounting for 100% of the total amount of loans granted by the Group during the Reporting Period, in which HK$330 million was granted to the single largest client, representing 86.6% of the total amount of loans granted by the Group during the Reporting Period (as at 31 December 2025: the aggregate amount of loans granted to the three corporate clients was HK$480 million, accounting for 100% of the total amount of loans granted by the Group during 2025, in which HK$328 million was granted to the single largest client, representing 68.2% of the total amount of loans granted by the Group during 2025).

During the Reporting Period, the loans provided by the Group primarily included short-term and long-term loans. The interest rate we charged for the short-term loans was 8.00% per annum, whilst the interest rates charged for the long-term loans ranged from 4.30% to 4.43% per annum (as at 31 December 2025: the interest rates charged for the short-term loans ranged from 7.15% to 8.00% per annum, whilst the interest rates charged for the long-term loans was 4.38% per annum). We considered a number of factors when determining the interest rate to be charged to each client, including the comprehensive business relationship, risk exposure (which covers, among others, the financial capability, business prospect, credit history and background of the client) and funding cost.

For the six months ended 30 June 2026, interest income from loans and advances and financial assets at fair value through other comprehensive income was HK$116.5 million, representing a decrease of approximately 10.2% as compared to HK$129.8 million for the same period in 2025. Proprietary trading gain was HK$28.8 million, achieving a turnaround as compared to loss of HK$42.3 million for the same period in 2025, mainly due to the net gains from financial assets at fair value through profit or loss.

In general, we require our clients to provide collateral in the form of floating charge or fixed charge to secure their payment obligations under the loans granted to protect our financial position. For secured collateral, during the Reporting Period, 75.2% of the secured collateral was in the form of securities and 24.8% was in the form of physical assets (as at 31 December 2025: 84.3% of the secured collateral was in the form of securities and 15.7% was in the form of physical assets).

During the Reporting Period, the Group did not grant any short-term loans to its clients. As at 30 June 2026, the outstanding short-term loan with maturity of one year in the principal amount was HK$330 million (as at 31 December 2025: short-term loans with maturity of one year in the principal amount ranging from HK$124 million to HK$328 million). Meanwhile, the Group granted one long-term loan with maturity of fourteen years in the principal amount of HK$23 million to a corporate client under syndication arrangement (as at 31 December 2025: one long-term loan with maturity of fifteen years in the principal amount of HK$28 million to a corporate client). As at 30 June 2026, the outstanding long-term loans amounted to HK$51 million (as at 31 December 2025: the outstanding long-term loan amounted to HK$28 million).

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

	30/6/2026 HK$'million	%	31/12/2025 HK$'million	%
Fixed income securities	**7,127.6**	**71.0**	7,298.4	70.9
Bonds	**6,923.7**	**69.0**	7,068.8	68.7
Preference shares	**203.9**	**2.0**	229.6	2.2
Equity investments	**3.7**	**0.1**	20.3	0.2
Funds	**2,908.7**	**28.9**	2,968.0	28.9

Research

Facing a complex and evolving market environment, the Group's research team continued to provide independent, objective and forward-looking research support in macroeconomics, global asset allocation, and cross-sectoral and multi-perspective investment strategies. The team actively served clients' research and investment needs, while providing strong support for the coordinated development of the Group's various businesses. During the Reporting Period, we continued to pursue forward-looking and thematic research strategies, further enhancing our macro strategy and sector research coverage, with a focus on tracking investment opportunities arising from technological innovation, industrial upgrading, green transition and structural changes in the capital market.

As of the end of June 2026, the Group's research team covered approximately 60 industry sub-sectors, published 34 in-depth research reports in the first half of the year, and recorded approximately 150,000 views of analysts' roadshows across various platforms. Looking ahead, we will continue to maintain our forward-looking, in-depth and differentiated research capabilities, and steadily enhance our brand influence and market competitiveness.

FINANCIAL REVIEW

Financial Performance

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

	For the six months ended 30 June 2026 HK$'million	2025 HK$'million
Brokerage	**95.9**	78.5
Corporate finance and underwriting	**45.5**	11.0
Asset management and advisory	**21.6**	21.9
Margin financing	**14.4**	25.6
Investment and loans	**146.9**	90.6
Others	**74.7**	48.7
Total	**399.0**	276.3

The Group's loss for the six months ended 30 June 2026 was approximately HK$76.6 million, compared to a loss of HK$282.6 million for the same period in 2025.

Operating Expenses

The Group's operating expenses and finance costs for the six months ended 30 June 2026 amounted to HK$468.3 million (2025: HK$590.3 million), an analysis of which is set out below:

	For the six months ended 30 June 2026		2025	
	HK$'million	%	HK$'million	%
Commission and brokerage expenses	**16.4**	**3.5**	15.4	2.6
Finance costs	**192.6**	**41.1**	225.6	38.2
Staff costs	**127.2**	**27.2**	141.1	23.9
Depreciation	**41.3**	**8.8**	57.3	9.7
Other operating expenses	**111.1**	**23.7**	92.3	15.6
Change in impairment allowance	**(20.3)**	**(4.3)**	58.6	10.0
Total	**468.3**	**100.0**	590.3	100.0

Finance costs decreased by 14.6%, mainly due to a decrease in average interest rate.

As at 30 June 2026, the Group recognised an accumulated impairment allowance of HK$432.7 million (a decrease of HK$288.2 million from the accumulated impairment allowance of HK$720.9 million as at 31 December 2025). The accumulated impairment losses as at 30 June 2026 comprised primarily of (i) impairment losses on loans and advances amounting to HK$312.9 million (the "**Loan Impairment**") and (ii) impairment losses on debt investments at fair value through other comprehensive income (the "**debt investments**") amounting to HK$55.9 million (the "**Debt Impairment**"). The Loan Impairment and the Debt Impairment were primarily attributable to the volatility in the capital market and the downturn in the real estate market in Chinese mainland.

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

(i) the probability of default and in assessing such probability, the Group will (a) conduct past due age analysis; (b) perform due diligence on each debtor's changes in credit rating, business, financial or economic conditions and changes in the expected performance and behavior of each debtor; and (c) consider the macro-environment and the repayment history of each debtor; and

(ii) the loss given default and the expected cash shortfall between the cash flows due to the Group in accordance with the agreements and the cash flows that the Group expects to receive and in assessing such, the Group will take into account the collaterals (if any) provided for the debts, the seniority of the claim and potential recovery scenarios based on financial statements.

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

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

As at 30 June 2026, the Loan Impairment was made for two corporate customers, one of which is connected with the Group (as at 31 December 2025: Loan Impairment had been made for three corporate customers, one of which is connected with the Group). Among them, one customer fell within Stage 3 (i.e. credit impaired) (the "**Stage 3 Borrower**") and none of the borrowers fell within Stage 2. As at 30 June 2026, the total outstanding principal amounts owed by the Stage 3 Borrower amounted to HK$329.6 million (representing approximately 86.6% of the total amount of loans granted by the Group as at 30 June 2026).

As at 30 June 2026, the Debt Impairment was made in respect of 87 debt securities invested by the Group. Among such 87 debt securities, one debt security fell within Stage 2 (the "**Stage 2 Debt**") and two debt securities fell within Stage 3 (the "**Stage 3 Debt**"). As at 30 June 2026, the total fair value of the Stage 2 Debt and the Stage 3 Debt amounted to HK$38.8 million and HK$1.7 million, respectively.

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

Liquidity, Financial Resources and Gearing Ratio

The Group's cash and bank balances as at 30 June 2026 decreased by HK$441.6 million to HK$1,583.4 million (31 December 2025: HK$2,025.0 million).

The Group's net current assets increased by HK$746.2 million to HK$365.7 million as at 30 June 2026 (31 December 2025: net current liabilities of HK$380.6 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 1.0 time as at 30 June 2026 (31 December 2025: 1.0 time).

As at 30 June 2026, the total borrowings of the Group amounted to HK$12,144.3 million (31 December 2025: HK$12,539.7 million), comprising bank and other borrowings, obligation under repurchase agreements, subordinated loans and debt securities issued. Among these, the subordinated loans from the ultimate holding company amounted to HK$1,000.0 million (31 December 2025: HK$1,000.0 million).

Debt securities issued represented HK$100 million private bonds issued by a wholly-owned subsidiary of the Company on 23 June 2026 under the medium term note programme at an issue price of 99.007215% of the principal amount and due on 23 October 2026. In addition, the bonds due on 28 June 2026 were repaid before the end of the period and are therefore no longer included in the balance of debt securities issued as at the end of the period. As at 30 June 2026, the Group's gearing ratio was 1,236.5% (31 December 2025: 1,336.5%), as calculated by dividing total borrowings by total equity.

