



# 信控國際資本有限公司

## XinKong International Capital Holdings Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 993)



# 2025

## INTERIM REPORT

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## CORPORATE INFORMATION

### Board of Directors

#### *Non-executive Director*

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

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## Head Office and Principal Place of Business

15th Floor, China Huarong Tower  
60 Gloucester Road  
Wanchai  
Hong Kong

## Resident Representative

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
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

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## Hong Kong Branch Share Registrar and Transfer Office

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

## Stock Code

993

## Website

[www.xinkong.com.hk](http://www.xinkong.com.hk)

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Highlights

For the Period, the Group recorded a revenue of approximately HK\$17,685,000 (Last Period: approximately HK\$48,697,000), net loss on financial assets at fair value through profit or loss of approximately HK\$27,745,000 (Last Period: net gain of approximately HK\$28,375,000), net loss arising from disposal of financial assets at amortised cost of nil (Last Period: net loss of HK\$10,066,000) and net gain arising from disposal of financial assets at fair value through other comprehensive income HK\$429,000 (Last Period: nil). Therefore, total revenue and investment losses described above amounted to approximately HK\$9,631,000 (Last Period: net gain of approximately HK\$67,006,000). Net loss for the Period was approximately HK\$298,803,000 (Last Period: net profit of approximately HK\$142,581,000), while loss attributable to the Shareholders for the Period was approximately HK\$497,874,000 (Last Period: loss of approximately HK\$57,447,000). The increase in net loss for the Period was mainly due to (1) the expected recoverable amount of a loan as at 30 June 2025 showed a significant decline compared to that of as at 31 December 2024, resulting in the recognition of a substantial impairment provision during the Period; (2) financial assets at fair value through profit or loss recorded a net loss during the Period.

Basic loss per Share was HK5.7 cents for the Period as compared to basic loss per Share of HK0.7 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 2025, along with ongoing geopolitical conflicts, the U.S. tariff policies had significantly bombarded global trade, leading to exacerbating trade and financial turbulence and a slow-down in the global economic growth, showing a certain trend of divergence. In the complex and volatile external environment, although the China economy continued to face significant pressure in external demand and residents' consumption willingness still required a boost, however, the China economy exhibited strong resilience in industrial upgrading, domestic demand growth, technological innovation and other aspects. Benefiting from policy support and deepening regional cooperation, the overall economy of Hong Kong showed signs of recovery. The Group persisted in progress with prudence as it continued to advance the liquidation and cash recouping of risk projects with stronger risk control efforts. Meanwhile, we actively refocused on our principal business, seized the market opportunities during this special period and strengthened customer marketing so as to explore business opportunities, bringing into full play the synergies of our licensed businesses to drive business transformation.

## Securities

Securities business includes the provision of online and offline securities transactions, custodian services and investment advisory services. During the first half of 2025, the Group continues to persist in compliant business operation and pursues 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 continued to enhance the standard of financial technology, improve operational efficiency, and 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 business synergies, seized market opportunities and assisted in the disposal of stock assets in existing projects within the system to increase intermediary income. In connection with the management of the projects, the Group further improved its risk control measures with enhanced efforts in the negotiation and communication with customers to ensure principal and interest repayments as due for existing normal projects.

For the Period, the revenue and other gains or losses from the securities segment was approximately HK\$636,000 as compared to approximately HK\$5,050,000 for the Last Period. Total revenue increased on a year-on-year basis, which was mainly attributable to the increases in both the income from intermediary business and interest income. As a result of the increase 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\$6,672,000 for the Period as compared to a profit of approximately HK\$2,747,000 for the Last Period.

## Asset Management and Direct Investment

The asset management and direct investment business 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. During the first half of 2025, Hong Kong witnessed a sound growth momentum in asset management business, especially driven by the southbound capital inflows, a recovery in the IPO market and the New Capital Investment Entrant Scheme, which further consolidated its position as an international financial centre. To address changes in the market and seize market opportunities in this year, the Group enhanced its risk control measures in relation to market risks and credit risks and ensured the stable performance of its existing assets by adhering to the risk control orientation, strengthening project outreach and engaging with clients. Meanwhile, we accelerated the resolution of existing risks through such measures as litigation recovery and collateral disposal, and continued to focus on asset management within the sector of non-performing assets, in particular investment and financing for central and state-owned enterprises as well as relief for distressed assets enterprises, with a view to striving for steady investment gains.

For the Period, the revenue from this segment was approximately HK\$14,898,000, versus segment revenue of approximately HK\$46,440,000 for the Last Period. The decline in revenue was primarily due to a significant devaluation of certain investment projects held by the Group in the second half of 2024 and the first half of 2025, resulting in a decrease of approximately 70% in corresponding interest income calculated for the Period compared to the Last Period. Additionally, there was a further reduction in bond interest income as the Group disposed and redeemed certain bonds at maturity during the Period. The net loss on financial assets at fair value through profits or loss was approximately HK\$27,745,000 compared to the net gain of approximately HK\$28,375,000 for the Last Period. As a result of an increase in the provision for impairment of investment projects and the occurrence of a net loss on financial assets at fair value through profit or loss, the segment result for the Period recorded a loss of approximately HK\$304,366,000, as compared to the profit of approximately HK\$159,690,000 for the Last Period.

### Corporate Finance

During the first half of 2025, the capital market in Hong Kong exhibited an overall recovery trend. The total funds raised amounted HK\$280.8 billion for the first six months, including 44 newly listed companies, of which the funds raised through initial public offerings amounted to HK\$107.1 billion. However, in view of the fierce competition in the corporate financing market, on one hand, the Group continued to advance the transformation of its licensed business, as it strengthened compliance awareness and enhanced risk control, whilst seeking cost reductions and cost effectiveness to improve operational efficiency, and expanding the businesses of listed companies in financial advisory, debt restructuring, divestitures and asset injection. On the other hand, the Group has established a list of clients for marketing visits in coordinated development with CCFAMC's major business of non-performing assets to fully play an instrumental supporting role, in a gradual endeavour to forge its advantages in differentiated operations and achieve breakthrough.

For the Period and the Last Period, no revenue was generated from the corporate finance segment. The segment result for the Period was nil as compared to loss of approximately HK\$2,140,000 for the Last Period.

