



2026

INTERIM REPORT



信控國際資本有限公司
XinKong International Capital Holdings Limited

(incorporated in Bermuda with limited liability)
(Stock Code: 993)

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CORPORATE INFORMATION

Board of Directors

Non-executive Directors

Mr. Wang Cheng (*Chairman*)
Ms. Tan Jieyu

Executive Directors

Mr. Chen Qinghua (*Chief Executive Officer*)
Mr. Lu Xinzheng

Independent Non-executive Directors

Mr. Hung Ka Hai Clement
Mr. Ma Lishan
Mr. Guan Huanfei

Audit Committee

Mr. Hung Ka Hai Clement (*Chairman*)
Mr. Ma Lishan
Mr. Guan Huanfei

Remuneration Committee

Mr. Guan Huanfei (*Chairman*)
Mr. Hung Ka Hai Clement
Mr. Ma Lishan

Nomination Committee

Mr. Hung Ka Hai Clement (*Chairman*)
Mr. Wang Cheng
Ms. Tan Jieyu
Mr. Ma Lishan
Mr. Guan Huanfei

Executive Committee

Mr. Chen Qinghua (*Chairman*)
Mr. Lu Xinzheng

Risk Management Committee

Mr. Ma Lishan (*Chairman*)
Mr. Wang Cheng
Mr. Chen Qinghua
Mr. Lu Xinzheng

Sustainable Development Committee

Mr. Guan Huanfei (*Chairman*)
Mr. Chen Qinghua
Mr. Lu Xinzheng

Authorised Representatives

Mr. Lu Xinzheng
Ms. Luo Xiao Jing

Company Secretary

Ms. Luo Xiao Jing

Registered Office

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Head Office and Principal Place of Business

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Hong Kong

Resident Representative

Conyers Corporate Services (Bermuda) Limited
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12 Par-la-Ville Road
Hamilton HM 08
Bermuda

Principal Bankers

Bank of Communications Co., Ltd.
Hong Kong Branch
Bank of China (Hong Kong) Limited
China CITIC Bank International Limited

Auditor

BDO Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor
25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

Principal Share Registrar and Transfer Office

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Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

Hong Kong Legal Adviser

Chen & Lee Law Office
Unit 601, 6/F
Tower 1, Admiralty Centre
18 Harcourt Road
Admiralty, Hong Kong

Stock Code

993

Website

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MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

For the Period, the Group recorded a revenue of approximately HK\$14,127,000 (Last Period: approximately HK\$17,685,000), net loss on financial assets at fair value through profit or loss of approximately HK\$26,239,000 (Last Period: net loss of approximately HK\$27,745,000), and net loss arising from disposal of financial assets at fair value through other comprehensive income of HK\$3,973,000 (Last Period: net gain of HK\$429,000). Therefore, total revenue and investment losses described above amounted to approximately HK\$16,085,000 (Last Period: net loss of approximately HK\$9,631,000). Net loss for the Period was approximately HK\$141,470,000 (Last Period: net loss of approximately HK\$298,803,000), while loss attributable to the Shareholders for the Period was approximately HK\$341,406,000 (Last Period: loss of approximately HK\$497,874,000). The decrease in net loss for the Period was principally attributable to the fact that the quality of financial assets has not further deteriorated, while we have successfully recovered funds from some of our investment projects, allowing for the reversal of impairment provisions that we previously made in respect of the funds in such projects that we expected to be unrecoverable.

Basic loss per Share was HK3.9 cents for the Period as compared to basic loss per Share of HK5.7 cents for the Last Period, and no diluted loss per Share has been presented for the Period and the Last Period as there was no dilutive financial instruments for the Period and the Last Period.

Business Review

In the first half of 2026, the military conflicts erupted in the Middle East caused disruptions in oil supply as well as soaring in oil prices. Fluctuations in energy prices led to increased inflationary pressures in various regions, affecting global economic growth and continuing to show an uneven trend. In the complex and ever-changing external environment, the consumer market in Chinese Mainland has improved under the government's measures to boost the economy and the low interest rate environment, and the overall economic performance is stable. Benefiting from policy support and deepening regional cooperation, the overall economy of Hong Kong showed growth momentum, but most of the bulk growth is dominated by semiconductor re-exports and cross-border large-scale finance, resulting in weak fundamental consumer spending among citizens. The Group actively refocused on its principal business and strengthened customer marketing so as to explore business opportunities; harnessed the controlling shareholders' resources, bringing into full play the synergies of our licensed businesses; and continued to advance the liquidation and cash recouping of risk projects with stronger risk control efforts to drive business transformation.

Securities

Securities business is launching a new APP to continue optimizing online and offline securities transactions, custodian services and investment advisory services. In the first half of 2026, the Group continued to persist in compliant business operation and pursued ongoing business transformation with a focus on its principal licensed business, whilst intensifying its efforts in cost reduction, efficiency enhancement, diversification of revenue sources and conservation of resources. In connection with the financial technology, the Group is carrying out various preparations for the launch of a new APP to continuously enhance the standard of financial technology, improve operational efficiency, and strictly in compliance with the requirements of regulatory bodies. We launched a SMS Sender Registration Scheme to prevent fraudsters from pretending to be senders. In connection with its custodian business, the Group enhanced internal business synergies, seized market opportunities and assisted in the disposal of stock assets in existing projects within the system to effectively increase service fee income such as handling fees and commissions.

For the Period, the revenue and other gains or losses from the securities segment recorded net loss of approximately HK\$539,000 as compared to net gains of approximately HK\$636,000 for the Last Period. Total revenue decreased on a year-on-year basis, which was mainly attributable to the decreases in both the income from intermediary business and interest income. As a result of the decrease in the impairment provisions recognized for financial instruments for the Period, the segment result generated from the securities business recorded a loss of approximately HK\$6,273,000 for the Period as compared to a loss of approximately HK\$6,672,000 for the Last Period.

Asset Management and Direct Investment

The asset management and direct investment segment is engaged in the provision of asset management and fund management services and investment of its own funds in equity, debt, funds and other financial products. In 2025, the total value of assets under management in Hong Kong's Asset and Wealth Management Sector increased by 20% year-on-year to HK\$42.2 trillion, reaching a historic high. Net capital inflows surged by 193% to HK\$2.1 trillion, marking the third consecutive year of growth. Benefiting from the sustained southbound capital inflows, the tangible effects of the New Capital Investment Entrant Scheme and the vigorous development of the family office ecosystem, the position of Hong Kong as an international asset management centre was further consolidated.

In the first half of 2026, while consolidating its strengths in traditional non-performing asset investment, the Group proactively explored business model innovation. Of the two original funds focused on acquiring banking credit related non-performing assets in Hong Kong, one realized its exit through the settlement of underlying assets, while the other carried out orderly extension arrangements in response to liquidity issues concerning its underlying assets. Building on this progress, a new fund was established in the first half of the year to participate in a large corporate rescue and restructuring project via a structured equity debt linkage model, the Group's asset management business achieved a structural transformation and upgrade from the acquisition and disposal of traditional non-performing assets to actively managed structured investment. During the Period, the Group also closely monitored market changes. By strengthening project outreach and deepening engagements with clients, the Group successfully recovered principal and interest from an existing project and achieved its smooth exit during the Period. In addition, the Group actively propelled risk resolving efforts to orderly reduce existing risk exposures through measures such as litigation recovery and collateral disposal. In business development, the Group continued to tap into investment within the sector of non-performing assets, in particular investment and financing needs for central and state-owned enterprises as well as relief for distressed assets enterprises, with a view to striving for sustainable investment returns.

For the Period, the revenue from this segment was approximately HK\$13,386,000, versus segment revenue of approximately HK\$14,898,000 for the Last Period. The decline in revenue was primarily due to the completion of recovery of funds from certain investment projects held by the Group in the first half of 2026, resulting in a decrease in corresponding interest income calculated for the Period compared to the Last Period. The net loss on financial assets at fair value through profits or loss was approximately HK\$26,239,000 compared to the net loss of approximately HK\$27,745,000 for the Last Period. Due to a decrease in the provision for impairment of investment projects, the segment result for the Period had a loss of approximately HK\$162,567,000, representing a decrease as compared to the loss of approximately HK\$304,366,000 for the Last Period.

Corporate Finance

On one hand, the Group proactively advanced the transformation of its licensed business, as it strengthened compliance awareness and enhanced risk control, whilst continuously seeking cost reductions and cost effectiveness. On the other hand, the Group has increased its business research efforts, explored the diversified service needs of existing customers, and explored the development path of special situation corporate finance services for distressed listed companies, and in a gradual endeavour to forge its advantages in differentiated operations.

For the Period and the Last Period, no revenue was generated from the corporate finance segment.

Financial Services and Others

Financial services and others business includes provision of finance lease services and other related services in Chinese Mainland. It provides services to the basic industries which conform to the PRC's industrial policy and economic development trend, by way of introducing financial leasing to relevant industries with a view to obtaining rental income. In line with the current business development strategies and positioning of the Group, the financial services and other businesses still mainly focus on gradually recovering the existing projects, and no new projects were added during the Period.

During the Period and the Last Period, the revenue from this segment was nil. Affected by exchange rate fluctuations during the Period, a gain of approximately HK\$27,370,000 was recorded for this segment, as compared to a loss of approximately HK\$4,132,000 for the Last Period.

Prospects

The Group anticipates that tensions in regions such as the Middle East will continue to affect energy prices and global supply chains in the second half of this year. Policy and geopolitical uncertainties will remain at elevated levels. The Group will seize opportunities in this special period of the market to vigorously expand its asset management business. Meanwhile, it will strengthen the synergies between its securities business and corporate finance business, deliver more comprehensive financial services, and further build our own differentiated operational advantages.

In connection with asset management business, given the external uncertainties, particularly the US Federal Reserve's interest rate cutting cycle has entered a "plateau phase" and the potentially prolonged high-interest-rate environment, the Group will leverage the extensive experience and synergistic advantages of CFAIH in special situations investment, further focus on key areas such as cooperation with central and state-owned enterprises, substantive restructuring and corporate distress relief, and promote the business development in a counter-cyclical environment. Against the accelerated disposal of non-performing assets in the Chinese Mainland banking sector and the upcoming systematic revamp of the regulatory framework governing the AMC industry, ample supply will persist in the distressed asset market, creating broad scope for the cross border special situations investment business. In terms of business layout, the Group will further deepen its dual driven model of "traditional non-performing asset investment plus structured investment", consolidate its existing fund business, and replicate and roll out the business model featuring "fund based operation + structuring + full cycle governance". Meanwhile, the Group will capitalise on the rapid growth opportunities in Hong Kong's wealth management market, expand licensed businesses including asset management and corporate financial advisory, explore asset-light operating models to cultivate core competitiveness for sustainable development.