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

Capital Structure

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

Principal Risks

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

Currency Risk

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

Interest Rate Risk

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

Credit Risk

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

Liquidity Risk

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

Operational Risk

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

Market Risk

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

Material Acquisitions and Disposals

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

Significant Investments Held

As at 30 June 2026, the Company held a significant investment in Amber, representing 5% or more of the Group's total assets. The Company had a commitment amount of US$30 million, accounting for 4.92% of total commitment of Amber. The initial cost of the investment in Amber was approximately HK$231 million, and its current fair value was assessed at HK$793.8 million, representing approximately 5.3% of the Group's total assets. In terms of performance, the investment has yielded unrealised loss of HK$2.0 million during the Reporting Period. This investment is considered revenue-generating in the ordinary course of the Group's business and is classified as "financial assets at fair value through profit or loss" in the financial statements. Amber is organised for the purpose of investing indirectly through intermediate holding entities in ARM Technology (China) Co. Ltd, with a view to generating income and achieving capital appreciation.

Charges on Group Assets

As at 30 June 2026, there was no charge on Group assets (31 December 2025: Nil).

Capital Commitments

As at 30 June 2026, the Group had no significant capital commitments.

Employees and Remuneration Policies

As at 30 June 2026, the Group had a total of 450 employees. Total staff costs amounted to approximately HK$127.2 million for the six months ended 30 June 2026.

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

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

Contingent Liabilities

As at 30 June 2026, the Group had no material contingent liabilities.

OUTLOOK AND STRATEGY

Looking ahead to the second half of 2026, the global economy will be exposed to uncertainties including continued geopolitical risks, repeated inflation stress and monetary policy divergence among major economies. Nevertheless, the new growth momentum brought by technological progress and industrial transformation, particularly, the accelerated investment and application cycle driven by artificial intelligence, will continue to inject vitality into the world economy.

For China, the fundamentals underpinning its long-term positive economic outlook remain unchanged. In the second half of 2026, macro policies are expected to make more efforts in counter-cyclical adjustment, focus on expanding domestic demand and optimising supply, and effectively ensure and improve people's livelihood, so as to drive the economy development toward an innovative, high-quality and better direction. As more proactive fiscal policies and moderately loose monetary policies are implemented, and technological innovation, green transition and industrial upgrading are continuously deepened, the momentum for high-quality development is expected to be further consolidated. Hong Kong's capital market is expected to play an even more important bridging role in areas such as IPO financing, cross-border asset allocation, wealth management and risk management, further consolidating and enhancing its status as an international financial centre.

The Company will proactively align with the national "15th Five-Year Plan" and the first five-year plan of the Hong Kong SAR Government. Guided by the implementation of the "Five Subjects" of financial endeavours, the Company will adhere to the general principle of pursuing progress while ensuring stability, stay committed to serving the real economy in all respects, strengthen and optimise its principal business activities, and balance development with security. The Company will strictly uphold the risk compliance bottom lines, clearly define its functional positioning, and foster its distinctive operational features. By leveraging its license advantages to empower the enhancement of its business quality and efficiency, the Company will continuously consolidate the foundation for its sustainable and high-quality development.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and Chief Executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 to the Listing Rules were as follows:

LONG POSITIONS IN SHARES OF ASSOCIATED CORPORATION – BOCOM

Name of Director/ Chief Executive	Capacity	Class of shares held in the associated corporation	Number of shares held	Approximate percentage to the total number of relevant class of issued shares of the associated corporation (%)	Approximate percentage to the total number of issued shares of the associated corporation (%)
XIAO Ting	Beneficial owner	A shares	183,400	0.00	0.00
ZHU Chen	Beneficial owner	A shares	190,000	0.00	0.00
XIE Jie	Beneficial owner	A shares	60,000	0.00	0.00

Save as disclosed above, as at 30 June 2026, none of the Directors or Chief Executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

For the six months ended 30 June 2026, none of the Company or any of its subsidiaries had signed any agreements to enable the Directors to acquire benefits by means of acquisition of shares or debt securities (including debentures) of the Company or any other body corporate and none of the Directors, their spouses or their children under the age of 18 had any rights to subscribe for securities of the Company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the interests and short positions of all persons (other than the Directors or Chief Executive of the Company) in the Shares and underlying Shares of the Company as required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or to the best of Directors' knowledge, were as follows:

Name of Shareholder	Capacity	Long Position/ Short Position	Total Number of Shares held	Approximate percentage to the total number of issued Shares of the Company (%)
BOCOM	Interest in a controlled corporation, beneficiary of trust[(1)]	Long Position	2,000,000,000	73.14
BOCOM Nominee	Interest in a controlled corporation, trustee (other than bare trustee)[(2)]	Long Position	2,000,000,000	73.14

Notes:

(1) Expectation Investment is an indirect subsidiary of BOCOM and is the beneficial owner of 500,000 Shares. BOCOM is deemed to be interested in an aggregate of 2,000,000,000 Shares which BOCOM Nominee is interested in as trustee (other than a bare trustee) and which Expectation Investment is interested in as beneficial owner.

(2) BOCOM Nominee is a subsidiary of BOCOM and (a) holds 1,999,500,000 Shares on trust for BOCOM and (b) controls 50% of voting rights of Expectation Investment which is the beneficial owner of 500,000 Shares.

Save as disclosed above, as at 30 June 2026, the Company was not aware of any other persons, other than the Directors and Chief Executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had interests or short positions in the Shares or underlying Shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code of the Listing Rules as its own code of corporate governance. For further details, please refer to the "Corporate Governance Report" section contained in the Company's 2025 annual report. During the six months ended 30 June 2026, the Company has complied with all the code provisions set out in part 2 of the Corporate Governance Code.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors confirmed that they complied with the Model Code throughout the six months ended 30 June 2026 in response to specific enquiries made by the Company.

CHANGE IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors and Chief Executive are set out below:

Mr. XIE Jie has served as an executive director of Hong Kong Chinese Enterprises Association since May 2026.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed with management and the Company's auditor, KPMG, the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the Company's interim report for the six months ended 30 June 2026.

The unaudited condensed consolidated interim financial information for the Reporting Period has been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

No dividend was paid or declared by the Company for the six months ended 30 June 2026 (2025 1H: Nil).

Report on Review of Interim Financial Information

To the board of directors of
BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 23 to 72 which comprises the condensed consolidated statement of financial position of BOCOM International Holdings Company Limited (the"Company") and its subsidiaries (together, the "Group") as of 30 June 2026 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 August 2026

Condensed Consolidated Income Statement

	Notes	Six months ended 30/6/2026 (Unaudited) HK$'000	Six months ended 30/6/2025 (Unaudited) HK$'000
Revenue			
Commission and fee income	*6*	**145,500**	104,118
Interest income	*6*	**131,004**	155,449
Proprietary trading income	*6*	**28,839**	(42,335)
		305,343	217,232
Other income	*6*	**93,686**	59,040
Revenue and other income		**399,029**	276,272
Commission and brokerage expenses		**(16,426)**	(15,363)
Finance costs	*8*	**(192,601)**	(225,583)
Staff costs	*8*	**(127,151)**	(141,123)
Depreciation	*8*	**(41,292)**	(57,351)
Other operating expenses		**(111,111)**	(92,326)
Change in impairment allowance	*7*	**20,287**	(58,593)
Total expenses		**(468,294)**	(590,339)
Operating loss		**(69,265)**	(314,067)
Share of results of associates	*13*	**(239)**	620
Share of results of joint ventures		**(4,507)**	28,577
Loss before taxation	*8*	**(74,011)**	(284,870)
Income tax	*9*	**(2,606)**	2,301
Loss for the period attributable to shareholders of the Company		**(76,617)**	(282,569)
Loss per share attributable to shareholders of the Company for the period — Basic/Diluted (in HKD per share)	*11*	**(0.03)**	(0.10)

Condensed Consolidated Statement of Comprehensive Income

	Six months ended	
	30/6/2026 (Unaudited) HK$'000	30/6/2025 (Unaudited) HK$'000
Loss for the period	**(76,617)**	(282,569)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Changes in fair value of debt investments at fair value through other comprehensive income	**(2,072)**	88,619
Amounts reclassified to profit or loss upon disposal of debt investments at fair value through other comprehensive income	**18,575**	20,697
	16,503	109,316
Exchange differences on translation of foreign operations	**103,983**	91,994
	120,486	201,310
Items that will not be reclassified subsequently to profit or loss		
Changes in fair value of equity investments at fair value through other comprehensive income	**–**	5
Other comprehensive income, net of tax	**120,486**	201,315
Total comprehensive income attributable to shareholders of the Company	**43,869**	(81,254)