### Financial Services and Others

Financial services and others business includes provision of finance lease services and other related services in Mainland China. It is focusing on providing 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, the revenue from this segment was nil as compared to HK\$667,000 for the Last Period. Affected by exchange rate fluctuations and no loss occurred on disposal of financial assets at amortised cost during the Period, the segment loss decreased to approximately HK\$4,132,000, as compared to a loss of approximately HK\$39,201,000 for the Last Period.

## Prospects

The Group anticipates that policy coordination and geopolitical tensions will continue to pose multiple challenges to the global economy for the second half of the year. To address multiple uncertainties in China and elsewhere, the Group will overcome hurdles with focused efforts and seize opportunities in this special period of the market.

In connection with the securities business, Hong Kong's securities market continued to pick up. In the first half of 2025, both the average daily turnover and market value recorded a significant year-on-year growth. The Group will seize market opportunities and ramp up its efforts in marketing and expansion of institutional clients on the basis of ensuring operational compliance, to further improve the proportion of revenue from the intermediary business. Moreover, we will further improve business synergy within the system, work together in the areas of stock custody and stock asset disposal, and continue to cultivate our own differentiated competitive advantages. In connection with asset management business, as the high interest rate cycle could be longer than expected given the complex and volatile environment, the Group will grasp special investment opportunities present in the current market, and make deeper countercyclical efforts in the "major non-performing asset" segment, fully taking advantage of CCFAMC's business experience and synergy strengths in non-performing asset industry. The Group will focus on central and state-owned enterprise, material reorganisation and relief of distressed enterprises, among others, in vigorous development of counter cyclical asset management businesses, explore the development of a light-asset business operating model and cultivate its core competitive advantages. In connection with corporate finance business, the Group has focused on the non-performing asset industry and established a distinctive investment banking model in line with CCFAMC's strategy of returning to its major business. Through cross-border financial cooperation, we actively explored opportunities for cross-border disposal of non-performing assets and fully leveraged our investment banking services to assist listed companies in debt restructuring, divestitures, and asset injection, thereby building an efficient bridge between enterprises and the capital market.

## Financial Review

### Capital Structure

As at 30 June 2025, 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\$-2,790,592,000 (31 December 2024: approximately HK\$-2,273,381,000).

## 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 2025, the Group had total cash and deposits with banks amounting to approximately HK\$379,152,000 as compared to approximately HK\$413,122,000 as at 31 December 2024, excluding client funds that were kept in separate designated bank accounts of approximately HK\$134,717,000 (31 December 2024: approximately HK\$99,518,000) and deposits in other financial institutions of approximately HK\$17,326,000 (31 December 2024: approximately HK\$17,344,000). As at 30 June 2025, 69% (31 December 2024: 69%) of the Group's cash and deposits with banks was denominated in HKD or RMB. The Group's gearing ratio as at 30 June 2025 was 257% as compared to 186% as at 31 December 2024, being calculated as borrowings over the Group's total assets. The change in gearing was attributable to a decrease in the Group's total assets due to additional provisions 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 robust financial position. As at 30 June 2025, the Group obtained shareholder loans and perpetual capital bonds from CFAIH in an aggregate principal amount of approximately US\$1,289,173,000 (equivalent to approximately HK\$10,088,215,000) (31 December 2024: approximately US\$1,279,173,000 (equivalent to approximately HK\$9,929,603,000)) 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 2024: annual rates of 5.797% to 6.86%) and were repayable within one to five years from the end of the Period (31 December 2024: in one to five years from the end of the year).

As at 30 June 2025 and 31 December 2024, the Group had no loan denominated in USD from Right Select International Limited (direct controlling shareholder of the Company). The Group also had a RMB loan of RMB6,000,000 (equivalent to approximately HK\$6,579,000) from a fellow subsidiary (31 December 2024: RMB loan of RMB26,000,000 (equivalent to approximately HK\$28,077,000)). Such loan was subject to interest at a fixed annual interest rate of 5.43% (31 December 2024: annual rates of 5.43%) and were repayable in two years from the end of the Period (31 December 2024: in four years from the end of the year).

As at 30 June 2025 and 31 December 2024, the Group had no utilized bank credit facilities.

As at 30 June 2025, the Group had unutilized bank credit facilities of approximately HK\$100,000,000 (31 December 2024: 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 2025, the Group had not pledged any time deposits (31 December 2024: nil) 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 2025 and 31 December 2024.

### Significant Investments

As at 30 June 2025, the Group held the following significant investments:

- (1) 1,836,000 ordinary shares (31 December 2024: 1,836,000 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 HK\$7,803,000 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 0.01% (31 December 2024: 0.01%) of the equity interests in ARTA TechFin. The respective fair values of the shares and convertible bond as at 30 June 2025 were HK\$84,000 and HK\$414,717,000 (31 December 2024: HK\$66,000 and HK\$428,415,000 respectively), which aggregated to approximately 23.31% (31 December 2024: 20.7%) of the total assets of the Group. During the Period, the Group's unrealised fair value gain on the shares of ARTA TechFin was HK\$18,000 and unrealised fair value gain on convertible bond was nil. The completion of the share consolidation of the company's shares took place on 29 July 2025. Every twenty originally issued and unissued ordinary shares were consolidated into one consolidated share. As a result, the Group currently holds 91,800 consolidated shares.

This significant investment is not primarily held for trading. It was acquired by a subsidiary of XKIV 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.

- (2) 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 total assets of the Fund I as at 31 December 2024 were approximately US\$81.92 million, with the principal asset being the equity interest in TUJIA.COM INTERNATIONAL (“**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 of TUJIA were distributed to the Group in specie upon its expiry. The fair value of such shares as at 30 June 2025 was US\$18,936,000 (31 December 2024: US\$18,936,000), representing approximately 8.35% of the total asset value of the Group (31 December 2024: 7.12%). Subsequently, the Group intends to seek exit opportunities through equity transfer or disposal in secondary market.
- (3) 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. As at 31 December 2024, the Group held 2,013,932,000 pledged shares, representing approximately 38.00% of the issued shares of Crown International. Crown International completed the consolidation of every twenty originally issued shares into one share on 28 March 2025, upon capital reorganisation and as of 30 June 2025, the Group held 100,696,600 consolidated pledged shares, representing approximately 31.67% of the existing issued shares of Crown International. The fair value of the Loan as at 30 June 2025 was HK\$67,827,000 (31 December 2024: HK\$217,505,000), representing approximately 3.81% of the total asset value of the Group (31 December 2024: 10.53%). A net impairment provisions amounting to approximately HK\$149,677,000 was recorded in respect of such project for the Period, resulting from the effects of a significant decline in the expected recoverable amount of the loan as at 30 June 2025 compared to that of as at 31 December 2024.