In respect of the securities business, Hong Kong's securities market has continued to recover. Both the average daily market turnover and total market capitalisation in the first half of 2026 increased substantially compared with the same period last year. Subject to lawful and compliant operations, the Group will expand its customer base and revenue, step up marketing efforts and institutional client development, and further raise the proportion of income generated from intermediary businesses. In terms of deepening business synergies, drawing on the resources of CCFAMC, its controlling shareholder, the Group will provide specialised services for institutional clients including stock withdrawal for physical settlement, share transfer, dividend collection and portfolio rebalancing to generate higher service fee income. It will also leverage the synergies brought by the CITIC group to expand the Company's customer base.

In terms of corporate finance business, the Group plans to align with the strategic return by CFAIH to its core business in an effort to concentrate on developing distinctive corporate finance business models, such as the provision of financial advisory services related to asset injection and revitalisation and disposal for distressed listed companies, and fully leverage the instrumental supporting role of corporate finance business, striving to gradually build our own differentiated competitive advantages and achieving a breakthrough.

Meanwhile, the Group will continue to delve into the value of existing projects, employing diversified measures such as litigation recovery and collateral disposal to reduce risk exposure and recoup project investments. Furthermore, we will formulate a prudent plan for the utilization of recovered funds to generate stable interest income, thereby further enhancing overall asset operational efficiency.

Financial Review

Capital Structure

As at 30 June 2026, the total number of issued Shares of the Company (with par value of HK\$0.001 each) was 8,709,586,011. Total Shareholders' equity was approximately HK\$-3,804,704,000 (31 December 2025: approximately HK\$-3,434,810,000).

Liquidity and Financial Resources

The Group regularly reviews its liquidity position and actively manages liquidity and financial resources according to the changes in economic environment and business development needs. As at 30 June 2026, the Group had total cash and deposits with banks amounting to approximately HK\$405,111,000 as compared to approximately HK\$442,019,000 as at 31 December 2025, excluding client funds that were kept in separate designated bank accounts of approximately HK\$99,267,000 (31 December 2025: approximately HK\$121,286,000) and deposits in other financial institutions of approximately HK\$36,967,000 (31 December 2025: approximately HK\$6,335,000). As at 30 June 2026, 85% (31 December 2025: 77%) of the Group's cash and deposits with banks was denominated in HKD or RMB. The Group's gearing ratio as at 30 June 2026 was 324% as compared to 277% as at 31 December 2025, being calculated as borrowings over total assets. The change in gearing was attributable to a decrease in the Group's total assets due to a decline in the fair value of financial assets and an increase in total liabilities as a result of new shareholder loans for the Period.

The Group has been committed to expanding the financing channel and maintaining an appropriate allocation of repayment schedules and overall fund application to maintain a robust financial position. As at 30 June 2026, the Group obtained shareholder loans and perpetual capital bonds from CFAIH in an aggregate principal amount of approximately US\$1,321,173,000 (equivalent to approximately HK\$10,360,226,000) (31 December 2025: approximately US\$1,311,173,000 (equivalent to approximately HK\$10,203,461,000)) to support the business of the Group. The proceeds had been applied in full to working capital immediately after closing. The Shareholder loans were subject to interest at fixed annual interest rates ranging from 5.797% to 6.86% (31 December 2025: annual rates of 5.797% to 6.86%) and were repayable within three to four years from the end of the Period (31 December 2025: in four to five years from the end of the year).

As at 31 December 2025, the Group had a RMB loan of RMB6,000,000 (equivalent to approximately HK\$6,643,000) from a fellow subsidiary. Such loan was fully repaid in the first half of 2026.

As at 30 June 2026 and 31 December 2025, the Group had no utilized bank credit facilities.

As at 30 June 2026, the Group had unutilized bank credit facilities of approximately HK\$100,000,000 (31 December 2025: approximately HK\$100,000,000).

Taking into account the financial resources and banking and other financing available to the Group, including but not limited to internally generated cashflow, cash on hand and bank balances, and external loans, the Group anticipates sufficient working capital for its present requirements for at least the next 12 months.

For the subsidiaries licensed by the Securities and Futures Commission of Hong Kong, the Group ensures each of the subsidiaries maintains a flexible liquidity level adequate to support the level of regulated activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the Period, all the licensed subsidiaries complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules.

Charges on Group Assets

As at 30 June 2026 and 31 December 2025, the Group had not pledged any time deposits to secure the bank loan facilities of the Group.

Foreign Exchange Exposures

The Group's principal operations in Hong Kong and overseas are transacted and recorded in Hong Kong dollars and United States dollars, while principal operations in the PRC are transacted and recorded in Renminbi. The Group is not exposed to material foreign exchange risks because the Hong Kong dollar is pegged to the United States dollar. Other foreign currency exposure is relatively insignificant when compared to our total assets and liabilities. As such, we consider our foreign exchange risk exposure manageable and the Group will closely monitor such risk exposure from time to time.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2026 and 31 December 2025.

Significant Investments

As at 30 June 2026, the Group held the following significant investments:

- (1) Nil ordinary shares (31 December 2025: 37,800 ordinary shares) and a secured convertible bond issued by ARTA TechFin Corporation Limited (formerly known as Freeman FinTech Corporation Limited) ("**ARTA TechFin**"), at a cost of nil and HK\$402,630,000, respectively. ARTA TechFin is a company incorporated in Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 279), principally engaging in financial businesses. The shares held by the Group represents 0% (31 December 2025: 0.01%) of the equity interests in ARTA TechFin. The respective fair values of the shares and convertible bond as at 30 June 2026 were HK\$239,566,000 (31 December 2025: HK\$272,252,000), representing approximately 18.6% (31 December 2025: 18.5%) of the total assets of the Group. During the Period, the Group's realised gain of HK\$540 on the disposal of shares of ARTA TechFin in the secondary market and unrealised fair value gain on convertible bond was nil.

This significant investment is not primarily held for trading. It was acquired by a subsidiary of XinKong Investment Stock Corporation Limited, a wholly-owned subsidiary of the Company, in August 2017 as a long-term investment and subsequently has been in default since April 2019. ARTA TechFin had previously entered into the temporary liquidation procedure and a provisional liquidator was appointed. The provisional liquidator conducted an external price inquiry and bidding over the pledge of the project and the unrealised fair value gain reflected the recent quotation price. The sales of the relevant collateral are still in process.

The Company recovered from this project approximately HK\$32,686,000 for the Period. The estimate of its fair value is based on quotes from potential investors, the expected completion date and the probability of completion. During the period, the disposal of the collateral of this project progressed in line with expectations, with no further downward adjustment to fair value. The change was mainly attributable to the recovery of partial project proceeds.

- (2) 5,342,255 Tranche E preference shares (the “**Tranche E Preference Shares**”) of TUJIA.COM INTERNATIONAL (“**TUJIA**”). The Group originally held 20,000 Class B participating shares of All-Stars SP IV A Limited (the “**Fund I**”, a corporate fund), at a cost of US\$20,000,000. The principal assets of the Fund I was the equity interest in TUJIA, where the Class B participating shares held by the Group were mainly used for the investment in Tranche E preference shares of TUJIA. Fund I has been expired at the end of September 2024 and 5,342,255 of Tranche E preference shares were distributed to the Group in specie upon its expiry. The fair value of such shares as at 30 June 2026 was approximately US\$18,936,000 (31 December 2025: US\$18,936,000), representing approximately 11.5% of the total asset value of the Group (31 December 2025: 10%). TUJIA is currently in normal operation. Subsequently, the Group intends to seek exit opportunities through equity transfer or disposal in secondary market.
- (3) Shares of All-Stars Investment Private Partners Fund L.P. (the “**Fund II**”, a corporate fund), at a cost of US\$30,000,000, representing 6.7077% of the fund. The total assets of the Fund II as at 31 December 2025 were approximately US\$389 million, with the principal asset being the equity interest in certain listed or unlisted companies. The fair value of the investment as at 30 June 2026 was US\$17,575,000 (31 December 2025: US\$20,861,000), representing approximately 10.7% of the total asset value of the Group (31 December 2025: 11.05%).

The Fund II is currently in normal operation. Subsequently, the Group intends to seek exit opportunities through equity transfer or disposal in secondary market.

- (4) The loan arrangement with Crown International Corp. Limited. This project was originally a margin financing project, which converted the advances to customers in margin financing into other loans and debt instruments through a deed of assignment on 29 June 2020 (the “**Loan**”). The total amount of the Loan was HK\$618,013,000. The collaterals under the Loan primarily consisted of ordinary shares of Crown International Corporation Limited (the “**Crown International**”). Crown International is a company incorporated in Hong Kong and listed on the Main Board of the Stock Exchange (stock code: 727). Crown International and its subsidiaries are principally engaged in the business of property investment, property development, hotel operations, comprehensive healthcare business and trading of premium white spirit. Crown International completed the consolidation of every twenty originally issued shares into one share on 28 March 2025. As at 30 June 2026 and 31 December 2025, the Group held 100,696,600 consolidated pledged shares, representing approximately 7.92% of the existing issued shares of Crown International. The fair value of the Loan as at 30 June 2026 was HK\$67,827,000 (31 December 2025: HK\$67,827,000), representing approximately 5.27% of the total asset value of the Group (31 December 2025: 4.62%). A net impairment provision amounting to approximately HK\$3,307,000 was recorded in respect of such project for the Period, resulting from the low recoverability of the Loan and full impairment provision made for the interest accrued out of prudence.

The Group intends to seek exit opportunities by way of debt assignment or phased disposal of collaterals.

Provision for Impairment

(I) Overall provision for impairment

The Group recognised impairment provision for expected credit loss for financial assets at amortised cost and financial assets at fair value through other comprehensive income in accordance with the expected credit loss model under Hong Kong Financial Reporting Standards 9 Financial Instruments (“**HKFRS 9**”). Provision for allowance of expected credit losses is computed as the difference between the carrying value of the relevant financial instruments and the present values of estimated future cashflows, taking into account the expected future credit losses of the financial instruments.

The Group has established credit risk policies and processes for impairment assessment in accordance with HKFRS 9, including the establishment and approval of models, as well as the choice and application of assumptions and major inputs. In accordance with HKFRS 9, the Group has distinguished the stages of impairment provision for the relevant items into stage one (no significant increase in credit risk since initial recognition), stage two (significant increase in credit risk) or stage three (credit-impaired) based on the impact of credit risk on the items held.

The major credit risk and expected credit loss faced by the Group are mainly derived from other loans and debt instruments, advances to customers in margin financing, financial assets at fair value through other comprehensive income, finance lease receivables, accounts receivable and amount due from an associate. The Group closely monitors its other loans and debt instruments, advances to customers in margin financing, financial assets at fair value through other comprehensive income, finance lease receivables, accounts receivable and amount due from an associate on an ongoing basis. In the event of the lender or issuer of the item being subject to overdue risks, decline in the value of collaterals or negative public opinion in the market, the Group will conduct thorough investigation of the causes of the events and adopt remedial measures such as timely liaison with the customers for early repayment and obtaining supplementary collaterals.