Condensed Consolidated Statement of Financial Position

	Notes	30/6/2026 (Unaudited) HK$'000	31/12/2025 (Audited) HK$'000
Assets			
Non-current Assets			
Property and equipment		**37,387**	44,023
Right-of-use assets		**43,593**	64,548
Intangible assets		**38,350**	39,294
Interest in associates	*13*	**180,705**	177,149
Interest in joint ventures		**773,685**	872,004
Other assets		**28,315**	35,088
Financial assets at fair value through other comprehensive income	*12*	**4,003,570**	2,876,690
Loans and advances	*14*	**47,567**	26,322
Deferred tax assets		**3,691**	4,600
Total non-current assets		**5,156,863**	4,139,718
Current Assets			
Loans and advances	*14*	**20,189**	19,442
Accounts receivable	*15*	**560,340**	545,842
Other receivables and prepayments	*16*	**746,592**	247,917
Margin loans to customers	*17*	**403,504**	383,152
Amount due from the ultimate holding company		**21,301**	101,892
Amount due from a fellow subsidiary		**24,045**	4,327
Amounts due from related parties		**980**	447
Financial assets at fair value through other comprehensive income	*12*	**1,188,296**	2,641,511
Financial assets at fair value through profit or loss	*12*	**5,150,972**	4,878,596
Derivative financial assets	*12*	**11,471**	274
Cash and bank balances	*18*	**1,583,402**	2,025,046
Total current assets		**9,711,092**	10,848,446
Total assets		**14,867,955**	14,988,164
Equity and liabilities			
Equity attributable to shareholders of the Company			
Share capital	*22*	**3,942,216**	3,942,216
Accumulated losses		**(2,908,072)**	(2,831,455)
Revaluation reserve		**(5,702)**	(22,205)
Foreign currency translation reserve		**(46,297)**	(150,280)
Total equity		**982,145**	938,276

Condensed Consolidated Statement of Financial Position (Continued)

	Notes	30/6/2026 (Unaudited) HK$'000	31/12/2025 (Audited) HK$'000
Liabilities			
Non-current Liabilities			
Subordinated loans from the ultimate holding company	19	**1,000,000**	1,000,000
Obligation under repurchase agreements	19	**3,173,055**	1,469,878
Lease liabilities		**12,781**	20,728
Financial liabilities at fair value through profit or loss	12	**350,438**	326,171
Deferred tax liabilities		**4,094**	4,082
Total non-current liabilities		**4,540,368**	2,820,859
Current Liabilities			
Borrowings	19	**6,757,498**	4,960,109
Obligation under repurchase agreements	19	**1,114,647**	1,228,736
Tax payable		**468**	4,158
Provision for staff costs		**107,961**	163,718
Other payables and accrued expenses		**492,440**	409,327
Accounts payable	21	**508,461**	206,792
Contract liabilities		**54,574**	17,262
Lease liabilities		**31,834**	46,282
Financial liabilities at fair value through profit or loss	12	**173,295**	307,421
Derivative financial liabilities	12	**5,200**	4,262
Debt securities issued	20	**99,064**	3,880,962
Total current liabilities		**9,345,442**	11,229,029
Total liabilities		**13,885,810**	14,049,888
Total equity and liabilities		**14,867,955**	14,988,164
Net current assets/(liabilities)		**365,650**	(380,583)
Total assets less current liabilities		**5,522,513**	3,759,135

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company				
	Share capital HK$'000	Accumulated losses HK$'000	Revaluation reserve HK$'000	Foreign currency translation reserve HK$'000	Total equity HK$'000
At 1 January 2026	**3,942,216**	**(2,831,455)**	**(22,205)**	**(150,280)**	**938,276**
Loss for the period	**–**	**(76,617)**	**–**	**–**	**(76,617)**
Other comprehensive income for the period	**–**	**–**	**16,503**	**103,983**	**120,486**
Total comprehensive income for the period	**–**	**(76,617)**	**16,503**	**103,983**	**43,869**
At 30 June 2026 (Unaudited)	**3,942,216**	**(2,908,072)**	**(5,702)**	**(46,297)**	**982,145**
At 1 January 2025	3,942,216	(2,557,830)	(211,909)	(289,729)	882,748
Loss for the period	–	(282,569)	–	–	(282,569)
Other comprehensive income for the period	–	–	109,321	91,994	201,315
Total comprehensive income for the period	–	(282,569)	109,321	91,994	(81,254)
At 30 June 2025 (Unaudited)	3,942,216	(2,840,399)	(102,588)	(197,735)	801,494

Condensed Consolidated Statement of Cash Flows

	Notes	Six months ended 30/6/2026 (Unaudited) HK$'000	Six months ended 30/6/2025 (Unaudited) HK$'000
Operating activities			
Loss before taxation		**(74,011)**	(284,870)
Adjustments for:			
Dividend income	6	**(27,062)**	(21,723)
Interest income from loans or clients		**(15,767)**	(46,741)
Interest income from financial assets at fair value through other comprehensive income	6	**(115,237)**	(108,708)
Bank and other interest income	6	**(50,659)**	(41,655)
Finance costs	8	**192,601**	225,583
Depreciation	8	**41,292**	57,351
Change in impairment allowance	7	**(20,287)**	60,009
Unrealised loss on financial assets and liabilities at fair value through profit or loss		**1,826**	54,344
Unrealised (gain) /loss on derivative financial assets and liabilities		**(10,289)**	177
Net realised and unrealised loss on debt investments at fair value through other comprehensive income		**27,309**	20,697
Foreign exchange loss		**37,915**	18,308
Share of results of associates		**239**	(620)
Share of results of joint ventures		**4,507**	(28,577)
Operating cash flows before movements in working capital		**(7,623)**	(96,425)
Decrease/(increase) in other assets		**6,773**	(850)
Increase in financial assets at fair value through profit or loss		**(270,722)**	(670,089)
Decrease in financial liabilities at fair value through profit or loss		**(128,872)**	(122,863)
(Increase)/decrease in derivative financial assets		**(12)**	24
Increase in derivative financial liabilities		**42**	51
Increase in accounts receivable		**(14,302)**	(768,195)
(Increase)/decrease in margin loans to customers		**(20,361)**	189,484
(Increase)/decrease in loans and advances		**(15,216)**	458,265
Decrease in amount due from the ultimate holding company		**80,591**	37,765
(Increase)/decrease in amounts due from related parties		**(533)**	37
Increase in amount due from a fellow subsidiary		**(19,718)**	(16,696)
Increase in other receivables and prepayments		**(502,236)**	(550,006)
Increase in accounts payable		**301,669**	634,390
Decrease in provision for staff costs		**(55,757)**	(36,196)
Increase in other payables and accrued expenses		**50,840**	91,241
Increase in contract liabilities		**37,312**	81,679
Net cash used in operations		**(558,125)**	(768,384)

Condensed Consolidated Statement of Cash Flows (Continued)

	Notes	Six months ended 30/6/2026 (Unaudited) HK$'000	30/6/2025 (Unaudited) HK$'000
Income tax paid		**(5,306)**	(5,234)
Interest received from loans or clients		**17,254**	52,629
Bank and other interest income received		**44,420**	30,310
Interest expenses paid		**(124,728)**	(197,199)
Net cash used in operating activities		**(626,485)**	(887,878)
Investing activities			
Dividend received		**27,062**	21,723
Bond interest income received		**138,074**	101,263
Purchase of property and equipment		**(3,053)**	(4,233)
Capital reduction from joint venture		**126,449**	–
Distribution from joint ventures		**–**	1,066
Purchase of financial assets at fair value through other comprehensive income		**(1,278,681)**	(2,022,065)
Proceeds on disposal of financial assets at fair value through other comprehensive income		**1,651,522**	1,264,389
Decrease/(increase) in time deposit with original maturity of more than three months		**6,677**	(80,135)
Net cash generated from/(used in) investing activities		**668,050**	(717,992)
Financing activities			
Net drawdown of bank loans and other borrowings		**3,301,395**	1,686,751
Principal repayment of debt securities issued		**(3,905,000)**	–
Cash payments for interest on debt securities issued		**(34,169)**	(34,208)
Proceeds on issuance of debt securities		**99,007**	–
Capital element of lease rentals paid		**(29,637)**	(39,209)
Interest element of lease rentals paid		**(932)**	(2,179)
Net cash (used in)/generated from financing activities		**(569,336)**	1,611,155
Net (decrease)/increase in cash and cash equivalents		**(527,771)**	5,285
Cash and cash equivalents at 1 January	18	**1,495,878**	1,158,410
Effect of exchange rate changes on cash and cash equivalents		**92,803**	85,553
Cash and cash equivalents at 30 June	18	**1,060,910**	1,249,248

Notes to the Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

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

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

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

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

2. 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, 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 26 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 3.