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

- (4) 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 II. The total assets of the Fund II as at 31 December 2024 were approximately US\$374 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 2025 was US\$19,079,253 (31 December 2024: US\$17,833,657), representing approximately 8.41% of the total asset value of the Group (31 December 2024: 6.70%).

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

### 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 is 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 impairment loss of approximately HK\$151 million for the Year, 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 expected recoverable amount of the project as at 30 June 2025 showed a significant decline compared to that of as at 31 December 2024, resulting in the recognition of approximately HK\$150 million in net impairment provisions 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 determine 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\$13,813,000 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\$230 million and the carrying amount is approximately HK\$74 million, with the remaining maturity mainly ranging from one to five years, and the coupon rate ranging from 3.8% to 9.38% 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 Mainland China through its indirectly wholly-owned subsidiary Zhongju (Shenzhen) Financial Leasing Co., Ltd. (**“Zhongju Financial Leasing”**).

Zhongju Financial Leasing 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 Financial Leasing regarding property(ies) for lease to sell such property(ies). Zhongju Financial Leasing 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 Financial Leasing according to the payment schedule.

As at 30 June 2025, Zhongju Financial Leasing held three 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\$7,818,000. These projects accounted for approximately 0.44% of the Group's total assets.

These projects are entered with various counterparties who operate in car leasing, and wire processing. In terms of geographical distribution, the finance lease business is conducted in the Mainland China, including Guangdong Province, etc.

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 electrical cable production equipment and 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. A total provision for impairment of approximately HK\$352,000 was made in respect of the three 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 Financial Leasing 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 Financial Leasing 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 Financial Leasing 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 conduct ongoing assessment and analysis of risks associated with them.

##### 2. Actions taken in respect of overdue projects

In the event of overdue loans, Zhongju Financial Leasing 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 2025, the Group employed a total of 10 employees (31 December 2024: 12 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 offer 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 60 which comprises 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 2025 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.

## Other matter

The comparative condensed consolidated statement of profit or loss, and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30 June 2024 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the interim financial information of the Group for the six-month period ended 30 June 2024 reviewed by another auditor who expressed an unmodified conclusion on that interim financial information on 30 August 2024.

The comparative condensed consolidated statement of financial position as at 31 December 2024 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the consolidated financial statements of the Group for the year ended 31 December 2024 audited by the same auditor who expressed an unmodified opinion on those consolidated financial statements on 28 March 2025.

### **BDO Limited**

*Certified Public Accountants*

### **Choi Kit Ying**

Practising Certificate no. P07387

Hong Kong, 29 August 2025

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

|                                                                                                        |       | For the six months<br>ended 30 June |                         |
|--------------------------------------------------------------------------------------------------------|-------|-------------------------------------|-------------------------|
|                                                                                                        |       | 2025                                | 2024                    |
|                                                                                                        | Notes | (Unaudited)<br>HK\$'000             | (Unaudited)<br>HK\$'000 |
| <b>REVENUE</b>                                                                                         |       |                                     |                         |
| Commission and fee income                                                                              | 5     | 1,613                               | 2,350                   |
| Interest income                                                                                        | 5     |                                     |                         |
| Interest income calculated using the effective interest method                                         |       | 14,377                              | 40,187                  |
| Others                                                                                                 |       | 1,695                               | 5,380                   |
| Investment income                                                                                      | 5     | –                                   | 780                     |
|                                                                                                        |       | <b>17,685</b>                       | 48,697                  |
| Net (loss)/gain on financial assets at fair value through<br>profit or loss                            |       | (27,745)                            | 28,375                  |
| Net loss arising from disposal of financial asset at amortised cost                                    |       | –                                   | (10,066)                |
| Net gain arising from disposal of financial assets at fair value<br>through other comprehensive income |       | 429                                 | –                       |
| Other income and gains or losses, net                                                                  |       | (4,307)                             | 729                     |
| Brokerage and commission expenses                                                                      |       | –                                   | (7)                     |
| Administrative and other operating expenses                                                            |       | (23,477)                            | (25,057)                |
| (Impairment losses)/reversal of impairment, net                                                        |       | (150,827)                           | 209,942                 |
| Finance costs                                                                                          | 6     | (126,018)                           | (134,039)               |
| <b>(LOSS)/PROFIT BEFORE TAX</b>                                                                        | 7     | <b>(314,260)</b>                    | 118,574                 |
| Income tax credit                                                                                      | 8     | 15,457                              | 24,007                  |
| <b>(LOSS)/PROFIT FOR THE PERIOD</b>                                                                    |       | <b>(298,803)</b>                    | 142,581                 |
| Attributable to:                                                                                       |       |                                     |                         |
| Equity holders of the Company                                                                          |       | (497,874)                           | (57,447)                |
| Holder of perpetual capital securities                                                                 |       | 199,071                             | 200,028                 |
|                                                                                                        |       | <b>(298,803)</b>                    | 142,581                 |
| <b>BASIC LOSS PER SHARE ATTRIBUTABLE TO ORDINARY<br/>EQUITY HOLDERS OF THE COMPANY</b>                 | 9     | <b>(HK5.7 cents)</b>                | (HK0.7 cents)           |