At the same time, the Group verifies the stage of impairment provision of the item according to information on the item known or collected. For stage one or stage two, the impairment amount of expected credit loss is determined through the expected credit loss model. For the stage three, impairment is charged according to individual assessment.

The Group recorded net reversal of impairment provision of approximately HK\$13 million for the Period, which was mainly attributable to the following:

- advances to customers in margin financing under a margin financing project was converted into other loans and debt instruments through a deed of assignment on 29 June 2020. The funds in the project was recovered in the first half of 2026, and an impairment provision of approximately HK\$15 million was reversed during the Period.

The Group will assess the expected credit risk and impairment of financial assets at amortised cost and financial assets at fair value through other comprehensive income on an ongoing basis and communicate with the management and/or Board on the impact of the relevant events on specific items and on the financial reporting of the Group in a timely manner in accordance with internal procedures. At the same time, the Group will actively take further actions to collect unrecovered amounts and endeavour to recover amounts from customers through various means, including legal actions and disposal of collaterals.

(II) *Provision for Impairment of publicly issued bonds*

The Group invests in public offer bonds from time to time according to the investment strategy. These bonds are classified as financial assets at fair value through other comprehensive income based on the Business Model Test in accordance with the applicable accounting standard. Fair values of these bonds are measured at their open market prices. In respect of the estimation of expected credit losses (“ECL”) on these publicly-issued bonds, these bonds are classified into stage 1, 2 or 3 in accordance with the applicable accounting standard. Risk management department of the Company verifies and assesses the information obtained by frontline business teams during its risk management process, and determines the stages of these bonds for provision of ECL.

The amount of impairment of publicly-issued bonds under stage 1 and stage 2 is determined from the ECL model, which is developed by the Company with the assistance of an independent third-party consultant, whereby impairment is measured based on factors such as probability of default, loss given default and exposure at default. Having considered that fair values of these bonds adequately indicate the recoverable value, the amount of impairment of stage 3 publicly-issued bonds is determined according to the market values of these bonds as at the end of a reporting period.

The Group made a reversal of impairment provision of HK\$6,018,000 for its financial assets at fair value through other comprehensive income for the Period. The investment cost of the main bond products involved is approximately HK\$222 million and the carrying amount is approximately HK\$68 million, with the remaining maturity mainly ranging from one to eight years, and the coupon rate ranging from 1% to 9% per annum.

(III) Finance lease business and provision for impairment

Impairment of finance lease projects

As one of the financial services of the Group, the Company provides finance lease services in Chinese Mainland through its indirectly wholly-owned subsidiary Zhongju (Shenzhen) Business Consulting Co., Ltd. (formerly known as “Zhongju (Shenzhen) Financial Leasing Co., Ltd.”) (“**Zhongju**”).

Zhongju provides finance lease services mainly by way of sale-and-leaseback model, under which the lessee assigns the ownership of its properties to the lessor and leases the properties back from the lessor for financing purposes. In practice, a lessee enters into a sale-and-purchase agreement with Zhongju regarding property(ies) for lease to sell such property(ies). Zhongju pays the consideration to acquire the ownership of such property(ies) and then enters into a sale-and-leaseback agreement with and lease the property(ies) back to the lessee, whereby the lessee pays rental installments to Zhongju according to the payment schedule.

As at 30 June 2026, Zhongju held two outstanding finance lease projects which were initially invested back in 2017. The total carrying amount of these projects as at the same date was approximately HK\$8,209,000. These projects accounted for approximately 0.6% of the Group's total assets. These projects are entered with the same counterparty who operates in car leasing. In terms of geographical distribution, they are in Guangdong Province, Chinese mainland.

Based on the Group's current business development strategy and positioning, the Group's finance lease business will be mainly focusing on the recovery of the outstanding finance lease projects. The Group does not have any current plan for investment in new finance lease projects in the near future.

Principal terms of finance lease projects

Depending on credit conditions of customers and the quality of collaterals, duration of finance lease projects ranges from three to five years while interest rates of finance lease projects range from 6.8% per annum to 9.75% per annum under the respective sale-and-leases back agreements. Margin deposit at a range from 2% to 7% of the financing amount is received. Customers shall repay the outstanding balance on a quarterly basis.

In addition, finance lease receivables are pledged with passenger vehicles, as well as equity interests in companies.

Credit risk assessment and impairment provision for finance lease projects

All the finance lease projects held by the Group are classified as stage 3 for ECL estimation. During the Period, the Company performed analysis and forecast on the realisable values of the leased assets and the pledged collaterals for each finance lease project. No provision for impairment was made in respect of the two projects for the Period.

Key Internal Control Measures

The Group adopts the following internal control measures when conducting the finance lease business:

1. Daily risk monitoring

Zhongju conducts ongoing daily tracking and monitoring of the risks associated with invested projects. In the event of any delay in lease payments or breach of other contract terms by the debtors, the alert signal will be activated and Zhongju will report the conditions to the risk department and management of the Company in a timely manner, and adopt active measures to alleviate the situation. Meanwhile, Zhongju also closely monitors the operating and financial conditions of lessees and guarantors, requests them to furnish their financial statements each quarter, conducts regular on-site visits and inspection of the debtors to obtain information on their business updates, conditions of the leased assets and project progress, and conducts ongoing assessment and analysis of risks associated with them.

2. Actions taken in respect of overdue projects

In the event of overdue loans, Zhongju will issue a loan call demand note to the debtor and maintain close liaison with the debtor and report the latest progress to the Company's risk management department and the management in a timely manner, striving to identify appropriate solutions in a short period of time to eliminate or reduce the project risk. If both parties are unable to reach a settlement before a specified deadline and the risk cannot be alleviated, the Company will resort to a variety of means such as litigation, transfer of credit exposures and introduction of investors to undergo debt restructuring, among others, depending on the current risk conditions of the project. In respect of finance lease projects which are on stage 3, the Company has taken actions to collect payments and will endeavour to exit from the project through the aforementioned means.

3. Management and decision-making process

The Company manages its finance lease projects in accordance with the project management requirements for creditor right projects. The Company's Risk Management Department assesses the impairment of financial assets at amortised cost and financial assets at fair value through other comprehensive income on an ongoing basis and communicates with the management and/or the Board in a timely manner in respect of the impact of relevant events on specific projects and on the Group's financial report. The Company's management reviews on a quarterly basis the results of risk classification for credit right projects, including finance lease projects, as examined by the Risk Management Department and reviews on a half-yearly basis the impairment provision amount of such projects as examined by the Risk Management Department, and makes recommendations to the Board accordingly. At the Board level, the Audit Committee convenes a regular meeting each quarter to discuss with the management on the impaired projects and review the structure review or audit results reported by the external auditor in respect of material accounting matters during the interim review and year-end audit; the Risk Management Committee convenes meetings on a half-yearly basis to receive reports on the development of the Company's risk management organisation structure and systems, key projects risk updates and impairment provisions and make recommendations for improvement, and supervises the ongoing improvement of the Group's risk and internal control mechanism. The Board is responsible for the final approval of the Company's interim and annual financial reports.

Employee and Remuneration Policy

As at 30 June 2026, the Group employed a total of 10 employees (31 December 2025: 10 employees). The Group's recruitment and promotion of staff is based on consideration of multiple factors, such as job nature, market rates, relevant experience, individual merits and development potential of the employees, and may also offer discretionary incentives and bonuses by reference to indicators such as market conditions, the Company's business performance, individual staff performance and fulfilment of compliance requirements, among others, with a view to rewarding staff contributions as well as retaining and incentivising employees with superior competence and experience to continue to deliver value for the Group. Other benefits offered by the Group include, but are not limited to, group medical plans and group life insurance, etc.

The Group is committed to providing employees with an environment conducive to ongoing learning and development. The Group arranges both internal and external multi-dimensional training and development plans for staff and offers incentives for off-duty studies to eligible staff to encourage voluntary learning and ongoing self-improvement to address the growing requirements of the Group's operations.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



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TO THE BOARD OF DIRECTORS OF
XINKONG INTERNATIONAL CAPITAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial statements set out on pages 18 to 62 which comprise the condensed consolidated statement of financial position of XinKong International Capital Holdings Limited and its subsidiaries (collectively referred to as the “**Group**”) as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the “**interim condensed consolidated financial statements**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made 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*” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Choi Kit Ying

Practising Certificate no. P07387

Hong Kong, 31 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE			
Commission and fee income	5	4,408	1,613
Interest income	5		
Interest income calculated using the effective interest method		5,176	14,377
Others		3,731	1,695
Investment income		812	–
		14,127	17,685
Net loss on financial assets at fair value through profit or loss		(26,239)	(27,745)
Net (loss)/gain arising from disposal of financial assets at fair value through other comprehensive income		(3,973)	429
Other income and gains or losses, net		15,590	(4,307)
Administrative and other operating expenses		(18,735)	(23,477)
Reversal of impairment/(impairment losses), net		13,018	(150,827)
Finance costs	6	(135,258)	(126,018)
LOSS BEFORE TAX	7	(141,470)	(314,260)
Income tax credit	8	–	15,457
LOSS FOR THE PERIOD		(141,470)	(298,803)
Attributable to:			
Equity holders of the Company		(341,406)	(497,874)
Holder of perpetual capital securities		199,936	199,071
		(141,470)	(298,803)
BASIC LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9	(HK3.9 cents)	(HK5.7 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	(141,470)	(298,803)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Fair value gain on financial assets at fair value through other comprehensive income	1,345	4,123
Net reversal of impairment of financial assets at fair value through other comprehensive income included in profit or loss	(6,018)	(13,812)
Reclassification of adjustments relating to disposal of financial assets at fair value through other comprehensive income during the period	3,973	(429)
Exchange differences on translation of foreign operations, net	(27,391)	(9,650)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(28,091)	(19,768)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(169,561)	(318,571)
Attributable to:		
Equity holders of the Company	(369,497)	(517,642)
Holder of perpetual capital securities	199,936	199,071
	(169,561)	(318,571)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,565	164
Other long term assets		1,043	1,043
Intangible assets		2,350	2,350
Right-of-use assets		4,076	–
Financial assets at fair value through profit or loss	10	382,769	469,065
Financial assets at fair value through other comprehensive income	11	27,357	19,209
Other loans and debt instruments	13	67,827	67,827
Total non-current assets		486,987	559,658
CURRENT ASSETS			
Advances to customers in margin financing	14	939	5,479
Accounts receivable	15	1,741	5,560
Prepayments, deposits and other receivables		15,109	19,837
Financial assets at fair value through profit or loss	10	185,589	203,164
Financial assets at fair value through other comprehensive income	11	40,790	50,426
Finance lease receivables	12	8,209	7,894
Other loans and debt instruments	13	–	34,542
Amounts due from related parties		6,565	12,860
Restricted bank balances	16	99,267	121,286
Deposits in other financial institutions		36,967	6,335
Cash and deposits with banks	17	405,111	442,019
Total current assets		800,287	909,402