2. BASIS OF PREPARATION (continued)

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 the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity,* issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2025, that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, the following amendments to HKFRS Accounting Standards are relevant to the Group's financial statements. The impacts of adopting these amendments are discussed below.

Notes to the Condensed Consolidated Financial Statements (Continued)

3. CHANGES IN ACCOUNTING POLICIES (continued)

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

– Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*

  The amendments cover two main aspects:

  - The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

  - The amendments introduce new disclosures for disposals of investments in equity instruments designated at fair value through other comprehensive income, and for financial instruments not measured at fair value through profit or loss which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

– Annual improvements to HKFRS Accounting Standards – Volume 11

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025, with the exception of changes in estimates that are required in determining the impairment losses and valuation of financial assets and fair value of financial instruments.

5. SEGMENT INFORMATION

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

(a) Brokerage segment provides securities trading and brokerage services;

(b) Corporate finance and underwriting segment provides corporate finance services including equity underwriting, debt underwriting, sponsor services and financial advisory services to institutional clients;

(c) Asset management and advisory segment offers traditional asset management products and services to third party clients. In addition, it also offers investment advisory services, portfolio management services and transaction execution services;

(d) Margin financing segment provides securities-backed financial leverage for both retail and institutional clients;

(e) Investment and loans segment engages in direct investment business including investments in various debt and equity securities, investments in companies and investments in loans; and

(f) Others include headquarter operations such as bank interest income, and interest expense incurred for general working capital purposes and financial technology business.

Inter-segment transactions, if any, are conducted with reference to the prices charged to external third parties. There was no change in basis during the relevant periods.

Notes to the Condensed Consolidated Financial Statements (Continued)

5. SEGMENT INFORMATION (continued)

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

	Six months ended 30 June 2026 (Unaudited)							
	Brokerage HK$'000	Corporate finance and underwriting HK$'000	Asset management and advisory HK$'000	Margin financing HK$'000	Investment and loans HK$'000	Others HK$'000	Elimination HK$'000	Total HK$'000
Total revenue								
Revenue								
Commission and fee income								
– External	78,417	45,505	21,578	–	–	–	–	145,500
– Internal	7	–	10,510	–	–	–	(10,517)	–
Interest income								
– External	–	–	–	14,427	116,577	–	–	131,004
– Internal	–	–	–	–	88,758	–	(88,758)	–
Proprietary trading income								
– External	–	–	–	–	28,839	–	–	28,839
– Internal	–	–	–	–	–	–	–	–
Other income	17,517	–	15	–	1,464	74,690	–	93,686
	95,941	45,505	32,103	14,427	235,638	74,690	(99,275)	399,029
Total expenses	(80,455)	(28,771)	(34,552)	(6,418)	(371,568)	(45,805)	99,275	(468,294)
Share of results of associates	–	–	–	–	(239)	–	–	(239)
Share of results of joint ventures	–	–	–	–	(4,507)	–	–	(4,507)
Profit/(loss) before taxation	15,486	16,734	(2,449)	8,009	(140,676)	28,885	–	(74,011)
Other disclosures								
Depreciation	(4,573)	(1,605)	(3,700)	(3,063)	(10,381)	(17,970)	–	(41,292)
Change in impairment allowance	(4)	200	–	(9)	20,100	–	–	20,287
Finance costs	(150)	(55)	(185)	(111)	(280,749)	(109)	88,758	(192,601)

5. SEGMENT INFORMATION (continued)

	Six months ended 30 June 2025 (Unaudited)							
	Brokerage HK$'000	Corporate finance and underwriting HK$'000	Asset management and advisory HK$'000	Margin financing HK$'000	Investment and loans HK$'000	Others HK$'000	Elimination HK$'000	Total HK$'000
Total revenue								
Revenue								
Commission and fee income								
– External	71,261	10,944	21,913	–	–	–	–	104,118
– Internal	–	–	7,054	–	–	–	(7,054)	–
Interest income								
– External	–	–	–	25,612	129,837	–	–	155,449
– Internal	–	–	–	–	93,840	–	(93,840)	–
Proprietary trading income								
– External	–	–	–	–	(42,335)	–	–	(42,335)
– Internal	–	–	–	–	–	–	–	–
Other income	7,202	–	2	–	3,116	48,720	–	59,040
	78,463	10,944	28,969	25,612	184,458	48,720	(100,894)	276,272
Total expenses	(77,889)	(39,613)	(34,936)	(11,251)	(478,550)	(48,994)	100,894	(590,339)
Share of results of associates	–	–	–	–	620	–	–	620
Share of results of joint ventures	–	–	–	–	28,577	–	–	28,577
Profit/(loss) before taxation	574	(28,669)	(5,967)	14,361	(264,895)	(274)	–	(284,870)
Other disclosures								
Depreciation	(11,504)	(3,005)	(7,421)	(3,358)	(9,772)	(22,291)	–	(57,351)
Change in impairment allowance	–	(350)	–	895	(59,138)	–	–	(58,593)
Finance costs	(884)	(157)	(100)	(100)	(317,990)	(192)	93,840	(225,583)

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
Total revenue from external customers by location of operations		
– Hong Kong	**363,316**	279,645
– Chinese Mainland	**35,713**	(3,373)
	399,029	276,272

Notes to the Condensed Consolidated Financial Statements (Continued)

6. REVENUE AND OTHER INCOME

(a) Disaggregation of revenue and other income

	Six months ended 30/6/2026 HK$'000 (Unaudited)	Six months ended 30/6/2025 HK$'000 (Unaudited)
REVENUE		
COMMISSION AND FEE INCOME		
Revenue from contracts with customers within the scope of HKFRS 15		
Brokerage commission	**78,417**	71,261
Corporate finance and underwriting fee	**45,505**	10,944
Asset management and advisory fee	**21,578**	21,913
	145,500	104,118
INTEREST INCOME		
Interest income calculated using the effective interest method		
Interest income from margin financing	**14,427**	25,612
Interest income from loans and advances	**1,340**	21,129
Interest income from financial assets at fair value through other comprehensive income	**115,237**	108,708
	131,004	155,449
PROPRIETARY TRADING INCOME		
Interest income calculated using the effective interest method		
Net trading and investment income		
– Interest income from financial assets at fair value through profit or loss	**15,533**	2,470
Revenue from other sources		
Net trading and investment income		
– Net gain/(loss) on financial assets at fair value through profit or loss	**18,130**	(83,495)
– Net loss on financial assets at fair value through other comprehensive income	**(27,308)**	(20,697)
– Net loss on financial liabilities at fair value through profit or loss	**–**	(3,746)
– Net gain on derivative financial instruments	**14,435**	5,404
– Fair value changes from financial liabilities to the investors of the funds consolidated	**(19,013)**	36,006
Dividend income from		
– Financial assets at fair value through profit or loss	**27,062**	21,723
	28,839	(42,335)
	305,343	217,232

6. REVENUE AND OTHER INCOME (continued)

(a) Disaggregation of revenue and other income (continued)

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
OTHER INCOME		
Handling fees	**6,518**	6,618
Other interest income	**50,659**	41,655
Computer software development and maintenance services	**4,701**	4,957
Digital RMB marketing service income	**524**	228
Others	**31,284**	5,582
	93,686	59,040

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

At the end of the reporting period, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK$54,574 thousand (31 December 2025: HK$17,262 thousand). This amount represents revenue expected to be recognised in the future from corporate finance, asset management and advisory services business. The Group will recognise the expected revenue in future when the remaining performance obligations under the contracts are satisfied, which is expected to occur within one year.