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

|                                                                                                                                           | For the six months ended 30 June |             |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------|
|                                                                                                                                           | 2025                             | 2024        |
|                                                                                                                                           | (Unaudited)                      | (Unaudited) |
|                                                                                                                                           | HK\$'000                         | HK\$'000    |
| <b>(LOSS)/PROFIT FOR THE PERIOD</b>                                                                                                       | <b>(298,803)</b>                 | 142,581     |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>                                                                                                  |                                  |             |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods:                                              |                                  |             |
| Fair value loss on financial assets at fair value through other comprehensive income                                                      | 4,123                            | 5,479       |
| Net reversal of impairment of financial assets at fair value through other comprehensive income included in profit or loss                | (13,812)                         | (7,746)     |
| Reclassification of adjustments relating to disposal of financial assets at fair value through other comprehensive income during the year | (429)                            | –           |
| Exchange differences on translation of foreign operations, net                                                                            | (9,650)                          | 4,333       |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX</b>                                                                       | <b>(19,768)</b>                  | 2,066       |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>                                                                                   | <b>(318,571)</b>                 | 144,647     |
| <b>Attributable to:</b>                                                                                                                   |                                  |             |
| Equity holders of the Company                                                                                                             | (517,642)                        | (55,381)    |
| Holder of perpetual capital securities                                                                                                    | 199,071                          | 200,028     |
|                                                                                                                                           | <b>(318,571)</b>                 | 144,647     |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

|                                                                   | Notes | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|-------------------------------------------------------------------|-------|--------------------------------------------|----------------------------------------------|
| <b>NON-CURRENT ASSETS</b>                                         |       |                                            |                                              |
| Property, plant and equipment                                     |       | 363                                        | 606                                          |
| Other long term assets                                            |       | 1,043                                      | 1,043                                        |
| Intangible assets                                                 |       | 2,350                                      | 2,350                                        |
| Right-of-use assets                                               |       | 1,070                                      | 1,887                                        |
| Financial assets at fair value through profit or loss             | 10    | 725,855                                    | 782,015                                      |
| Financial assets at fair value through other comprehensive income | 11    | 18,354                                     | 24,575                                       |
| Other loans and debt instruments                                  | 13    | 121,831                                    | 271,509                                      |
| <b>Total non-current assets</b>                                   |       | <b>870,866</b>                             | <b>1,083,985</b>                             |
| <b>CURRENT ASSETS</b>                                             |       |                                            |                                              |
| Advances to customers in margin financing                         | 14    | 7,840                                      | 11,543                                       |
| Accounts receivable                                               | 15    | 1,261                                      | 3,299                                        |
| Prepayments, deposits and other receivables                       |       | 4,722                                      | 13,319                                       |
| Financial assets at fair value through profit or loss             | 10    | 229,740                                    | 283,423                                      |
| Financial assets at fair value through other comprehensive income | 11    | 55,409                                     | 52,628                                       |
| Finance lease receivables                                         | 12    | 7,818                                      | 8,675                                        |
| Other loans and debt instruments                                  | 13    | 69,972                                     | 67,750                                       |
| Amounts due from related parties                                  |       | 1,044                                      | 11,003                                       |
| Tax recoverable                                                   |       | –                                          | 161                                          |
| Restricted bank balances                                          | 16    | 134,717                                    | 99,518                                       |
| Deposits in other financial institutions                          |       | 17,326                                     | 17,344                                       |
| Cash and deposits with banks                                      | 17    | 379,152                                    | 413,122                                      |
| <b>Total current assets</b>                                       |       | <b>909,001</b>                             | <b>981,785</b>                               |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

|                                                               | Notes | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|---------------------------------------------------------------|-------|--------------------------------------------|----------------------------------------------|
| <b>CURRENT LIABILITIES</b>                                    |       |                                            |                                              |
| Accounts payable                                              | 18    | 134,644                                    | 100,798                                      |
| Other liabilities, payables and accruals                      | 19    | 377,806                                    | 266,864                                      |
| Interest-bearing borrowings                                   | 20    | 6,579                                      | –                                            |
| Amounts due to related parties                                |       | 90,232                                     | 84,418                                       |
| Tax payable                                                   |       | 34,300                                     | 49,411                                       |
| Lease liabilities                                             |       | 1,583                                      | 2,023                                        |
| <b>Total current liabilities</b>                              |       | <b>645,144</b>                             | <b>503,514</b>                               |
| <b>NET CURRENT ASSETS</b>                                     |       | <b>263,857</b>                             | <b>478,271</b>                               |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                  |       | <b>1,134,723</b>                           | <b>1,562,256</b>                             |
| <b>NON-CURRENT LIABILITIES</b>                                |       |                                            |                                              |
| Other liabilities, payables and accruals                      | 19    | –                                          | 3,504                                        |
| Interest-bearing borrowings                                   | 20    | 3,925,315                                  | 3,832,133                                    |
| <b>Total non-current liabilities</b>                          |       | <b>3,925,315</b>                           | <b>3,835,637</b>                             |
| <b>NET LIABILITIES</b>                                        |       | <b>(2,790,592)</b>                         | <b>(2,273,381)</b>                           |
| <b>EQUITY</b>                                                 |       |                                            |                                              |
| Share capital                                                 | 21    | 8,710                                      | 8,710                                        |
| Share premium and reserves                                    |       | (9,043,349)                                | (8,525,707)                                  |
| Equity attributable to owners of the Company                  |       | (9,034,639)                                | (8,516,997)                                  |
| Perpetual capital securities classified as equity instruments | 22    | 6,244,047                                  | 6,243,616                                    |
| <b>Total equity</b>                                           |       | <b>(2,790,592)</b>                         | <b>(2,273,381)</b>                           |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

|                                                                                                                                            | Attributable to owners of the Company |                           |                                             |                                          |                                             |                                          |                                                   |                                |                   |                                          |                          |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------|---------------------------------------------|------------------------------------------|---------------------------------------------|------------------------------------------|---------------------------------------------------|--------------------------------|-------------------|------------------------------------------|--------------------------|
|                                                                                                                                            | Share capital<br>HK\$'000             | Share premium<br>HK\$'000 | Contributed surplus<br>(Note i)<br>HK\$'000 | Capital reserve<br>(Note ii)<br>HK\$'000 | Statutory reserve<br>(Note iii)<br>HK\$'000 | Currency translation reserve<br>HK\$'000 | FVTOCI investment revaluation reserve<br>HK\$'000 | Accumulated losses<br>HK\$'000 | Total<br>HK\$'000 | Perpetual capital securities<br>HK\$'000 | Total equity<br>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)              |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