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
CURRENT LIABILITIES			
Accounts payable	18	101,120	126,240
Other liabilities, payables and accruals	19	764,214	522,415
Interest-bearing borrowings	20	–	6,643
Amounts due to related parties		16,351	152,275
Tax payable		33,993	33,702
Lease liabilities		1,800	–
Total current liabilities		917,478	841,275
NET CURRENT (LIABILITIES)/ASSETS		(117,191)	68,127
TOTAL ASSETS LESS CURRENT LIABILITIES		369,796	627,785
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	20	4,172,207	4,062,595
Lease liabilities		2,293	–
Total non-current liabilities		4,174,500	4,062,595
NET LIABILITIES		(3,804,704)	(3,434,810)
EQUITY			
Share capital	21	8,710	8,710
Share premium and reserves		(10,056,852)	(9,687,355)
Equity attributable to owners of the Company		(10,048,142)	(9,678,645)
Perpetual capital securities classified as equity instruments	22	6,243,438	6,243,835
Total equity		(3,804,704)	(3,434,810)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus (Note i) HK\$'000	Capital reserves (Note ii) HK\$'000	Statutory reserve (Note iii) HK\$'000	Currency translation reserve HK\$'000	FVTOCI investment revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Perpetual capital securities HK\$'000	Total equity HK\$'000
At 1 January 2026 (audited)	8,710	3,220,249	139,615	636,129	27,804	27,159	7,076	(13,745,387)	(9,678,645)	6,243,835	(3,434,810)
Loss for the period	-	-	-	-	-	-	-	(341,406)	(341,406)	199,936	(141,470)
Other comprehensive income for the period:											
Fair value gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,345	-	1,345	-	1,345
Net reversal of impairment for financial assets at fair value through other comprehensive income included in profit or loss	-	-	-	-	-	-	(6,018)	-	(6,018)	-	(6,018)
Reclassification adjustment relating to disposal of financial assets at fair value through other comprehensive income during the period	-	-	-	-	-	-	3,973	-	3,973	-	3,973
Exchange differences on translation of foreign operations, net	-	-	-	-	-	(27,391)	-	-	(27,391)	-	(27,391)
Total comprehensive income for the period	-	-	-	-	-	(27,391)	(700)	(341,406)	(369,497)	199,936	(169,561)
Distributions relating to perpetual capital securities	-	-	-	-	-	-	-	-	-	(200,333)	(200,333)
At 30 June 2026 (unaudited)	8,710	3,220,249	139,615	636,129	27,804	(232)	6,376	(14,086,793)	(10,048,142)	6,243,438	(3,804,704)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus (Note i) HK\$'000	Capital reserve (Note ii) HK\$'000	Statutory reserve (Note iii) HK\$'000	Currency translation reserve HK\$'000	FVTOCI investment revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Perpetual capital securities HK\$'000	Total equity HK\$'000
At 1 January 2025 (audited)	8,710	3,220,249	139,615	636,129	31,973	44,251	(1,560)	(12,596,364)	(8,516,997)	6,243,616	(2,273,381)
Loss for the period	-	-	-	-	-	-	-	(497,874)	(497,874)	199,071	(298,803)
Other comprehensive income for the period:											
Fair value gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	4,123	-	4,123	-	4,123
Net provision for impairment of financial assets at fair value through other comprehensive income included in profit or loss	-	-	-	-	-	-	(13,812)	-	(13,812)	-	(13,812)
Reclassification of adjustment relating to disposal of financial assets at fair value through other comprehensive income during the period	-	-	-	-	-	-	(429)	-	(429)	-	(429)
Exchange differences on translation of foreign operations, net	-	-	-	-	-	(9,650)	-	-	(9,650)	-	(9,650)
Total comprehensive income for the period	-	-	-	-	-	(9,650)	(10,118)	(497,874)	(517,642)	199,071	(318,571)
Distributions relating to perpetual capital securities	-	-	-	-	-	-	-	-	-	(198,640)	(198,640)
At 30 June 2025 (unaudited)	8,710	3,220,249	139,615	636,129	31,973	34,601	(11,678)	(13,094,238)	(9,034,639)	6,244,047	(2,790,592)

Notes:

- (i) Under the Bermuda Companies Act, the Company's contributed surplus is distributable to shareholders under certain circumstances.
- (ii) The capital reserve represents deemed contribution arising from the disposal of subsidiaries to China XinZhi Overseas Investment Holdings Co., Limited ("**XinZhi Overseas**"), a fellow subsidiary of the Group.
- (iii) Pursuant to the Article of the Company Law of the People's Republic of China (the "**PRC**"), the entity established in the PRC is required to appropriate 10% of its net profit to statutory reserve until the balance reaches 50% of its registered capital.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(141,470)	(314,260)
Total non-cash adjustments	(20,352)	193,063
Total working capital adjustments	142,816	293,300
Cash (used in)/generated from operations	(19,006)	172,103
Interest received	2,102	4,536
Net cash flows (used in)/generated from operating activities	(16,904)	176,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,737)	–
Proceeds from disposal of financial assets at fair value through other comprehensive income	4,155	59,025
Net cash flows from investing activities	2,418	59,025
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(repayment) of interest-bearing borrowings	71,774	36,281
Interest paid	(1,467)	(125,993)
Net changes from amount from/to related parties	135,924	29,246
Repayment of lease liabilities	(929)	(878)
Distribution to perpetual capital securities holder	(200,333)	(198,640)
Net cash flows generated from/(used in) financing activities	4,969	(259,984)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,517)	(24,320)
Cash and cash equivalents at the beginning of the period	442,019	413,122
Effect of foreign exchange rate changes, net	(27,391)	(9,650)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	405,111	379,152

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. General information

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” or “**HKEx**”). The principal activity of the Company is investment holding. The Group is principally engaged in the brokerage and dealing of securities, margin financing, loan financing, financial advisory, direct investments, investment holding, provision of advising on corporate finance services and provision of management and consultancy services. The registered office of the Company is located at Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda. The principal place of operations of the Company is Rooms 1703–1704, 17/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong. The intermediate controlling shareholder of the Company is China CITIC Financial AMC International Holdings Limited (“**CFAIH**”) that is incorporated in Hong Kong through Camellia Pacific Investment Holding Limited and Right Select International Limited, both of which are incorporated in the British Virgin Islands and wholly-owned subsidiaries of CFAIH. China CITIC Financial Asset Management Co., Ltd. (“**CCFAMC**”), a company established in the PRC and whose shares are listed on the Stock Exchange, became the ultimate holding company since 2015. Currently, major Shareholders of CCFAMC include CITIC Group Corporation, Ministry of Finance (the “**MOF**”), National Council for Social Security Fund, China Insurance Rongxin Private Fund Co., Ltd., and China Life Insurance (Group) Company.

This unaudited interim financial information was approved by the board of directors for issue on 31 August 2026.

2. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

This unaudited interim financial information is presented in thousands of Hong Kong dollars (“**HK\$’000**”), which is also the functional currency of the Company.

Going concern basis

As at 30 June 2026, the Group had net current liabilities of HK\$117 million (31 December 2025: net current assets of HK\$68 million), net liabilities of HK\$3,805 million (31 December 2025: net liabilities of HK\$3,435 million) and incurred a loss of HK\$141 million (30 June 2025: net loss of HK\$299 million) for the six months ended 30 June 2026.

2. Basis of preparation (continued)

Going concern basis (continued)

In view of the above circumstances, the directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group has implemented or is in the process of implementing the following measures:

(i) *Bank credit facilities for financing*

As at 30 June 2026, the Group has total bank credit facilities of HK\$100,000,000 (31 December 2025: HK\$100,000,000), none of which were utilised.

(ii) *Support from intermediate controlling shareholder*

Its intermediate controlling shareholder, CFAIH, confirms its intention to provide sufficient financial support to enable the Group to meet its obligations and liabilities as and when they fall due. The Directors are of the opinion that such financial support will continue to be forthcoming. As at 30 June 2026, CFAIH, directly and indirectly through its subsidiaries, had advanced an aggregate of HK\$10.4 billion to the Group in form of intercompany loans and perpetual securities. Depending on its working capital requirements, the Group may obtain additional loans from CFAIH at different times and amounts.

(iii) *Disposal of publicly traded bonds and listed equity securities*

In respect of publicly traded bonds and the listed equity securities in Hong Kong held by the Group which are classified either as financial assets at fair value through profit or loss or as financial assets at fair value through other comprehensive income in the condensed consolidated statement of financial position as at 30 June 2026, the Directors are of the opinion that the Group would be able to dispose of these investments as and when necessary to alleviate its liquidity pressure.

(iv) *Measures to recover project cashflows, control expenses and contain capital expenditures*

The Group will take active measures to improve its cash flow by focusing resources on recovering cashflows from existing projects and investments in the upcoming year. At the same time, the Group will continue to strengthen the control over administrative costs through various measures, including reinforced communication of the budget requirements and ongoing monitoring by the finance department.

2. Basis of preparation (continued)

Going concern basis (continued)

(v) *Actively develop licensed business*

The Group continues to focus on the development of licensed business, including securities brokerage, asset management and corporate finance. The Group will seek opportunities to explore new markets for its licensed business.

The directors have reviewed the cash flow projections prepared by management, covering a period of not less than twelve months from 30 June 2026. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due within twelve months from 30 June 2026. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

The Audit Committee of the Board has confirmed that it has objectively and critically reviewed the measures mentioned above. The Audit Committee of the Board and the Board have confidence in the Group's management and concurred with management's view that the Group's business plan for the next twelve months is feasible and achievable. The Group has actively implemented, or is actively implementing, all the improvement targets outlined above for the purposes of increasing profits and improving the cash flow position of the Group.

3. Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following revised HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>

The nature and impact of the revised HKFRS Accounting Standards is described below:

Impacts on application of Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments clarify the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the “settlement date” and an accounting policy choice is introduced to derecognise financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments include additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments. The amendments specify new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments are not expected to have any significant impact on the Group's condensed consolidated financial statements.

3. Changes in accounting policies (continued)

Impacts on application of Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity

The amendments apply only to contracts that reference nature-dependent electricity, and they clarify the application of the ‘own-use’ requirements for in-scope contracts; amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The amendments relating to the own-use exception are applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting are applied prospectively to new hedging relationships designated on or after the date of the initial application. The amendments are not expected to have any significant impact on the Group’s condensed consolidated financial statements.

Impacts on application of Amendments to HKFRS Accounting Standards Annual Improvements to HKFRS Accounting Standards – Volume 11

The amendments include clarifications, simplifications, corrections or changes to improve consistency in HKFRS 1 First-time Adoption of International Financial Reporting Standards, HKFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing HKFRS 7, HKFRS 9 Financial Instruments, HKFRS 10 Consolidated Financial Statements and HKAS 7 Statements of Cash Flows. The amendments are not expected to have any significant impact on the Group’s condensed consolidated financial statements.