7. CHANGE IN IMPAIRMENT ALLOWANCE

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
Change in impairment allowance on:		
Accounts receivable	**(196)**	350
Margin loans to customers	**9**	(895)
Loans and advances	**(6,776)**	39,293
Debt investments at fair value through other comprehensive income	**(14,333)**	8,815
Other receivables	**1,009**	12,446
	(20,287)	60,009
Bad debts recovery	**–**	(1,416)
	(20,287)	58,593

Notes to the Condensed Consolidated Financial Statements (Continued)

8. LOSS BEFORE TAXATION

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
Loss before taxation has been arrived at after charging:		
Finance costs:		
– Interest expenses on subordinated loans from the ultimate holding company	**15,788**	19,181
– Interest expenses on bank loans from the ultimate holding company	**9,262**	242
– Interest expenses on bank loans and overdraft from other financial institutions	**57,676**	79,304
– Interest expenses on obligation under repurchase agreements	**73,702**	88,882
– Interest expenses on lease liabilities	**932**	2,179
– Interest expenses on debt securities issued:		
– payable to the ultimate holding company	**678**	682
– payable to the fellow subsidiaries	**2,253**	2,634
– payable to other financial institutions	**32,290**	32,478
– Others	**20**	1
	192,601	225,583
Depreciation	**41,292**	57,351
Operating lease charges	**1,115**	1,364
Staff costs	**127,151**	141,123

9. INCOME TAX

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax	**259**	360
Under provision in prior periods	**1,278**	1,685
Total current tax	**1,537**	2,045
Deferred tax	**1,069**	(4,346)
Income tax expense/(credit) recognised in profit or loss	**2,606**	(2,301)

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the current and prior period. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the People's Republic of China's entities is 25%.

10. DIVIDENDS

Dividends approved during the interim period

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
No dividend was declared and approved for previous financial year	**–**	–

Dividends attributable to the interim period

No dividend was paid or declared by the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

Notes to the Condensed Consolidated Financial Statements (Continued)

11. LOSS PER SHARE

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

	Six months ended	
	30/6/2026 (Unaudited)	30/6/2025 (Unaudited)
Loss attributable to shareholders of the Company (in HK$'000)	**(76,617)**	(282,569)
Weighted average number of ordinary shares in issue (in '000 shares)	**2,734,392**	2,734,392
Loss per share (in HKD per share)	**(0.03)**	(0.10)

There were no potential diluted ordinary shares. The diluted loss per share was the same as the basic loss per share.

12. FINANCIAL ASSETS AND LIABILITIES

The table below summarised the information relating to the fair value hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis.

Financial assets at fair value through other comprehensive income

	At 30 June 2026 (Unaudited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Mandatorily measured at fair value through other comprehensive income				
Debt investments	**–**	**5,191,866**	**–**	**5,191,866**
Analysed for reporting purposes:				
Non-current				**4,003,570**
Current				**1,188,296**
				5,191,866

12. FINANCIAL ASSETS AND LIABILITIES (continued)

Financial assets at fair value through other comprehensive income (continued)

	At 31 December 2025 (Audited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Mandatorily measured at fair value through other comprehensive income				
Debt investments	–	5,518,201	–	5,518,201
Analysed for reporting purposes:				
Non-current				2,876,690
Current				2,641,511
				5,518,201

Financial assets at fair value through profit or loss

	At 30 June 2026 (Unaudited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Equity securities	**86,888**	**1,061,068**	**–**	**1,147,956**
Debt investments	**–**	**794,794**	**–**	**794,794**
Preference shares	**–**	**–**	**203,914**	**203,914**
Unlisted funds	**–**	**–**	**1,856,120**	**1,856,120**
Structured financial products	**–**	**133,900**	**–**	**133,900**
Unlisted equities	**–**	**–**	**1,014,288**	**1,014,288**
	86,888	**1,989,762**	**3,074,322**	**5,150,972**

Notes to the Condensed Consolidated Financial Statements (Continued)

12. FINANCIAL ASSETS AND LIABILITIES (continued)

Financial assets at fair value through profit or loss (continued)

	At 31 December 2025 (Audited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Equity securities	121,922	1,263,842	–	1,385,764
Debt investments	–	480,949	–	480,949
Preference shares	–	–	229,595	229,595
Unlisted funds	–	–	1,770,287	1,770,287
Structured financial products	–	38,777	–	38,777
Unlisted equities	–	–	973,224	973,224
	121,922	1,783,568	2,973,106	4,878,596

Derivative financial assets

	At 30 June 2026 (Unaudited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Interest rate swaps	**–**	**8,574**	**–**	**8,574**
Currency swaps	**–**	**2,897**	**–**	**2,897**
	–	**11,471**	**–**	**11,471**

	At 31 December 2025 (Audited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Interest rate swaps	–	274	–	274

12. FINANCIAL ASSETS AND LIABILITIES (continued)

Financial liabilities at fair value through profit or loss

	At 30 June 2026 (Unaudited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial liabilities to the investors of the funds consolidated	**(173,295)**	**–**	**(350,438)**	**(523,733)**
Analysed for reporting purposes:				
Non-current				**(350,438)**
Current				**(173,295)**
				(523,733)

	At 31 December 2025 (Audited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial liabilities to the investors of the funds consolidated	(307,421)	–	(326,171)	(633,592)
Analysed for reporting purposes:				
Non-current				(326,171)
Current				(307,421)
				(633,592)

Notes to the Condensed Consolidated Financial Statements (Continued)

12. FINANCIAL ASSETS AND LIABILITIES (continued)

Derivative financial liabilities

	At 30 June 2026 (Unaudited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Currency swaps	**–**	**(697)**	**–**	**(697)**
Others	**–**	**–**	**(4,503)**	**(4,503)**
	–	**(697)**	**(4,503)**	**(5,200)**

	At 31 December 2025 (Audited)			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Others	–	–	(4,262)	(4,262)

Details of disclosure for fair value measurement are set out in Note 25.

13. INTEREST IN ASSOCIATES

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Unlisted investment at the beginning of the period/year	**158,956**	158,956
Profit after acquisition		
– As at 1 January	**20,212**	16,281
– Share of (loss)/profit for the period/year	**(239)**	5,266
Distribution for the period/year	**–**	(1,335)
Accumulated exchange difference arising from translation of foreign operations	**1,776**	(2,019)
	180,705	177,149

14. LOANS AND ADVANCES

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Gross loans and advances	**380,629**	480,302
Less: impairment allowance	**(312,873)**	(434,538)
	67,756	45,764
Net loans and advances:		
Non-current	**47,567**	26,322
Current	**20,189**	19,442
	67,756	45,764

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

15. ACCOUNTS RECEIVABLE

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Corporate finance and underwriting business	**21,103**	11,260
Dealing in securities and futures business		
– Clients	**259,543**	170,405
– Brokers	**209,276**	163,812
– Clearing house	**71,272**	201,415
	540,091	535,632
Less: impairment allowance	**(854)**	(1,050)
	560,340	545,842

Notes to the Condensed Consolidated Financial Statements (Continued)

15. ACCOUNTS RECEIVABLE (continued)

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

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Current (not past due)	**556,367**	538,460
Less than 31 days past due	**1,548**	3,423
31 – 60 days past due	**921**	1,342
61 – 90 days past due	**31**	251
Over 90 days past due	**2,327**	3,416
	4,827	8,432
Less: impairment allowance	**(854)**	(1,050)
	560,340	545,842

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

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

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

16. OTHER RECEIVABLES AND PREPAYMENTS

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Other receivables	**724,806**	283,381
Less: impairment allowance	**(47,260)**	(56,438)
	677,546	226,943
Prepayments	**69,046**	20,974
	746,592	247,917

17. MARGIN LOANS TO CUSTOMERS

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Gross margin loans to customers	**419,248**	398,887
Less: impairment allowance	**(15,744)**	(15,735)
Net margin loans to customers	**403,504**	383,152

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

Notes to the Condensed Consolidated Financial Statements (Continued)

18. CASH AND BANK BALANCES

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Cash at bank and in hand	**1,060,910**	1,495,878
Time deposits with original maturity of more than three months	**522,492**	529,168
	1,583,402	2,025,046

As at 30 June 2026, bank balances held at the ultimate holding company and a fellow subsidiary were HK$808,168 thousand (31 December 2025: HK$1,088,120 thousand) and HK$6,432 thousand (31 December 2025: HK$2,247 thousand) respectively.

19. BORROWINGS

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Bank loans and other borrowings		
Current — ultimate holding company (Note 23)	**977,375**	991,788
Current — authorised institutions	**5,780,123**	3,968,321
	6,757,498	4,960,109
Obligation under repurchase agreements		
Non-current	**3,173,055**	1,469,878
Current	**1,114,647**	1,228,736
	4,287,702	2,698,614
Subordinated loans (Note 23)		
Non-current	**1,000,000**	1,000,000
Total	**12,045,200**	8,658,723

As at 30 June 2026, the carrying amount included within financial assets sold under repurchase agreements was HK$4,797,705 thousand (31 December 2025: HK$3,098,936 thousand).