|                                                                                                                              | Attributable to owners of the Company |                           |                                             |                                          |                                             |                                          |                                                   |                                |                   |                                          |                          |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------|---------------------------------------------|------------------------------------------|---------------------------------------------|------------------------------------------|---------------------------------------------------|--------------------------------|-------------------|------------------------------------------|--------------------------|
|                                                                                                                              | Share capital<br>HK\$'000             | Share premium<br>HK\$'000 | Contributed surplus<br>(Note i)<br>HK\$'000 | Capital reserve<br>(Note ii)<br>HK\$'000 | Statutory reserve<br>(Note iii)<br>HK\$'000 | Currency translation reserve<br>HK\$'000 | FVTOCI investment revaluation reserve<br>HK\$'000 | Accumulated losses<br>HK\$'000 | Total<br>HK\$'000 | Perpetual capital securities<br>HK\$'000 | Total equity<br>HK\$'000 |
| At 1 January 2024 (audited)                                                                                                  | 8,710                                 | 3,220,249                 | 139,615                                     | 636,129                                  | 31,973                                      | 31,359                                   | (12,676)                                          | (11,953,648)                   | (7,898,289)       | 6,241,635                                | (1,656,654)              |
| Loss for the period                                                                                                          | -                                     | -                         | -                                           | -                                        | -                                           | -                                        | -                                                 | (57,447)                       | (57,447)          | 200,028                                  | 142,581                  |
| Other comprehensive income for the period:                                                                                   |                                       |                           |                                             |                                          |                                             |                                          |                                                   |                                |                   |                                          |                          |
| Fair value gain on financial assets at fair value through other comprehensive income                                         | -                                     | -                         | -                                           | -                                        | -                                           | -                                        | 5,479                                             | -                              | 5,479             | -                                        | 5,479                    |
| Net provision for impairment of financial assets at fair value through other comprehensive income included in profit or loss | -                                     | -                         | -                                           | -                                        | -                                           | -                                        | (7,746)                                           | -                              | (7,746)           | -                                        | (7,746)                  |
| Exchange differences on translation of foreign operations, net                                                               | -                                     | -                         | -                                           | -                                        | -                                           | 4,333                                    | -                                                 | -                              | 4,333             | -                                        | 4,333                    |
| Reclassification adjustments for a foreign operation disposed of during the period                                           | -                                     | -                         | -                                           | -                                        | -                                           | (230)                                    | -                                                 | 230                            | -                 | -                                        | -                        |
| Total comprehensive income for the period                                                                                    | -                                     | -                         | -                                           | -                                        | -                                           | 4,103                                    | (2,267)                                           | (57,217)                       | (55,381)          | 200,028                                  | 144,647                  |
| Distributions relating to perpetual capital securities                                                                       | -                                     | -                         | -                                           | -                                        | -                                           | -                                        | -                                                 | -                              | -                 | (200,252)                                | (200,252)                |
| At 30 June 2024 (unaudited)                                                                                                  | 8,710                                 | 3,220,249                 | 139,615                                     | 636,129                                  | 31,973                                      | 35,462                                   | (14,943)                                          | (12,010,865)                   | (7,953,670)       | 6,241,411                                | (1,712,259)              |

### 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 2025

|                                                                                                | For the six months<br>ended 30 June |                                 |
|------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|
|                                                                                                | 2025<br>(Unaudited)<br>HK\$'000     | 2024<br>(Unaudited)<br>HK\$'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                    |                                     |                                 |
| (Loss)/profit before tax                                                                       | (314,260)                           | 118,574                         |
| Total non-cash adjustments                                                                     | 193,063                             | (149,366)                       |
| Total working capital adjustments                                                              | 293,300                             | 457,236                         |
| Cash generated from operations                                                                 | 172,103                             | 426,444                         |
| Interest received                                                                              | 4,536                               | 12,545                          |
| <b>Net cash flows from operating activities</b>                                                | <b>176,639</b>                      | <b>438,989</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                    |                                     |                                 |
| Dividend received                                                                              | –                                   | 780                             |
| Proceeds from disposal of financial assets at fair value through other<br>comprehensive income | 59,025                              | 53,789                          |
| Proceed from disposal of finance lease receivables                                             | –                                   | 18,146                          |
| <b>Net cash flows from investing activities</b>                                                | <b>59,025</b>                       | <b>72,715</b>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                    |                                     |                                 |
| Drawdown/(repayment) of interest-bearing borrowings                                            | 36,281                              | (1,260,545)                     |
| Interest paid                                                                                  | (125,993)                           | (1,693)                         |
| Net changes from amount from/to related parties                                                | 29,246                              | (7,155)                         |
| Repayment of lease liabilities                                                                 | (878)                               | (152)                           |
| Distribution to perpetual capital securities holder                                            | (198,640)                           | (200,252)                       |
| <b>Net cash flows used in financing activities</b>                                             | <b>(259,984)</b>                    | <b>(1,469,797)</b>              |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                               | <b>(24,320)</b>                     | <b>(958,093)</b>                |
| Cash and cash equivalents at the beginning of the period                                       | 413,122                             | 1,581,355                       |
| Effect of foreign exchange rate changes, net                                                   | (9,650)                             | 4,333                           |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>                                          | <b>379,152</b>                      | <b>627,595</b>                  |

## 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 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of operations of the Company is 15th floor, China Huarong Tower, 60 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 29 August 2025.

### 2. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 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 2024.

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 2025, the Group had net current assets of HK\$264 million (31 December 2024: net current assets of HK\$478 million), net liabilities of HK\$2,791 million (31 December 2024: net liabilities of HK\$2,273 million) and incurred a loss of HK\$299 million (30 June 2024: net profit of HK\$143 million) for the six months period ended.

## 2. Basis of preparation (continued)

### Going concern basis (continued)

In view of 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 2025, the Group has total bank credit facilities of HK\$100,000,000 (31 December 2024: HK\$100,000,000), of which HK\$nil (31 December 2024: HK\$nil) were utilized by the Group.