4. Operating segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Executive Committee as its chief operating decision maker.

Specifically, the Group's reportable and operating segments are as follows:

- (a) the securities segment comprises the broking and dealing of securities and the provision of margin financing services.
- (b) the corporate finance segment provides financial advisory services to listed companies and non-listed companies.
- (c) the asset management and direct investment segment comprises the provision of asset management services and direct investments in equities, bonds, funds, derivative instruments and other financial products.
- (d) the financial services and others segment comprises finance lease services and other related services.

Segment performance is evaluated based on reportable segment result, which is measured consistently with the Group's loss before tax except that certain other income and gains or losses, certain finance costs and other unallocated expenses (including certain staff costs, certain rental expenses, certain depreciation, certain legal and professional fees and certain other expenses, incurred for strategic planning of the Group) are excluded from such measurement.

For the measurement of segment liabilities and results, interest-bearing borrowings are not allocated to segment while their corresponding finance costs are allocated to segment results.

4. Operating segment information (continued)

(a) Operating segments

The following tables represent the revenue and results for the six months ended 30 June 2026 and 2025 for the Group's operating segments:

Six months ended 30 June 2026 (unaudited)

	Securities HK\$'000	Corporate finance HK\$'000	Asset management and direct investment HK\$'000	Financial services and others HK\$'000	Total HK\$'000
Segment revenue					
Commission and fee income	608	–	3,800	–	4,408
Interest income	133	–	8,774	–	8,907
Investment income	–	–	812	–	812
	741	–	13,386	–	14,127
Net loss on financial assets at fair value through profit or loss	–	–	(26,239)	–	(26,239)
Net loss arising from disposal of financial assets at fair value through other comprehensive income	–	–	(3,973)	–	(3,973)
Other income and gains or losses, net	(1,280)	–	(10,583)	27,453	15,590
	(539)	–	(27,409)	27,453	(495)
Segment results	(6,273)	–	(162,567)	27,370	(141,470)
Loss before tax					(141,470)
Income tax credit					–
Loss for the period					(141,470)

4. Operating segment information (continued)

(a) Operating segments (continued)

Six months ended 30 June 2025 (unaudited)

	Securities HK\$'000	Corporate finance HK\$'000	Asset management and direct investment HK\$'000	Financial services and others HK\$'000	Total HK\$'000
Segment revenue					
Commission and fee income	1,315	–	298	–	1,613
Interest income	1,472	–	14,600	–	16,072
	2,787	–	14,898	–	17,685
Net loss on financial assets at fair value through profit or loss	–	–	(27,745)	–	(27,745)
Net gain arising from disposal of financial assets at fair value through other comprehensive income	–	–	429	–	429
Other income and gains or losses, net	(2,151)	–	6,809	(8,965)	(4,307)
	636	–	(5,609)	(8,965)	(13,938)
Segment results	(6,672)	–	(304,366)	(4,132)	(315,170)
Unallocated other income and gains or losses, expenses, net					910
Loss before tax					(314,260)
Income tax credit					15,457
Loss for the period					(298,803)

4. Operating segment information (continued)

(a) Operating segments (continued)

The following tables present the assets and liabilities for the Group's operating segments as at 30 June 2026 and 31 December 2025.

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Assets		
Securities	196,055	225,066
Corporate finance	10,137	10,267
Asset management and direct investment	924,911	982,988
Financial services and others	193,423	196,282
Total segment assets	1,324,526	1,414,603
Intercompany eliminations	(37,311)	6,218
Other unallocated assets	59	48,239
Total assets	1,287,274	1,469,060
Liabilities		
Securities	115,728	143,505
Corporate finance	–	–
Asset management and direct investment	322,123	506,832
Financial services and others	11,193	11,023
Total segment liabilities	449,044	661,360
Intercompany eliminations	(37,311)	6,218
Other unallocated liabilities	4,680,245	4,236,292
Total liabilities	5,091,978	4,903,870

4. Operating segment information (continued)

(a) Operating segments (continued)

Other segment information for the six months ended 30 June 2026 (unaudited)

	Securities HK\$'000	Corporate finance HK\$'000	Asset management and direct investment HK\$'000	Financial services and others HK\$'000	Unallocated HK\$'000	Total HK\$'000
Finance costs	-	-	(135,258)	-	-	(135,258)
Net reversal for impairment of other loans and debt instruments	-	-	11,515	-	-	11,515
Net provision of impairment of accounts receivable	(5)	-	-	-	-	(5)
Net provision for impairment of advances to customers in margin financing	(4,510)	-	-	-	-	(4,510)
Net reversal of impairment of financial assets at fair value through other comprehensive income	-	-	6,018	-	-	6,018

Other segment information for the six months ended 30 June 2025 (unaudited)

	Securities HK\$'000	Corporate finance HK\$'000	Asset management and direct investment HK\$'000	Financial services and others HK\$'000	Unallocated HK\$'000	Total HK\$'000
Finance costs	-	-	(126,018)	-	-	(126,018)
Net provision for impairment of other loans and debt instruments	-	-	(160,360)	-	-	(160,360)
Net provision for impairment of accounts receivable and others	(4)	-	-	-	-	(4)
Net provision for impairment of advances to customers in margin financing	(3,923)	-	-	-	-	(3,923)
Net provision for impairment of prepayments, deposits and other receivables	-	-	(352)	-	-	(352)
Net provision for impairment of financial assets at fair value through other comprehensive income	-	-	13,812	-	-	13,812

4. Operating segment information (continued)

(b) Geographical information:

The Group's operations are located in Hong Kong and the Chinese Mainland.

Information about the Group's revenue from external customers is presented based on the location of the operations.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	For the six months ended			
	30 June		30 June	31 December
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	14,127	14,607	7,986	2,509
Chinese Mainland	–	3,078	5	5
	14,127	17,685	7,991	2,514

Note: Non-current assets excluded financial assets.

(c) Information about major customers

During the six months period ended 30 June 2026, three (2025: three) external customers contributed more than 10% (2025: 10%) of total revenue of the Group:

	30 June	30 June
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A from asset management and direct investment	3,500	N/A ¹
Customer B from asset management and direct investment	3,307	3,230
Customer C from asset management and direct investment	1,737	2,926
Customer D from asset management and direct investment*	N/A ¹	6,750

* The corresponding receivable of the revenue has been fully provided for impairment.

Note:

1. The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. Revenue

The Group's revenue is disaggregated as follows:

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
<i>Revenue from contracts with customers</i>		
Commission and fee income (note (i)):		
Fee and commission income on securities dealing and brokerage	608	1,315
Fund subscription and management fee income	3,800	298
	4,408	1,613
<i>Revenue from other sources</i>		
Interest income:		
Interest income calculated using the effective interest method		
Interest income from other loans and debt instruments	5,043	12,906
Interest income from margin financing activities	133	1,471
	5,176	14,377
Interest income – others:		
Interest income from financial assets at fair value through profit or loss	2,430	1,619
Interest income from financial assets at fair value through other comprehensive income	1,301	76
	3,731	1,695
Total interest income	8,907	16,072
Investment income		
Dividend income	812	–
Total revenue	14,127	17,685

5. Revenue (continued)

Note:

(i) Disaggregated revenue information for revenue from contracts with customer

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Services transferred at a point of time	608	1,315
Services transferred over time	3,800	298
	4,408	1,613

6. Finance costs

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on a loan from a fellow subsidiary	86	605
Interest on loans from an intermediate holding company	135,132	125,392
Interest on lease liabilities	40	21
	135,258	126,018

7. Loss before tax

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	336	243
Depreciation of right-of-use assets	906	879
Auditor's remuneration – interim review	250	500
Legal and professional fee	3,728	5,765
Employee benefit expenses (including directors' remuneration)	3,679	4,996
Net (reversal of)/provision for impairment of other loans and debt instruments	(11,515)	160,360
Net provision for impairment of accounts receivable and others	5	4
Net provision for impairment of advances to customers in margin financing	4,510	3,923
Net provision for impairment of prepayments, deposits and other receivables	–	352
Net reversal of impairment of financial assets at fair value through other comprehensive income	(6,018)	(13,812)

8. Income tax

During the six months ended 30 June 2026 and 30 June 2025, no provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong.

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 PRC subsidiaries is 25% for the period (2025: 25%).

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Current tax:		
Chinese Mainland	–	–
Over provision in prior years:		
Chinese Mainland	–	(15,457)
Total tax credit for the period	–	(15,457)

9. Loss per share attributable to ordinary equity holders of the Company

The calculations of basic loss per share attributable to ordinary equity holders of the Company are as follows:

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Loss		
Loss for the period attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	(341,406)	(497,874)
	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Number of shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	8,709,586	8,709,586

No diluted loss per share was presented for both periods because there were no potential dilutive ordinary shares during both the current and prior periods.

10. Financial assets at fair value through profit or loss

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Financial assets at fair value through profit or loss ("FVTPL")		
Non-current:		
Unlisted fund investments (note (i))	141,294	168,516
Listed fixed income securities	1,909	28,297
Unlisted fixed income securities (note (ii))	239,566	272,252
	382,769	469,065
Current:		
Unlisted fund investments (note (i))	148,491	147,360
Listed equity investments	12,518	14,835
Listed fixed income securities	24,580	40,969
	185,589	203,164
Total financial assets at FVTPL	568,358	672,229

Notes:

- (i) The Group expects to realise the unlisted fund investments of approximately HK\$148,491,000 (31 December 2025: HK\$147,360,000) within the next twelve months and has accordingly classified them as current assets.
- (ii) The coupon rates of these unlisted fixed income securities range is 7% (31 December 2025: 7%) per annum as at 30 June 2026. The Group expects to realise such unlisted fixed income securities in more than 1 year (31 December 2025: expects to realise such unlisted fixed income securities in more than 1 year).

11. Financial assets at fair value through other comprehensive income

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Non-current		
Fixed income securities, at fair value	27,357	19,209
Current		
Fixed income securities, at fair value	40,790	50,426
	68,147	69,635

During the period, the gain in respect of changes in fair value of the Group's financial assets at FVTOCI recognised in other comprehensive income amounted to approximately HK\$1,345,000 (2025: gain of approximately HK\$4,123,000). During the period, the Group has a net reversal of provision for impairment of financial assets at fair value through other comprehensive income included in profit or loss of HK\$6,018,000 (2025: HK\$13,812,000). Total allowances for impairment as at 30 June 2026 are approximately HK\$162,393,000 (31 December 2025: HK\$155,496,000). During the period, loss of approximately HK\$3,973,000 was reclassified from other comprehensive income to profit or loss upon disposal (2025: there was gain of approximately HK\$429,000 reclassified from other comprehensive income to profit or loss upon disposal).

Interest income derived from financial assets at FVTOCI was recognised as "interest income from financial assets at fair value through other comprehensive income" within "revenue".