19. BORROWINGS (continued)

At the reporting date, bank and other borrowings were repayable as follows:

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Bank loans and other borrowings		
Within 1 year	**7,872,145**	6,188,845
Between 1 and 2 years	**167,875**	121,525
Between 2 and 5 years	**2,643,492**	1,051,456
Over 5 years	**361,688**	296,897
	11,045,200	7,658,723
Undated	**1,000,000**	1,000,000
	12,045,200	8,658,723

As at 30 June 2026 and 31 December 2025, all bank borrowings were unsecured. Bank borrowings at 30 June 2026 were charged at floating interest rate ranging from base point plus 0.25% to base point plus 0.6% per annum (31 December 2025: base point plus 0.05% to base point plus 1% per annum).

20. DEBT SECURITIES ISSUED

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Debt securities issued	**99,064**	3,880,962

The outstanding balance of HK$99,064 thousand measured at amortised cost represents the HK$100 million unsecured private bonds issued by a wholly-owned subsidiary of the Company on 23 June 2026 under the medium term note programme at an issue price of 99.007215% of the principal amount. The unsecured notes issued by a wholly-owned subsidiary of the Company under the US$500 million medium term note programme were repaid before the end of the reporting period.

As at 30 June 2026, the debt securities issued bore no fixed coupon (31 December 2025: 1.75% per annum). The notes will mature on 23 October 2026. Among which, no debt securities (31 December 2025: US$10 million and US$28 million) were held by the ultimate holding company and a fellow subsidiary respectively. The carrying amount of the debt securities issued approximate to their fair value.

Notes to the Condensed Consolidated Financial Statements (Continued)

21. ACCOUNTS PAYABLE

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

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Clients — trade settlement	**342,875**	43,643
Clearing house	**16,433**	136,174
Brokers	**149,153**	26,975
	508,461	206,792

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

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

22. SHARE CAPITAL

	Number of shares		Share capital	
	Six months ended 30/6/2026 Thousand Shares (Unaudited)	Year ended 31/12/2025 Thousand Shares (Audited)	Six months ended 30/6/2026 HK$'000 (Unaudited)	Year ended 31/12/2025 HK$'000 (Audited)
Issued and fully paid				
At the end of the reporting period	**2,734,392**	2,734,392	**3,942,216**	3,942,216

23. RELATED PARTY TRANSACTIONS

During the reporting period, in addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following transactions with related parties:

(a) Ultimate holding company

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
Transaction		
Interest income from deposits	**2,276**	3,478
Finance costs	**25,728**	20,105
Computer software development and maintenance service income	**149**	972
Digital RMB marketing service income	**524**	228
Commission income	**1,990**	216
Commission expenses	**2,753**	2,656
Asset management and advisory fee	**1,836**	1,473
Fund management fee income	**–**	4,918
Underwriting fee income	**(39)**	39
Rental expenses	**1,335**	1,423
Other operating expenses	**2,332**	990

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Balance of transaction		
Right-of-use assets	**4,864**	5,349
Amount due from the ultimate holding company	**21,301**	101,892
Other receivables	**357**	411
Other payables	**280**	289
Borrowings	**977,375**	991,788
Subordinated loans	**1,000,000**	1,000,000

Notes to the Condensed Consolidated Financial Statements (Continued)

23. RELATED PARTY TRANSACTIONS (continued)

(b) Fellow subsidiaries, associates and joint ventures

	Six months ended 30/6/2026 HK$'000 (Unaudited)	Six months ended 30/6/2025 HK$'000 (Unaudited)
Transaction		
Interest income from deposits	**10**	21
Interest income from loans	**635**	16
Finance costs	**2,253**	2,634
Computer software development and maintenance service income	**366**	–
Commission income	**28,800**	21,516
Commission expenses	**647**	511
Asset management and advisory fee	**8,609**	9,593
Underwriting fee income	**1,172**	271
Arrangement fee income	**10,860**	1
Rental expenses	**2,677**	12,041
Other operating expenses	**3,612**	1,097
Impairment loss	**1**	4

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Balance of transaction		
Right-of-use assets	**10,001**	19,478
Other receivables	**21,258**	18,482
Accounts receivable	**40,882**	38,133
Contract liabilities	**415**	335
Amount due from a fellow subsidiary	**24,045**	4,327
Loans and advances	**51,013**	28,400
Less: impairment allowance	**(2)**	(3)
	51,011	28,397

23. RELATED PARTY TRANSACTIONS (continued)

(c) Related parties

	Six months ended	
	30/6/2026 HK$'000 (Unaudited)	30/6/2025 HK$'000 (Unaudited)
Transaction		
Fund management fee income	**522**	–

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Balance of transaction		
Gross amounts due from related parties	**980**	447
Less: impairment allowance	**–**	–
	980	447

Notes to the Condensed Consolidated Financial Statements (Continued)

24. COMMITMENTS

Operating lease commitments

At the end of the reporting period, the Group had commitments for future aggregate minimum lease payments under non-cancellable operating leases as follows:

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
No later than 1 year	**147**	59

Investment commitments

At the end of the reporting period, the Group had certain investment commitments contracted for at the end of the reporting period but not yet incurred. The amounts will be drawn down on as-needed basis. The table below provides further information regarding the commitments.

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Unfunded commitments	**91,070**	141,341

25. FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include financial assets at fair value through other comprehensive income, financial assets and financial liabilities at fair value through profit or loss, derivative financial assets and derivative financial liabilities, other assets, accounts and other receivables, loans and advances, margin loans to customers, amounts due from/(to) the ultimate holding company, a fellow subsidiary and related parties, cash and bank balances, accounts and other payables, borrowings, obligation under repurchase agreements, debt securities issued, lease liabilities, and subordinated loans from the ultimate holding company. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and other price risk), and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group, from time to time, uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Risk Management Department under policies approved by the Board of Directors. Risk Management Department identifies and evaluates certain risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Apart from the above, in order to effectively manage its credit risk exposure, the Group has also adopted the following measures in order to effectively manage its credit risks:

- the Group conducts its loan business in accordance with the annual capital allocated to such business and the risk appetite thresholds;

- the relevant department carries out due diligence on the potential client, including conducting a company search at the registrar as well as litigation and bankruptcy searches, and also conducts due diligence on the potential client's affiliates, guarantors, substantial shareholders and senior management, as applicable;

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

- the relevant business department prepares an internal memorandum for internal review and assessment, which includes primarily an executive summary of the new projects, background, description of the potential clients (including, among others, shareholders, senior management, corporate structure, business, financial conditions, industry analysis, market position, prospects), deal structure, use of funds, transaction terms, investment highlights, risk analysis, return analysis, exit plans, due diligence report and follow up actions;

- the Group conducts preliminary review and official review on the potential clients. Only those clients selected out of the preliminary review will be submitted for official review;

- during the preliminary review, the risk management department will review the internal memorandum from a risk management perspective, focusing on whether all the key aspects of an investment or loan project have been properly addressed and whether the information so provided in the internal memorandum is reasonable to address the key risks involved; and the legal and compliance department will review the internal memorandum from a legal and compliance perspective, focusing on the conflict of interests check, proposed legal terms of the transaction and overall legal compliance matters. The two departments may request further information from the relevant business department;

- during the official review, subject to the delegated authorities, the senior management or investment committee of the Company will further review the internal memorandum, which has been reviewed and agreed by the risk management department and the legal and compliance department, and convene a review meeting with the relevant business department in charge of the potential clients. At the review meeting, the relevant business department will introduce the potential client and our senior management or investment committee (as the case may be) will raise questions and recommendations, leveraging the committee members' respective experiences and expertise, in order to make well considered and comprehensive investment or lending decisions;

- if any post-approval material changes occur to the clients or its board of directors, transaction amount, guarantor, collateral, valuation, legality of relevant legal documents or other factors that affect the Group's interests, as applicable, supplemental reports explaining the changes and their effect are required to be submitted to the senior management or the investment committee (as the case may be) for review;

- the Group continually monitors all ongoing clients from off-site and obtain from time to time information about any changes in the clients' composition of senior management, industry trends, business operations and financial condition, especially cash flow status, and verify such information with the relevant clients via phone calls or emails;

- the relevant business department will communicate any material risk events to the heads of the relevant departments, and submit examination reports to the senior management and the risk management committee for advice on further risk management actions and start collection or exiting processes; and

- the relevant business departments and functional departments will together closely monitor the financial covenants and track the maturity of the respective loans during the post-investment period. If any event of default occurs, corresponding steps will be taken in accordance with the relevant facility agreement. In cases where the client fails to pay on time, the situation will be timely reported to the senior management and the business department will negotiate with the client to reach a repayment or restructuring plan and legal actions may be taken, if necessary.