(ii) *Support from intermediate controlling shareholder*

The Group has obtained a letter of support from its intermediate controlling shareholder, CFAIH, who has confirmed its intention to provide sufficient financial support to the Group to enable it to meet its obligations and liabilities as and when they fall due, where the Directors are of the opinion that the financial support from CFAIH will continue to be forthcoming. As at 30 June 2025, CFAIH, directly and indirectly through its subsidiaries, lent an aggregate of HK\$10.3 billion to the Group in forms of intercompany loans and perpetual securities (31 December 2024: HK\$10.1 billion). Depending on the need for working capital, the Group may need to obtain the loans at different times and amounts.

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

In respect of public trade 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 2025, the Directors are of the opinion that the Group would be able to dispose of such investments as and when needed to alleviate the Group's 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 through focus of resources to recover cashflows from existing projects and investments in the upcoming year. At the same time, the Group will continue to take active measures to control administrative costs through various channels including communication of the budget, control and monitoring by finance department within the Group.

## 2. Basis of preparation (continued)

### Going concern basis (continued)

#### (v) *Actively develop licensed business*

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

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 30 June 2025. 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 financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements. 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 2024, except for the adoption of the following revised HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

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

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. 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 securities underwriting and 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, business consulting services, financing 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 2025 and 2024 for the Group's operating segments:

#### *Six months ended 30 June 2025 (unaudited)*

|                                                                                                     | Securities<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Asset<br>management<br>and direct<br>investment<br>HK\$'000 | Financial<br>services and<br>others<br>HK\$'000 | Total<br>HK\$'000 |
|-----------------------------------------------------------------------------------------------------|------------------------|----------------------------------|-------------------------------------------------------------|-------------------------------------------------|-------------------|
| <b>Segment revenue</b>                                                                              |                        |                                  |                                                             |                                                 |                   |
| Commission and fee income                                                                           | 1,315                  | –                                | 298                                                         | –                                               | 1,613             |
| Interest income                                                                                     | 1,472                  | –                                | 14,600                                                      | –                                               | 16,072            |
| Investment income                                                                                   | –                      | –                                | –                                                           | –                                               | –                 |
|                                                                                                     | 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)          |
| <b>Segment results</b>                                                                              | (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)

Six months ended 30 June 2024 (unaudited)

|                                                                        | Securities<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Asset<br>management<br>and direct<br>investment<br>HK\$'000 | Financial<br>services and<br>others<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------------------------------------------------------|------------------------|----------------------------------|-------------------------------------------------------------|-------------------------------------------------|-------------------|
| <b>Segment revenue</b>                                                 |                        |                                  |                                                             |                                                 |                   |
| Commission and fee income                                              | 1,277                  | –                                | 1,073                                                       | –                                               | 2,350             |
| Interest income                                                        | 313                    | –                                | 44,587                                                      | 667                                             | 45,567            |
| Investment income                                                      | –                      | –                                | 780                                                         | –                                               | 780               |
|                                                                        | 1,590                  | –                                | 46,440                                                      | 667                                             | 48,697            |
| Net gain on financial assets at fair value through<br>profit or loss   | –                      | –                                | 28,375                                                      | –                                               | 28,375            |
| Net loss arising from disposal of financial asset at<br>amortised cost | –                      | –                                | –                                                           | (10,066)                                        | (10,066)          |
| Other income and gains or losses, net                                  | 3,460                  | 32                               | 6,792                                                       | (19,225)                                        | (8,941)           |
|                                                                        | 5,050                  | 32                               | 81,607                                                      | (28,624)                                        | 58,065            |
| <b>Segment results</b>                                                 | 2,747                  | (2,140)                          | 159,690                                                     | (39,201)                                        | 121,096           |
| Unallocated other income and gains or losses,<br>expenses, net         |                        |                                  |                                                             |                                                 | (2,522)           |
| Profit before tax                                                      |                        |                                  |                                                             |                                                 | 118,574           |
| Income tax credit                                                      |                        |                                  |                                                             |                                                 | 24,007            |
| Profit for the period                                                  |                        |                                  |                                                             |                                                 | 142,581           |

## 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 2025 and 31 December 2024.

|                                        | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|----------------------------------------|--------------------------------------------|----------------------------------------------|
| <b>Assets</b>                          |                                            |                                              |
| Securities                             | 234,978                                    | 205,848                                      |
| Corporate finance                      | 10,133                                     | 10,126                                       |
| Asset management and direct investment | 1,392,111                                  | 1,742,287                                    |
| Financial services and others          | 80,279                                     | 71,351                                       |
| Total segment assets                   | 1,717,501                                  | 2,029,612                                    |
| Intercompany eliminations              | 2,849                                      | (7,236)                                      |
| Other unallocated assets               | 59,517                                     | 43,394                                       |
| Total assets                           | 1,779,867                                  | 2,065,770                                    |
| <b>Liabilities</b>                     |                                            |                                              |
| Securities                             | 153,496                                    | 121,204                                      |
| Corporate finance                      | –                                          | –                                            |
| Asset management and direct investment | 463,837                                    | 354,262                                      |
| Financial services and others          | 11,157                                     | 26,472                                       |
| Total segment liabilities              | 628,490                                    | 501,938                                      |
| Intercompany eliminations              | 2,849                                      | (7,236)                                      |
| Other unallocated liabilities          | 3,939,120                                  | 3,844,449                                    |
| Total liabilities                      | 4,570,459                                  | 4,339,151                                    |

## 4. Operating segment information (continued)

### (a) Operating segments (continued)

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

|                                                                                                   | Securities<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Asset<br>management<br>and direct<br>investment<br>HK\$'000 | Financial<br>services and<br>others<br>HK\$'000 | Unallocated<br>HK\$'000 | Total<br>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 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            |