12. Finance lease receivables

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Minimum finance lease receivables		
Within one year	60,619	57,831
Less: Unearned finance income	–	–
Net amount of finance lease receivables	60,619	57,831
Less: Allowance for expected credit losses (“ECL”)	(52,410)	(49,937)
Carrying amount of finance lease receivables	8,209	7,894
Present value of minimum finance lease receivables:		
Within one year	60,619	57,831

Movement of ECL

	HK\$'000
At 1 January 2025	166,034
Net provision for impairment for the year	781
Disposal	(110,747)
Exchange difference on translation of foreign operations	(6,131)
At 31 December 2025 and 1 January 2026	49,937
Exchange difference on translation of foreign operations	2,473
At 30 June 2026	52,410

At 30 June 2026, finance lease receivables were all secured by the lease assets which are mainly motor vehicles and equipment (31 December 2025: all secured by the lease assets which are mainly machineries, motor vehicles and equipment). Interest rates of the above finance leases ranged from 6.80% to 9.75% per annum (31 December 2025: 6.80% to 9.75% per annum).

12. Finance lease receivables (Continued)

As at 30 June 2026, the gross carrying amount for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2025: nil), nil (31 December 2025: nil) and HK\$52,410,000 (31 December 2025: HK\$49,937,000) respectively.

As at 30 June 2026, the average loss rate for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2025: nil), nil (31 December 2025: nil) and 86% (31 December 2025: 86%) respectively.

13. Other loans and debt instruments

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Other loans and debt instruments	1,275,687	1,326,745
Less: Allowance for expected credit losses	(1,207,860)	(1,224,376)
	67,827	102,369
Non-current	67,827	67,827
Current	–	34,542
	67,827	102,369

As at 30 June 2026, other loans and debt instruments included loans to independent third parties which are secured and/or backed by guarantees and collaterals, with contractual interest rates ranging from 8.5% to 25% per annum (31 December 2025: 8.5% to 25% per annum).

13. Other loans and debt instruments (continued)

As at 30 June 2026, other loans and debt instruments with a carrying amount of approximately HK\$67,827,000 were secured by equity interests in companies listed in Hong Kong and land and properties in Chinese Mainland (31 December 2025: HK\$102,369,000 were secured by equity interests in companies listed in Hong Kong and land and properties in Chinese Mainland).

As at 31 December 2025, one of the other loans with a carrying amount of approximately HK\$34,542,000 was expected to be settled within one year. No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value.

Regular reviews on other loans and debt instruments are conducted by the risk management department based on the latest status of other loans and debt instruments, and the latest announced or available information about the borrowers and the underlying collaterals held. Apart from collateral monitoring, the Group seeks to maintain effective control over its loans and debt instruments in order to minimize credit risk by regularly reviewing the borrowers' and/or guarantors' financial position.

The management of the Group estimates the amount of loss allowance for expected credit loss on these credit impaired loan receivables by assessing the present value of estimated future cash flows with the consideration of expected future credit loss of the respective loans which are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors or borrowers, which include any (i) significant financial difficulty of the debtors or borrowers, (ii) breach of contract or probability that the debtors or borrowers will enter bankruptcy and (iii) the status and progress of financial restructuring, general economic conditions and both the current conditions at the reporting date as well as the forecast of future conditions with significant judgments involved. Moreover, the Group also reviews and assesses the fair value of the collateral received from the customers in determining the impairment with the involvement of third party qualified valuers, if necessary. The assessment of the credit risk and therefore expected cash flows of the respective loan involves a high degree of estimation and uncertainty. In the opinion of the directors of the Company, the impairment provision for the current period is sufficient.

As at 30 June 2026, the gross carrying amount for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2025: nil), nil (31 December 2025: nil) and HK\$1,275,687,000 (31 December 2025: HK\$1,326,745,000) respectively.

As at 30 June 2026, the average loss rate for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2025: nil), nil (31 December 2025: nil) and 95% (31 December 2025: 92%) respectively.

14. Advances to customers in margin financing

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Advances to customers in margin financing	94,288	94,369
Less: Allowance for expected credit losses	(93,349)	(88,890)
	939	5,479

The advances to customers in margin financing are interest-bearing and secured by the underlying pledged securities. The Group maintains a list of approved securities for margin lending at a specific loan to collateral ratio. Any excess in the lending ratio will trigger a margin call in the case of which the customers have to make additional funds for the shortfall.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in the view of the revolving nature of the business of securities margin financing.

The Group allows a credit period of up to the settlement dates of the respective securities, futures, options transactions or a credit period mutually agreed with the contracting parties. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables so as to minimise its credit risk. Advances to customers margin financing are secured by the pledge of customers' securities as collateral. The credit facility limits to customers in margin financing are determined by the market value of the collateral securities accepted by the Group. Overdue balances are reviewed regularly by the management.

As at 30 June 2026, the Group has concentration of credit risk as 99% (31 December 2025: 99%) of the total gross carrying amount of loans to securities margin clients due from the Group's five largest securities margin clients.

14. Advances to customers in margin financing (Continued)

In determining the allowances for credit impaired loans to margin clients, the management of the Group also takes into account the shortfall by comparing the market value of securities pledged as collateral and the outstanding balance of loan to margin clients individually taking into account of subsequent settlement or executable settlement plan and restructuring arrangements. The management of the Group estimates the amount of expected credit loss allowance on these credit impaired loan receivables by assessing the present value of estimated future cash flows with the consideration of expected future credit losses of the respective loans which are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors or borrowers, which include any (i) significant financial difficulty of the debtors or borrowers, (ii) breach of contract or probability that the debtors or borrowers will enter bankruptcy and (iii) the status and progress of financial restructuring, general economic conditions and both the current conditions at the reporting date as well as the forecast of future conditions with significant judgments involved. Moreover, the Group also reviews and assesses the market value of the collateral received from the customers in determining the impairment with the involvement of independent qualified valuers, if necessary. The assessment of the credit risk and therefore expected cash flows of the respective loan involves a high degree of estimation and uncertainty. In the opinion of the directors of the Company, the impairment provision for the current period is sufficient.

As at 30 June 2026, the gross carrying amount for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were HK\$517,000 (31 December 2025: HK\$632,000), nil (31 December 2025: nil) and HK\$93,771,000 (31 December 2025: HK\$93,737,000) respectively.

As at 30 June 2026, the average loss rate for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were 5.5% (31 December 2025: 0.01%), nil (31 December 2025: nil), and 99.6% (31 December 2025: 95.4%) respectively.

As at 30 June 2026 and 31 December 2025, the contractual amount outstanding on advances to customers in margin financing that have been written off, but were still subject to enforcement activity was nil.

15. Accounts receivable

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Accounts receivable from:		
– securities dealing services		
– clients	1,163	1,107
– brokers, dealers and clearing houses	890	4,760
– direct investment and others	10,567	80,000
	12,620	85,867
Less: Allowance for expected credit losses	(10,879)	(80,307)
	1,741	5,560

Accounts receivable from clients, brokers, dealers and clearing houses arising from the business of dealing in securities are repayable on demand subsequent to settlement date and bear variable interests at commercial rates. The normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date or at specific terms agreed with clients, brokers and dealers.

Normal settlement terms of accounts receivable arising from the business of corporate finance and asset management are determined in accordance with the agreed terms, usually within 3 months after the service was provided.

15. Accounts receivable (continued)

An ageing analysis of the Group's accounts receivable, based on the trade date and net of allowance for expected credit losses, is as follows:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
0–30 days	1,741	5,560

The movements in allowance for expected credit losses of accounts receivable are as follows:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
At beginning of period/year	80,307	80,298
Provision written off	(69,433)	–
Net provision for impairment	5	9
At end of period/year	10,879	80,307

For accounts receivable from clients, the management ensures that the available cash balance and listed equity securities belonging to accounts receivable client in which the Group holds as custodian are sufficient to cover the amounts due to the Group. For the remaining accounts receivable that are overdue, management maintains effective control over the repayment schedule and assesses the latest status of the debtors.

As at 30 June 2026, accounts receivable amounting to nil (31 December 2025: nil) arose from corporate finance and asset management business which is under the scope of HKFRS 15 and accounts receivable amounting to HK\$10,567,000 (31 December 2025: HK\$80,000,000) arose from direct investment business. The Group performs impairment assessment under lifetime ECL on these balance individually for debtors. As at 30 June 2026, allowance amounting to HK\$10,567,000 (31 December 2025: HK\$80,000,000) was made accordingly.

The remaining allowance for expected credit losses of accounts receivable is the provision for individually impaired accounts receivable from securities clients of approximately HK\$312,000 (31 December 2025: HK\$307,000).

16. Restricted bank balances

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business licensed by the Securities and Futures Commission. The Group has classified these clients' monies as restricted bank balances under the current assets section of the condensed consolidated statement of financial position and recognised the corresponding amounts payable to the respective clients on the ground that it is liable for any loss or misappropriation of these clients' monies. The Group is not permitted to use the clients' monies to settle its own obligations.

17. Cash and deposits with banks

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Cash and deposits with banks	405,111	442,019

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

As at 30 June 2026 and 31 December 2025, no time deposit has been pledged for a bank borrowing.

18. Accounts payable

An ageing analysis of the Group's accounts payable, based on the settlement due date, is as follows:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Current to 1 month	101,120	126,240

The accounts payable are unsecured and repayable on the settlement date of the relevant trades or upon demand from customers.

19. Other liabilities, payables and accruals

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Current:		
Other payables	187,901	90,636
Interest payables (note (i))	562,969	428,722
Accruals	13,344	3,057
	764,214	522,415

Other payables and accrued liabilities are non-interest-bearing.

Note:

- (i) Included in interest payables are the interest payables amounting to HK\$562,969,000 (31 December 2025: HK\$424,109,000) in relation to the loans from an intermediate holding company of an aggregate amount of US\$532,054,559 (31 December 2025: US\$522,054,559) at annual interest rate of 6.51% (31 December 2025: 6.51%). Moreover, interest payables of nil (31 December 2025: HK\$3,252,000) are related to the loans from an immediate holding company and nil (31 December 2025: HK\$1,361,000) is related to unsecured loan from a fellow subsidiary.

20. Interest-bearing borrowings

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Non-current:		
Unsecured loans from an intermediate holding company	4,172,207	4,062,595
	4,172,207	4,062,595
Current:		
An unsecured loan from a fellow subsidiary	–	6,643
	–	6,643
Total interest-bearing borrowings	4,172,207	4,069,238
	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
The carrying amounts of the above borrowings are repayable based on scheduled repayment dates set out in the loan agreements:		
On demand or within one year	–	6,643
Within a period of more than two years but not exceeding five years	4,172,207	4,062,595
	4,172,207	4,069,238

20. Interest-bearing borrowings (continued)

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Denominated in:		
US\$	4,172,207	4,062,595
RMB	–	6,643
	4,172,207	4,069,238

As at 30 June 2026 and 31 December 2025, there were no secured bank borrowings.