25. FINANCIAL RISK MANAGEMENT (continued)

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

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS

Analysis of the gross carrying amount of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL:

	Stage of assets			
	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
(a) Margin loans to customers				
Gross carrying amount as at 1 January 2026	**382,706**	**496**	**15,685**	**398,887**
Increases	**114,177**	**–**	**–**	**114,177**
Decreases	**(92,764)**	**(1,052)**	**–**	**(93,816)**
Transfers between stages				
– Increase	**–**	**556**	**–**	**556**
– Decrease	**(556)**	**–**	**–**	**(556)**
As at 30 June 2026	**403,563**	**–**	**15,685**	**419,248**
Gross carrying amount as at 1 January 2025	830,968	164	164,088	995,220
Increases	128,886	497	–	129,383
Decreases	(577,152)	(161)	(2,949)	(580,262)
Write-off	–	–	(145,454)	(145,454)
Transfers between stages				
– Increase	4	–	–	4
– Decrease	–	(4)	–	(4)
As at 31 December 2025	382,706	496	15,685	398,887

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets			
	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
(b) Other receivables, amounts due from the ultimate holding company, a fellow subsidiary and related parties				
Gross carrying amount as at 1 January 2026	**333,037**	**1,231**	**55,779**	**390,047**
Increases	**512,376**	**9**	**1,036**	**513,421**
Decreases	**(122,128)**	**–**	**–**	**(122,128)**
Derecognise	**–**	**–**	**(7,701)**	**(7,701)**
Write-off	**–**	**–**	**(2,507)**	**(2,507)**
Transfers between stages				
– Increase	**–**	**–**	**–**	**–**
– Decrease	**–**	**–**	**–**	**–**
As at 30 June 2026	**723,285**	**1,240**	**46,607**	**771,132**
Gross carrying amount as at 1 January 2025	390,415	1,753	63,603	455,771
Increases	259,786	–	9,216	269,002
Decreases	(317,164)	(522)	(11,327)	(329,013)
Derecognise	–	–	(5,713)	(5,713)
Transfers between stages				
– Increase	–	–	–	–
– Decrease	–	–	–	–
As at 31 December 2025	333,037	1,231	55,779	390,047

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets			
	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
(c) Financial assets at FVOCI – debt investments				
Gross carrying amount as at 1 January 2026	**5,478,237**	**38,048**	**1,916**	**5,518,201**
Increases	**1,304,487**	**789**	**–**	**1,305,276**
Decreases	**(1,631,405)**	**–**	**(206)**	**(1,631,611)**
Transfers between stages				
– Increase	**–**	**–**	**–**	**–**
– Decrease	**–**	**–**	**–**	**–**
As at 30 June 2026	**5,151,319**	**38,837**	**1,710**	**5,191,866**
Gross carrying amount as at 1 January 2025	4,874,331	279,404	41,586	5,195,321
Increases	2,852,234	2,696	–	2,854,930
Decreases	(2,248,328)	(244,052)	(39,670)	(2,532,050)
Transfers between stages				
– Increase	–	–	–	–
– Decrease	–	–	–	–
As at 31 December 2025	5,478,237	38,048	1,916	5,518,201

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (credit-impaired)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
(d) Loans and advances				
Gross carrying amount as at 1 January 2026	**28,400**	**–**	**451,902**	**480,302**
Increases	**23,457**	**–**	**1,938**	**25,395**
Decreases	**(844)**	**–**	**(9,335)**	**(10,179)**
Write-off	**–**	**–**	**(114,889)**	**(114,889)**
Transfers between stages				
– Increase	**–**	**–**	**–**	**–**
– Decrease	**–**	**–**	**–**	**–**
As at 30 June 2026	**51,013**	**–**	**329,616**	**380,629**
Gross carrying amount as at 1 January 2025	511,975	–	698,789	1,210,764
Increases	28,400	–	2,851	31,251
Decreases	(511,975)	–	(5,554)	(517,529)
Write-off	–	–	(244,184)	(244,184)
Transfers between stages				
– Increase	–	–	–	–
– Decrease	–	–	–	–
As at 31 December 2025	28,400	–	451,902	480,302

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets				
	Stage 1	Stage 2	Stage 3		
	12-month ECL HK$'000	Lifetime ECL HK$'000	Lifetime ECL (credit-impaired) HK$'000	Lifetime ECL (simplified approach) HK$'000	Total HK$'000
(e) Accounts receivable					
Gross carrying amount as at 1 January 2026	**–**	**–**	**–**	**546,892**	**546,892**
Increases	**–**	**–**	**–**	**14,503**	**14,503**
Reverses	**–**	**–**	**–**	**(201)**	**(201)**
As at 30 June 2026	**–**	**–**	**–**	**561,194**	**561,194**
Gross carrying amount as at 1 January 2025	–	–	–	912,700	912,700
Increases	–	–	–	4,320	4,320
Reverses	–	–	–	(370,128)	(370,128)
As at 31 December 2025	–	–	–	546,892	546,892

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

The following tables show reconciliation from the opening to the closing balance of an ECL allowance by the stages of assets as at 30 June 2026 and 31 December 2025:

	Stage of assets			
	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
(a) Margin loans to customers				
As at 1 January 2026	**50**	**–**	**15,685**	**15,735**
Increases	**14**	**–**	**–**	**14**
Reverses	**(5)**	**–**	**–**	**(5)**
Transfers between stages				
– Increase	**–**	**–**	**–**	**–**
– Decrease	**–**	**–**	**–**	**–**
As at 30 June 2026	**59**	**–**	**15,685**	**15,744**
As at 1 January 2025	108	–	161,870	161,978
Increases	3	–	–	3
Reverses	(61)	–	(732)	(793)
Write-off	–	–	(145,453)	(145,453)
Transfers between stages				
– Increase	–	–	–	–
– Decrease	–	–	–	–
As at 31 December 2025	50	–	15,685	15,735

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets			
	Stage 1	Stage 2	Stage 3	
	12-month ECL HK$'000	Lifetime ECL HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
(b) Other receivables, amounts due from the ultimate holding company, a fellow subsidiary and related parties				
As at 1 January 2026	**649**	**12**	**55,777**	**56,438**
Increases	**5**	**–**	**1,036**	**1,041**
Reverses	**(28)**	**(4)**	**–**	**(32)**
Derecognise	**–**	**–**	**(7,701)**	**(7,701)**
Write-off	**–**	**–**	**(2,507)**	**(2,507)**
Exchange adjustments	**21**	**–**	**–**	**21**
Transfers between stages				
– Increase	**–**	**–**	**–**	**–**
– Decrease	**–**	**–**	**–**	**–**
As at 30 June 2026	**647**	**8**	**46,605**	**47,260**
As at 1 January 2025	96	27	63,600	63,723
Increases	611	–	13,236	13,847
Reverses	(71)	(15)	(86)	(172)
Derecognise	–	–	(1,993)	(1,993)
Write-off	–	–	(18,982)	(18,982)
Exchange adjustments	13	–	2	15
Transfers between stages				
– Increase	–	–	–	–
– Decrease	–	–	–	–
As at 31 December 2025	649	12	55,777	56,438

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets			
	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
(c) Financial assets at FVOCI – debt investments				
As at 1 January 2026	**3,600**	**438**	**209,096**	**213,134**
Increases	**701**	**–**	**450**	**1,151**
Reverses	**(2,664)**	**(397)**	**(12,423)**	**(15,484)**
Derecognise	**–**	**–**	**(142,858)**	**(142,858)**
Transfers between stages				
– Increase	**–**	**–**	**–**	**–**
– Decrease	**–**	**–**	**–**	**–**
As at 30 June 2026	**1,637**	**41**	**54,265**	**55,943**
As at 1 January 2025	9,276	5,386	350,550	365,212
Increases	1,520	–	22,119	23,639
Reverses	(7,196)	(4,948)	(1,708)	(13,852)
Derecognise	–	–	(161,865)	(161,865)
Transfers between stages				
– Increase	–	–	–	–
– Decrease	–	–	–	–
As at 31 December 2025	3,600	438	209,096	213,134

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets			
	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
(d) Loans and advances				
As at 1 January 2026	**3**	**–**	**434,535**	**434,538**
Increases	**1**	**–**	**2,561**	**2,562**
Reverses	**(2)**	**–**	**(9,336)**	**(9,338)**
Write-off	**–**	**–**	**(114,889)**	**(114,889)**
Transfers between stages				
– Increase	**–**	**–**	**–**	**–**
– Decrease	**–**	**–**	**–**	**–**
As at 30 June 2026	**2**	**–**	**312,871**	**312,873**
As at 1 January 2025	228	–	535,547	535,775
Increases	3	–	145,241	145,244
Reverses	(228)	–	(27,675)	(27,903)
Write-off	–	–	(219,994)	(219,994)
Bad debts recovery	–	–	1,416	1,416
Transfers between stages				
– Increase	–	–	–	–
– Decrease	–	–	–	–
As at 31 December 2025	3	–	434,535	434,538