#### *Other segment information for the six months ended 30 June 2024 (unaudited)*

|                                                                                                 | Securities<br>HK\$'000 | Corporate<br>finance<br>HK\$'000 | Asset<br>management<br>and direct<br>investment<br>HK\$'000 | Financial<br>services and<br>others<br>HK\$'000 | Unallocated<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------------------------------------------------------------------------|------------------------|----------------------------------|-------------------------------------------------------------|-------------------------------------------------|-------------------------|-------------------|
| Finance costs                                                                                   | -                      | -                                | (123,700)                                                   | -                                               | (10,339)                | (134,039)         |
| Net reversal of impairment of other loans and debt instruments                                  | -                      | -                                | 214,006                                                     | -                                               | -                       | 214,006           |
| Net provision for impairment of accounts receivable and others                                  | (3)                    | -                                | (1,852)                                                     | -                                               | -                       | (1,855)           |
| Net reversal of impairment of advances to customers in margin financing                         | 708                    | -                                | -                                                           | -                                               | -                       | 708               |
| Net provision for impairment of finance lease receivables                                       | -                      | -                                | -                                                           | (10,663)                                        | -                       | (10,663)          |
| Net reversal of impairment of financial assets at fair value through other comprehensive income | -                      | -                                | 7,746                                                       | -                                               | -                       | 7,746             |

## 4. Operating segment information (continued)

### (b) Geographical information

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

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 |
|                | 2025                            | 2024        | 2025               | 2024        |
|                | (Unaudited)                     | (Unaudited) | (Unaudited)        | (Audited)   |
|                | HK\$'000                        | HK\$'000    | HK\$'000           | HK\$'000    |
| Hong Kong      | 14,607                          | 48,030      | 3,783              | 4,838       |
| Mainland China | 3,078                           | 667         | 5                  | 5           |
|                | 17,685                          | 48,697      | 3,788              | 4,843       |

Note: Non-current assets excluded financial assets.

### (c) Information about major customers

During the six months period ended 30 June 2025, three external customers contributed more than 10% of total revenue of the Group (2024: 10%):

|                                                         | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 30 June<br>2024<br>(Unaudited)<br>HK\$'000 |
|---------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Customer A from asset management and direct investment* | 6,750                                      | 29,734                                     |
| Customer B from asset management and direct investment  | 3,230                                      | 3,933                                      |
| Customer C from asset management and direct investment  | 2,926                                      | 5,540                                      |

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

## 5. Revenue

The Group's revenue is disaggregated as follows:

|                                                                                        | For the six months<br>ended 30 June |                                 |
|----------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|
|                                                                                        | 2025<br>(Unaudited)<br>HK\$'000     | 2024<br>(Unaudited)<br>HK\$'000 |
| <i>Revenue from contracts with customers</i>                                           |                                     |                                 |
| Commission and fee income (note (i)):                                                  |                                     |                                 |
| Fee and commission income on securities dealing and brokerage                          | 1,315                               | 1,035                           |
| Fund subscription and management fee income                                            | 298                                 | 1,073                           |
| Other service income                                                                   | –                                   | 242                             |
|                                                                                        | 1,613                               | 2,350                           |
| <i>Revenue from other sources</i>                                                      |                                     |                                 |
| Interest income:                                                                       |                                     |                                 |
| Interest income calculated using the effective interest method                         |                                     |                                 |
| Interest income from other loans and debt instruments                                  | 12,906                              | 39,207                          |
| Interest income from finance lease receivables                                         | –                                   | 667                             |
| Interest income from margin financing activities                                       | 1,471                               | 313                             |
|                                                                                        | 14,377                              | 40,187                          |
| Interest income – others:                                                              |                                     |                                 |
| Interest income from financial assets at fair value through profit or loss             | 1,619                               | 2,104                           |
| Interest income from financial assets at fair value through other comprehensive income | 76                                  | 3,276                           |
|                                                                                        | 1,695                               | 5,380                           |
| Total interest income                                                                  | 16,072                              | 45,567                          |
| Investment income:                                                                     |                                     |                                 |
| Dividend income                                                                        | –                                   | 780                             |
| Total revenue                                                                          | 17,685                              | 48,697                          |

## 5. Revenue (continued)

Note:

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

|                                         | For the six months<br>ended 30 June |             |
|-----------------------------------------|-------------------------------------|-------------|
|                                         | 2025                                | 2024        |
|                                         | (Unaudited)                         | (Unaudited) |
|                                         | HK\$'000                            | HK\$'000    |
| Services transferred at a point of time | 1,315                               | 1,277       |
| Services transferred over time          | 298                                 | 1,073       |
|                                         | 1,613                               | 2,350       |

## 6. Finance costs

|                                                        | For the six months<br>ended 30 June |             |
|--------------------------------------------------------|-------------------------------------|-------------|
|                                                        | 2025                                | 2024        |
|                                                        | (Unaudited)                         | (Unaudited) |
|                                                        | HK\$'000                            | HK\$'000    |
| Interest on bank borrowings                            | –                                   | 10,339      |
| Interest on repurchase agreements and other activities | –                                   | 290         |
| Interest on a loan from a fellow subsidiary            | 605                                 | 1,347       |
| Interest on loans from an immediate holding company    | –                                   | 33,335      |
| Interest on loans from an intermediate holding company | 125,392                             | 88,723      |
| Interest on lease liabilities                          | 21                                  | 5           |
|                                                        | 126,018                             | 134,039     |

## 7. Loss/(profit) before tax

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

|                                                                                                 | For the six months<br>ended 30 June |                         |
|-------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------|
|                                                                                                 | 2025                                | 2024                    |
|                                                                                                 | (Unaudited)<br>HK\$'000             | (Unaudited)<br>HK\$'000 |
| Depreciation of property, plant and equipment                                                   | 243                                 | 1,118                   |
| Depreciation of right-of-use assets                                                             | 879                                 | 142                     |
| Auditor's remuneration – interim review                                                         | 500                                 | 1,100                   |
| Legal and professional fee                                                                      | 5,765                               | 1,115                   |
| Employee benefit expenses (including directors' remuneration)                                   | 4,996                               | 6,319                   |
| Net provision for/(reversal of) impairment of other loans and debt instruments                  | 160,360                             | (214,006)               |
| Net provision for impairment of accounts receivable and others                                  | 4                                   | 1,855                   |
| Net provision for/(reversal of) impairment of advances to customers in margin financing         | 3,923                               | (708)                   |
| Net provision for impairment of prepayments, deposits and other receivables                     | 352                                 | –                       |
| Net provision for impairment of finance lease receivables                                       | –                                   | 10,663                  |
| Net reversal of impairment of financial assets at fair value through other comprehensive income | (13,812)                            | (7,746)                 |

## 8. Income tax

During the six months ended 30 June 2025 and 30 June 2024, 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 (2024: 25%).