In addition, the Group had loans amounting to approximately US\$532,054,559 (equivalent to approximately HK\$4,172,207,000) (31 December 2025: US\$522,054,000 (equivalent to approximately HK\$4,062,595,000)) from its intermediate holding company, for the operation of the Group's business. The loans bear interest at fixed interest rates of 6.51% per annum (31 December 2025: 6.51% per annum) and are repayable within five years (31 December 2025: within five years) from the end of the reporting period.

As at 31 December 2025, the Group had loans amounting to RMB6,000,000 (equivalent to approximately HK\$6,643,000) from its fellow subsidiary, for the operation of the Group's business. The loans bear interest at fixed interest rates of 5.43% per annum and are repayable within one year from the end of the reporting period.

The carrying amounts of the interest-bearing borrowings approximate their fair values as the impact on discounting is not significant.

21. Share capital

	Number of shares '000,000	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.001 each at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	1,000,000	1,000,000
Issued and fully paid:		
At 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	8,710	8,710

22. Perpetual capital securities classified as equity instruments

	Principal HK\$'000	Distributions HK\$'000	Total HK\$'000
Balance at 1 January 2025 (audited)	6,162,900	80,716	6,243,616
Profit attributable to holder of perpetual capital securities	–	398,786	398,786
Distributions relating to perpetual capital securities	–	(398,567)	(398,567)
Balance at 31 December 2025 (audited) and 1 January 2026 (audited)	6,162,900	80,935	6,243,835
Profit attributable to holder of perpetual capital securities	–	199,936	199,936
Distributions relating to perpetual capital securities	–	(200,333)	(200,333)
Balance at 30 June 2026 (unaudited)	6,162,900	80,538	6,243,438

23. Related party transactions

In addition to the transactions and balances disclosed elsewhere to the interim financial information, the Group had the following related party transactions during the period:

- (a) Compensation of key management personnel of the Group, including directors' and the chief executive's remuneration, is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefit	1,121	1,089

- (b) Save as disclosed below and elsewhere in these interim condensed consolidated financial statements, the Group did not have any material transactions with related parties during the period ended 30 June 2026 and 30 June 2025.

Details as follows:

	For the six months ended 30 June	
	2026	2025
	Finance costs	Finance costs
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Intermediate holding company (note (i))	135,132	125,392
Fellow subsidiaries (note (ii))	86	605

Notes:

- (i) The Group had loans amounting to approximately US\$532,054,559 (equivalent to approximately HK\$4,172,207,000) (31 December 2025: US\$522,054,000 (equivalent to approximately HK\$4,062,595,000)) from its intermediate holding company for the operation of the Group's business. Please refer to note 20 for details of the loans and note 19 for the interest payable of the loans. As a result, finance cost of HK\$135,132,000 (2025: HK\$125,392,000) was resulted for the period ended 30 June 2026.
- (ii) As at 31 December 2025, the Group had loans amounting to RMB6,000,000 (equivalent to approximately HK\$6,643,000) from its fellow subsidiary, for the operation of the Group's business. Please refer to note 20 for details of the loans and note 19 for the interest payable of the loans. As a result, finance cost of HK\$86,000 (2025: HK\$605,000) was resulted for the period ended 30 June 2026.

The Group is indirectly controlled by CCFAMC. The MOF is the major shareholder of CCFAMC as at 30 June 2026. For the current period, in addition to those disclosed above, the Group has undertaken transactions with certain entities directly or indirectly owned by the PRC government, including but not limited to receiving loan facilities. The Group is of opinion that these transactions are in normal business terms that do not require separate disclosure.

24. Fair value measurements of financial instruments

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

30 June 2026 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Assets				
Non-current				
Financial assets at fair value through other comprehensive income	–	27,357	–	27,357
Financial assets at fair value through profit or loss				
– Unlisted fund investments	–	3,475	137,819	141,294
– Listed fixed income securities	–	1,909	–	1,909
– Unlisted fixed income securities	–	–	239,566	239,566
	–	32,741	377,385	410,126
Current				
Financial assets at fair value through other comprehensive income	–	40,790	–	40,790
Financial assets at fair value through profit or loss				
– Unlisted fund investments	–	–	148,491	148,491
– Listed equity investments	12,518	–	–	12,518
– Listed fixed income securities	–	24,580	–	24,580
	12,518	65,370	148,491	226,379
Total financial assets measured at fair value	12,518	98,111	525,876	636,505

24. Fair value measurements of financial instruments (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:
(continued)

31 December 2025 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Assets				
Non-current				
Financial assets at fair value through other comprehensive income	–	19,209	–	19,209
Financial assets at fair value through profit or loss				
– Unlisted fund investments	–	–	155,894	155,894
– Listed fixed income securities	–	28,297	–	28,297
– Unlisted fixed income securities	–	–	272,252	272,252
	–	47,506	428,146	475,652
Current				
Financial assets at fair value through other comprehensive income	–	50,426	–	50,426
Financial assets at fair value through profit or loss				
– Unlisted fund investments	–	12,622	147,360	159,982
– Listed equity investments	14,835	–	–	14,835
– Listed fixed income securities	–	40,969	–	40,969
	14,835	104,017	147,360	266,212
Total financial assets measured at fair value	14,835	151,523	575,506	741,864

25. Fair value and fair value hierarchy of financial instruments

Fair value of the Group's financial assets

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An analysis of the Group's financial assets measured at fair value as at 30 June 2026 and 31 December 2025 are as follows:

	Fair value as at 30 June 2026 (unaudited) HK\$'000	Fair value as at 31 December 2025 (audited) HK\$'000		Valuation technique(s) Fair value and key hierarchy input(s)	Significant unobservable inputs	Reasonable change in key inputs +/-	Increase/(decrease) in fair value of financial instruments by reasonable changes in significant inputs
Financial assets at FVTPL							
(1) Financial assets at FVTPL	Listed equity investments: - HK\$12,518	Listed equity investments: - HK\$14,835	Level 1	Note (a)	N/A	N/A	N/A
(2) Financial assets at FVTPL	Listed fixed income securities: - HK\$26,489	Listed fixed income securities: - HK\$69,266	Level 2	Note (b)	N/A	N/A	N/A
(3) Financial assets at FVTPL	Unlisted fund investment: - HK\$3,475	Unlisted fund investments: - HK\$12,622	Level 2	Note (c)	N/A	N/A	N/A
(4) Financial assets at FVTPL	Unlisted fund investments: - HK\$286,310	Unlisted fund investments: - HK\$303,254	Level 3	Note (d) and (e)	Net asset value	10% unit value	Increase/decrease in net asset value of HK\$2,863,000/ HK\$(2,863,000)

25. Fair value and fair value hierarchy of financial instruments (continued)

Fair value of the Group's financial assets (continued)

An analysis of the Group's financial assets measured at fair value as at 30 June 2026 and 31 December 2025 are as follows: (continued)

	Fair value as at 30 June 2026 (unaudited) HK\$'000	Fair value as at 31 December 2025 (audited) HK\$'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Reasonable change in key inputs +/-	Increase/(decrease) in fair value of financial instruments by reasonable changes in significant inputs
Financial assets at FVTPL							
(5) Financial assets at FVTPL	Unlisted convertible bonds - HK\$239,566	Unlisted convertible bonds - HK\$272,252	Level 3	Note (f)	Discount rate	0.5% of the discount rate	Increase/decrease of HK\$(2,195,000)/HK\$2,166,000
Financial assets at FVTOCI							
(6) Financial assets at FVTOCI	Listed fixed income securities: - HK\$68,147	Listed fixed income securities: - HK\$69,635	Level 2	Note (b)	N/A	N/A	N/A

Notes:

- (a) Quoted price in an active market.
- (b) The fair value was determined with reference to quoted prices provided by brokers/financial institutions.
- (c) Dealing price of the investment funds derived from the net asset values of the investment funds with reference to observable quoted prices of underlying investment portfolio in active markets.
- (d) The fair value is determined with reference to the net asset value of the investment fund after taking into account the credit risk of underlying investments of the fund.
- (e) The fair value is determined with reference to the net asset value of the unlisted equity investments after taking into account the credit risk of the underlying investments of the fund.
- (f) The fair value is determined based on probability-weighted scenario analysis. The key unobservable input is the discount rate.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

25. Fair value and fair value hierarchy of financial instruments (continued)

Fair value of the Group's financial assets (continued)

The reconciliation of the Group's Level 3 fair value measurements of financial assets is as follows:

	30 June 2026 (Unaudited) HK\$'000	30 June 2025 (Unaudited) HK\$'000
Financial assets:		
At beginning of the period	588,128	904,094
Repayment during the period	(32,686)	–
Disposed during the period	–	(193,373)
Total loss/(gain) in profit or loss	(29,566)	142,990
At end of the period	525,876	853,711

For the period ended 30 June 2026, the total loss for the period included in profit or loss was HK\$29,566,000 (2025: loss of HK\$142,990,000) which relates to financial assets at FVTPL at the end of each reporting period. Fair value gains or losses on financial assets at FVTPL are included in “net gains/ (losses) on financial assets at fair value through profit or loss”.

26. Contingent liabilities

The Group had no material contingent liabilities at 30 June 2026 and 31 December 2025.

27. Dividends

No dividend was paid to the shareholders of the Company for the six months ended 30 June 2026 and 30 June 2025.

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2026 and 30 June 2025.

28. Deed of undertaking to a fund

A subsidiary of the Company ("**subsidiary X**") acted as the general partner for a fund ("**the Fund**") set up in 2016. Third party A acting as the sole limited partner invested HK\$950 million into the Fund. Third party B and another subsidiary of the Company ("**subsidiary Y**") both acted as fund managers. Third parties A and B are related parties to each other. Subject to the terms of the limited partnership agreement, if the investment return is greater than or equal to 6% per annum, third party A is entitled to receive a return of 6% per annum from the Fund's assets. Third party B is entitled to receive management fee of 0.5% per annum of the capital commitment of each limited partner. If the investment return is greater than 6% per annum, the excess will be received by subsidiary Y as performance fee. Subsidiary Y is also entitled to receive a management fee of 1% per annum of the capital commitment of each limited partner. The business substance of the Fund is for third party A to lend money to third party C.

Subsidiary Y signed a deed of undertaking to the Fund in 2016. The Company also issued a comfort letter to third party A. Subsidiary Y undertakes to the Fund to use all feasible endeavours to facilitate the Fund to perform its obligations. Subsidiary Y also undertakes to the Fund to serve as liquidity provider. Based on the current legal assessment, it is considered that the comfort letter and the deed of undertaking did not constitute guarantee obligations of the Company, subsidiary X and subsidiary Y as at 31 December 2023 and 31 December 2022. It was also understood that third party A was fully aware that the aforesaid documents would not and shall not constitute guarantee obligations of the Company and its subsidiaries.