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

	Stage of assets				
	Stage 1	Stage 2	Stage 3		
	12-month ECL HK$'000	Lifetime ECL HK$'000	Lifetime ECL (credit-impaired) HK$'000	Lifetime ECL (simplified approach) HK$'000	Total HK$'000
(e) Accounts receivable					
As at 1 January 2026	**–**	**–**	**–**	**1,050**	**1,050**
Increases	**–**	**–**	**–**	**5**	**5**
Reverses	**–**	**–**	**–**	**(201)**	**(201)**
As at 30 June 2026	**–**	**–**	**–**	**854**	**854**
As at 1 January 2025	–	–	–	709	709
Increases	–	–	–	341	341
Reverses	–	–	–	–	–
As at 31 December 2025	–	–	–	1,050	1,050

25. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK EXPOSURE OF FINANCIAL INSTRUMENTS (continued)

Management assessment on economic scenarios, weightings and sensitivity analysis of ECL model

The Group established ECL model by using a statistical approach for financial instruments. This approach involves estimation of four risk parameters, i.e. Probability of Default ("PD"), Loss Given Default ("LGD"), Exposure at Default ("EAD") and expected life, as well as the use of effective interest rate ("EIR") and forward-looking information.

To reflect the prevailing market condition, the forward-looking macroeconomic information including unemployment rate, current account balance, total investment balance, volume of imports and exports of goods and services are updated with revision of weightings of its three economic scenarios, i.e. "Optimistic scenario", "Basic scenario" and "Pessimistic scenario". The weighting of "Basic scenario" adopted by the Group overweight the aggregated weighting of non "Basic scenario".

Sensitivity analysis

As at 30 June 2026 and 31 December 2025, sensitivity analysis is conducted for the impact of impairment allowance results against the forward-looking macroeconomic variables on the basis that (i) Optimistic scenario weight increases by 10% and Basic scenario weight is lowered by 10%; (ii) Pessimistic scenario weight increases by 10% and Basic scenario weight is lowered by 10%, as follows:

	30/6/2026		31/12/2025	
	Optimistic +10%	Pessimistic +10%	Optimistic +10%	Pessimistic +10%
	HK$'000	HK$'000	HK$'000	HK$'000
Loans and advances	**–**	**(2)**	–	(3)
Debt investments	**67**	**(858)**	170	(1,941)
Margin loans to customers	**–**	**–**	–	–

25. FINANCIAL RISK MANAGEMENT (continued)

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON RECURRING BASIS

Certain financial assets and liabilities of the Group are measured at fair value or with fair value disclosed for financial reporting purposes. The fair value has been determined using appropriate valuation techniques and inputs for fair value measurements. The appropriateness of the valuation techniques and the inputs to the fair value measurements are reviewed by the Board of Directors periodically.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2026.

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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

– Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

– Level 3 inputs are unobservable inputs for the asset or liability.

Level 3 financial instruments are valued using models which utilise observable Level 1 and/or Level 2 inputs, as well as unobservable Level 3 inputs.

25. FINANCIAL RISK MANAGEMENT (continued)

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON RECURRING BASIS (continued)

The table below provides further information regarding the valuation of material financial assets and liabilities under Level 3:

As at 30 June 2026	Valuation technique	Unobservable inputs	Range	Relationship of unobservable inputs to fair value
Financial assets at fair value through profit or loss				
Unlisted equities	Recent transaction price	(i)	N/A	N/A
	Market approach	Sales multiples	2.6x-25.2x	(iii)
	Allocated net asset value	Net asset value	N/A	(iv)
Unlisted funds	Allocated net asset value	Net asset value	N/A	(iv)
	Recent transaction price	(i)	N/A	N/A
Preference shares	Recent transaction price	(i)	N/A	N/A
	Market approach	Sales multiples	1.7x-8.4x	(iii)
Financial liabilities at fair value through profit or loss				
Financial liabilities to the investors of the funds consolidated	Allocated net asset value	Net asset value	N/A	(iv)

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON RECURRING BASIS (continued)

As at 31 December 2025	Valuation technique	Unobservable inputs	Range	Relationship of unobservable inputs to fair value
Financial assets at fair value through profit or loss				
Unlisted equities	Recent transaction price	(i)	N/A	N/A
	Market approach	Sales multiples	2.8x-29.8x	(iii)
	Allocated net asset value	Net asset value	N/A	(iv)
Unlisted funds	Allocated net asset value	Net asset value	N/A	(iv)
	Recent transaction price	(i)	N/A	N/A
Preference shares	Recent transaction price	(i)	N/A	N/A
	Market approach	Sales multiples	1.7x-9.4x	(iii)
Financial liabilities at fair value through profit or loss				
Financial liabilities to the investors of the funds consolidated	Allocated net asset value	Net asset value	N/A	(iv)

(i) The Directors of the Company consider that the financial position of these investments has no significant change between its recent transaction date/exit date and the reporting date, and hence no adjustment to the recent transaction price/exit price is needed.

(ii) The higher the discount rate, the lower the fair value.

(iii) The higher the multiples, the higher the fair value.

(iv) The higher the net asset value, the higher the fair value.

(v) The higher the volatility, the lower the fair value.

25. FINANCIAL RISK MANAGEMENT (continued)

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON RECURRING BASIS (continued)

The following tables present the changes in Level 3 instruments for the six months ended 30 June 2026 and for the year ended 31 December 2025:

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Financial assets at fair value through profit or loss		
Beginning of the period/year	**2,973,106**	2,998,021
Addition during the period/year	**37,304**	38,372
Disposal during the period/year	**(37,671)**	(88,994)
Transfer during the period/year	**–**	(41,811)
Net gain recognised in profit or loss	**60,047**	16,679
Exchange adjustments	**41,536**	50,839
End of the period/year (Note 12)	**3,074,322**	2,973,106

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Financial liabilities at fair value through profit or loss		
Beginning of the period/year	**326,171**	354,478
Disposal during the period/year	**(4,177)**	(20,336)
Net loss/(gain) recognised in profit or loss	**16,787**	(15,189)
Net loss recognised in other comprehensive income	**11,657**	7,218
End of the period/year (Note 12)	**350,438**	326,171

Notes to the Condensed Consolidated Financial Statements (Continued)

25. FINANCIAL RISK MANAGEMENT (continued)

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON RECURRING BASIS (continued)

	30/6/2026 HK$'000 (Unaudited)	31/12/2025 HK$'000 (Audited)
Derivative financial liabilities		
Beginning of the period/year	**4,262**	4,365
Net loss/(gain) recognised in profit or loss	**241**	(103)
End of the period/year (Note 12)	**4,503**	4,262

The Group has adopted consistent and transparent methodology based on these valuation techniques above for determining fair value. Regardless of the valuation methodology used, once used, it should continue to be used until a new methodology provides a better approximation of the investment's current fair value. The management expects that there would not be frequent changes in valuation techniques.

Glossary

"1H"	the first six months of a particular calendar year
"AUM"	the amount of assets under management
"Board" or "Board of Directors"	the board of Directors of the Company
"BOCOM"	Bank of Communications Co., Ltd. (交通銀行股份有限公司), established in 1908, a company registered in the PRC as a joint stock limited liability company on 24 December 2004, the H shares and A shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively, and being the ultimate controlling Shareholder of the Company
"BOCOM Nominee"	Bank of Communications (Nominee) Company Limited, a company incorporated in Hong Kong with limited liability on 21 August 1981 and a subsidiary of BOCOM and a Shareholder of the Company holding Shares on trust for BOCOM
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	BOCOM International Holdings Company Limited (交銀國際控股有限公司), a company incorporated in Hong Kong with limited liability on 3 June 1998, the issued Shares of which are listed on the Main Board of the Stock Exchange
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	director(s) of the Company
"Expectation Investment"	Expectation Investment Limited, a company incorporated in Hong Kong with limited liability on 29 January 1997, an indirect subsidiary of BOCOM and a Shareholder of the Company

Glossary (Continued)

"Group" or "we" or "us"	the Company and its subsidiaries
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IPO(s)"	initial public offering(s)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"PRC" or "China"	the People's Republic of China
"Reporting Period"	the six months ended 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	ordinary share(s) in the capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange" or "HKEX"	The Stock Exchange of Hong Kong Limited
"US" or "United States"	the United States of America
"USD" or "US$"	United States dollars, the lawful currency of the United States