On 22 December 2022, third party A commenced legal proceedings in the courts of both Hong Kong and the Cayman Islands. On 13 September 2023, the Company, subsidiary X and subsidiary Y applied to challenge the jurisdiction of the Cayman Courts over the claims asserted by third party A (the "**Jurisdictional Challenge**"). On 29 January 2024, the Cayman Courts handed down a judgment on the Jurisdictional Challenge in favour of the Company, subsidiary X and subsidiary Y. On 12 March 2024, the Cayman Courts ordered third party A to pay the costs of the Company, subsidiary X and subsidiary Y in connection with the Jurisdictional Challenge.

28. Deed of undertaking to a fund (continued)

Third party A proceeded with the action in the Court of First Instance of Hong Kong SAR. Third party A seeks, *inter alia*, specific performance of the limited partnership agreement, deed of undertaking, and comfort letter; payment of unquantified sums which it alleges are due and unpaid under the limited partnership agreement entered into between third party A and subsidiary X; unquantified damages for alleged breaches of fiduciary, contractual and/or statutory duties by subsidiary X; and breaches of the comfort letter and the deed of undertaking signed by the Company and subsidiary Y respectively. Third party A alleged in the pleadings that it has suffered loss in excess of HK\$1 billion.

On 27 March 2024, third party A filed the Amended Writ of Summons. On 11 September 2024, third party A filed the Statement of Claim. On 10 March 2025, the Company, subsidiary X and subsidiary Y filed their Defence. On 7 July 2025, third party A filed the Reply. On 8 December 2025, the parties filed their Lists of Documents. The parties subsequently filed different documents in accordance with the applicable court rules. On 24 July 2026, third party A filed the Amended Statement of Claim. On 19 August 2026, the court has given directions to the parties to adduce expert evidence on a number of foreign law issues. The Company, subsidiary X, and subsidiary Y intend to initiate mediation with third party A to expedite resolution of the disputes.

Based on currently available information, the Company's board of directors considers that the claims will have no material impact on the Group's normal business and operation as at the date of this report.

SUPPLEMENTARY INFORMATION

Interests and short positions of substantial shareholders

As at 30 June 2026, so far as was known to the Directors and the chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company as at 30 June 2026
China CITIC Financial AMC (Notes 1 and 2)	Interests in controlled corporation	4,441,556,104 (L)	51.00%
	Interests in controlled corporation (security interest)	2,009,097,429 (L)	23.07%
CFAIH (Note 1)	Interests in controlled corporation	4,441,556,104 (L)	51.00%
Right Select (Note 1)	Beneficial owner	2,611,438,440 (L)	29.98%
Camellia Pacific (Note 1)	Beneficial owner	1,830,117,664 (L)	21.01%
Shinning Rhythm Limited (Note 2)	Security interest	2,009,097,429 (L)	23.07%
China XinZhi Overseas Investment Holdings Co., Limited ("XinZhi Overseas") (Note 2)	Interests in controlled corporation (security interest)	2,009,097,429 (L)	23.07%
Huarong Huaqiao Asset Management Co., Ltd. (Note 2)	Interests in controlled corporation (security interest)	2,009,097,429 (L)	23.07%
CITIC Financial AMC Zhiyuan Enterprise Management Co., Ltd. ("Zhiyuan") (Note 2)	Interests in controlled corporation	2,009,097,429 (L)	23.07%
Hero Link Enterprises Limited (Note 3)	Beneficial owner	129,000,000 (L)	1.48%
China Tian Yuan International Finance Limited (Note 3)	Beneficial owner	646,220,529 (L)	7.42%
	Interests in controlled corporation	129,000,000 (L)	1.48%

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company as at 30 June 2026
China Tian Yuan Finance Group (Holdings) Limited (Note 3)	Interests in controlled corporation	775,220,529 (L)	8.90%
Ningxia Tianyuan Manganese Industry Group Co., Ltd. (Note 4)	Interests in controlled corporation	996,517,500 (L)	11.44%
Tian Yuan Manganese Limited (Note 4)	Interests in controlled corporation	996,517,500 (L)	11.44%
China Tian Yuan Manganese Finance (Holdings) Limited (Note 4)	Interests in controlled corporation	996,517,500 (L)	11.44%
China Tian Yuan Asset Management Limited (" Tian Yuan Asset Management ") (Note 4)	Beneficial owner	996,517,500 (L)	11.44%
Mr. Jia Tianjiang (Notes 3 and 4)	Interests in controlled corporation	1,771,738,029 (L)	20.34%
Ms. Dong Jufeng (Notes 3 and 4)	Interests of spouse	1,771,738,029 (L)	20.34%

(L) Long position

Notes:

- (1) 1,830,117,664 Shares are beneficially owned by Camellia Pacific and 2,611,438,440 Shares are beneficially owned by Right Select. Both Camellia Pacific and Right Select are wholly owned by CFAIH. CFAIH is owned as to 84.84% by China CITIC Financial AMC and 15.16% by Zhiyuan. Zhiyuan is wholly owned by China CITIC Financial AMC. Therefore, each of China CITIC Financial AMC and CFAIH is deemed or taken to be interested in all the Shares beneficially owned by Camellia Pacific and Right Select by virtue of the SFO.

- (2) 129,000,000 Shares held by Hero Link Enterprises Limited, 646,220,529 Shares held by China Tian Yuan International Finance Limited and 996,517,500 Shares held by China Tian Yuan Asset Management Limited are pledged to Shinning Rhythm Limited, while 237,359,400 Shares held by Power Tiger Investments Limited are pledged to Tian Yuan Investment Holding Co., Limited which in turn has assigned such security interest to Shinning Rhythm Limited. Shinning Rhythm Limited is a wholly-owned subsidiary of XinZhi Overseas, which is in turn a wholly-owned subsidiary of Huarong Huaqiao Asset Management Co., Ltd. Huarong Huaqiao Asset Management Co., Ltd. is owned as to 91% by Zhiyuan. Zhiyuan is a wholly-owned subsidiary of China CITIC Financial AMC. Accordingly, each of XinZhi Overseas, Huarong Huaqiao Asset Management Co., Ltd., Zhiyuan and China CITIC Financial AMC is deemed to be interested in the security interest in the 2,009,097,429 underlying Shares held by Shinning Rhythm Limited by virtue of the SFO.
- (3) China Tian Yuan Finance Group (Holdings) Limited is deemed or taken to be interested in (i) 129,000,000 Shares held by Hero Link Enterprises Limited which is held as to 82% by China Tian Yuan International Finance Limited; and (ii) 646,220,529 Shares held by China Tian Yuan International Finance Limited. China Tian Yuan International Finance Limited is a wholly-owned subsidiary of China Tian Yuan Finance Group (Holdings) Limited, which in turn is wholly owned by Mr. Jia Tianjiang. Accordingly, each of China Tian Yuan International Finance Limited, China Tian Yuan Finance Group (Holdings) Limited, Mr. Jia Tianjiang and his spouse Ms. Dong Jufeng is deemed to be interested in the 775,220,529 Shares beneficially held by Hero Link Enterprises Limited and China Tian Yuan International Finance Limited by virtue of the SFO.
- (4) 996,517,500 Shares are held by China Tian Yuan Asset Management Limited, which is a wholly-owned subsidiary of China Tian Yuan Manganese Finance (Holdings) Limited, which is in turn a wholly-owned subsidiary of Tian Yuan Manganese Limited, which is in turn a wholly-owned subsidiary of Ningxia Tianyuan Manganese Industry Group Co., Ltd. Ningxia Tianyuan Manganese Industry Group Co., Ltd. is owned as to 99.96% by Mr. Jia Tianjiang. Accordingly, each of China Tian Yuan Manganese Finance (Holdings) Limited, Tian Yuan Manganese Limited, Ningxia Tianyuan Manganese Industry Group Co., Ltd., Mr. Jia Tianjiang and his spouse Ms. Dong Jufeng is deemed to be interested in the 996,517,500 Shares beneficially held by China Tian Yuan Asset Management Limited.

Save as disclosed above, as at 30 June 2026, no other persons (other than a Director or chief executive of the Company) who had any interest or short position in any Shares or underlying Shares of the Company which would be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO or which have been notified to the Company and the Stock Exchange.

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 during the Period.

Corporate Governance Practices

During the Period, the Company has adopted and complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Directors' securities transactions

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. In response to a specific enquiry made by the Company, all Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the Period.

Changes in information of Directors

Pursuant to Rule 13.51B of the Listing Rules, changes in information of Directors or chief executive of the Company subsequent to the date of the 2025 annual report of the Company are as follows:

- (1) Mr. Hung Ka Hai Clement ("**Mr. Hung**"), an independent non-executive Director, ceased to be an independent supervisor of the Supervisory Committee of Ping An Insurance (Group) Company of China, Ltd., the shares of which is listed on the Stock Exchange (HKEx: 2318) and the Shanghai Stock Exchange (stock code: 601318), with effect from 13 May 2026. Mr. Hung ceased to be an independent non-executive director of Finsoft Financial Investment Holdings Limited (Stock Code: 8018) with effect from 24 August 2026.

Disclosure Pursuant to Rule 13.18 and Rule 13.21 of the Listing Rules

As at 30 June 2026, there is no banking facilities with covenants relating to specific performance of the Company's controlling shareholder which constitute disclosure obligation pursuant to Rule 13.18 and Rule 13.21 of the Listing Rules.

Review of the Interim Financial Information

The audit committee of the Company has reviewed the unaudited interim financial information of the Group for the Period, including the accounting principles and practices adopted by the Group for the Period.

The Group's external auditor, BDO Limited, has carried out a review of the unaudited interim financial information 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 HKICPA.

DEFINITIONS

“Board”	board of Directors of the Company
“Camellia Pacific”	Camellia Pacific Investment Holding Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of China CITIC Financial AMC, and which directly holding 21.01% equity interest in the Company as at the date of this interim report
“CFAIH”	China CITIC Financial AMC International Holdings Limited, a company with limited liability incorporated in Hong Kong and a controlling shareholder (as defined in the Listing Rules) of the Company
“China CITIC Financial AMC” or “CCFAMC”	China CITIC Financial Asset Management Co., Ltd., a joint stock limited liability company incorporated in the PRC, the issued overseas listed foreign shares of which are listed on the Stock Exchange (stock code: 2799), and a controlling shareholder (as defined in the Listing Rules) of the Company
“Company”	XinKong International Capital Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 993)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	Director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong dollar, the lawful currency of Hong Kong
“HKAS”	the Hong Kong Accounting Standards
“HKFRS”	the Hong Kong Financial Reporting Standards

* For identification purposes only

“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Last Period”	the period for the six months ended 30 June 2025
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented 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
“MOF”	the Ministry of Finance of the PRC
“Period”	the period for the six months ended 30 June 2026, being the financial reporting period of this interim report
“Right Select”	Right Select International Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of China CITIC Financial AMC, and which directly holding 29.98% equity interest in the Company as at the date of this interim report
“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
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange” or “HKEx”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States
“XKIV”	XinKong Investment Stock Corporation Limited, an exempted company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company upon completion of the privatisation
“%”	per cent