|                                 | For the six months<br>ended 30 June |                                 |
|---------------------------------|-------------------------------------|---------------------------------|
|                                 | 2025<br>(Unaudited)<br>HK\$'000     | 2024<br>(Unaudited)<br>HK\$'000 |
| Current tax:                    |                                     |                                 |
| Mainland                        | –                                   | –                               |
| Over provision in prior years:  |                                     |                                 |
| Mainland                        | (15,457)                            | (24,007)                        |
| Total tax credit for the period | (15,457)                            | (24,007)                        |

## 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 is as follows:

|                                                                                                                          | For the six months ended 30 June |                                 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|
|                                                                                                                          | 2025<br>(Unaudited)<br>HK\$'000  | 2024<br>(Unaudited)<br>HK\$'000 |
| <b>Loss</b>                                                                                                              |                                  |                                 |
| Loss for the period attributable to ordinary equity holders of the Company, used in the basic loss per share calculation | (497,874)                        | (57,447)                        |
|                                                                                                                          |                                  |                                 |
|                                                                                                                          | Number of shares                 |                                 |
|                                                                                                                          | 2025<br>(Unaudited)<br>'000      | 2024<br>(Unaudited)<br>'000     |
| <b>Number of shares</b>                                                                                                  |                                  |                                 |
| 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<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| <b>Financial assets at fair value through profit or loss ("FVTPL")</b> |                                            |                                              |
| Non-current:                                                           |                                            |                                              |
| Unlisted fund investments (note (i))                                   | 281,736                                    | 320,120                                      |
| Listed fixed income securities                                         | 29,401                                     | 33,480                                       |
| Unlisted fixed income securities (note (ii))                           | 414,718                                    | 428,415                                      |
|                                                                        | <b>725,855</b>                             | 782,015                                      |
| Current:                                                               |                                            |                                              |
| Unlisted fund investments (note (i))                                   | 169,757                                    | 168,392                                      |
| Listed equity investments                                              | 11,270                                     | 10,513                                       |
| Listed fixed income securities                                         | 48,713                                     | 104,518                                      |
|                                                                        | <b>229,740</b>                             | 283,423                                      |
| <b>Total financial assets at FVTPL</b>                                 | <b>955,595</b>                             | 1,065,438                                    |

Notes:

- (i) The Group expects to realise the unlisted fund investments of approximately HK\$169,757,000 (31 December 2024: HK\$168,392,000) within the next twelve months and has accordingly classified them as current assets.
- (ii) The coupon rates of these unlisted fixed income securities range from 7% to 8% (31 December 2024: 7% to 8%) per annum as at 30 June 2025. The Group expects to realise such unlisted fixed income securities in more than 1 year (31 December 2024: 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<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|----------------------------------------|--------------------------------------------|----------------------------------------------|
| Non-current                            |                                            |                                              |
| Fixed income securities, at fair value | 18,354                                     | 24,575                                       |
| Current                                |                                            |                                              |
| Fixed income securities, at fair value | 55,409                                     | 52,628                                       |
|                                        | 73,763                                     | 77,203                                       |

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\$4,123,000 (2024: gain of approximately HK\$5,479,000). During the period, the Group has net reversal of provision for impairment of financial assets at fair value through other comprehensive income included in profit or loss of HK\$13,812,000 (2024: HK\$7,746,000). Total allowances for impairment as at 30 June 2025 are approximately HK\$150,875,000 (31 December 2024: HK\$224,671,000). During the period, gain of approximately HK\$429,000 was reclassified from other comprehensive income to profit or loss upon disposal (2024: there is no gain or loss arising from the redemption of financial assets at FVTOCI).

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. Financial lease receivables

|                                                     | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|-----------------------------------------------------|--------------------------------------------|----------------------------------------------|
| Minimum finance lease receivables                   |                                            |                                              |
| Within one year                                     | 167,644                                    | 174,709                                      |
| Less: Unearned finance income                       | –                                          | –                                            |
| Net amount of finance lease receivables             | 167,644                                    | 174,709                                      |
| Less: Allowance for expected credit losses ("ECL")  | (159,826)                                  | (166,034)                                    |
| Carrying amount of finance lease receivables        | 7,818                                      | 8,675                                        |
| Present value of minimum finance lease receivables: |                                            |                                              |
| Within one year                                     | 167,644                                    | 174,709                                      |

### Movement of ECL

|                                                          | HK\$'000  |
|----------------------------------------------------------|-----------|
| At 1 January 2024                                        | 512,335   |
| Net provision for impairment for the year                | 46,973    |
| Written off                                              | (48,258)  |
| Disposal                                                 | (339,323) |
| Exchange difference on translation of foreign operations | (5,693)   |
| At 31 December 2024 and 1 January 2025                   | (166,034) |
| Exchange difference on translation of foreign operations | 6,208     |
| At 30 June 2025                                          | (159,826) |

At 30 June 2025, finance lease receivables were all secured by the lease assets which are mainly motor vehicles and equipment (31 December 2024: 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 2024: 6.80% to 9.75% per annum).

As at 30 June 2025, the gross carrying amount for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2024: nil), nil (31 December 2024: nil) and HK\$167,644,000 (31 December 2024: HK\$174,709,000) respectively.

As at 30 June 2025, the average loss rate for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2024: nil), nil (31 December 2024: nil) and 91% (31 December 2024: 90%) respectively.

### 13. Other loans and debt instruments

|                                            | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|--------------------------------------------|--------------------------------------------|----------------------------------------------|
| Other loans and debt instruments           | 1,346,885                                  | 1,333,979                                    |
| Less: Allowance for expected credit losses | (1,155,082)                                | (994,720)                                    |
|                                            | 191,803                                    | 339,259                                      |
| Non-current                                | 121,831                                    | 271,509                                      |
| Current                                    | 69,972                                     | 67,750                                       |
|                                            | 191,803                                    | 339,259                                      |

As at 30 June 2025, 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 2024: 8.5% to 25% per annum).

As at 30 June 2025, other loans and debt instruments with a carrying amount of approximately HK\$191,803,000 were secured by equity interests in companies listed in Hong Kong and land and properties in Mainland China (31 December 2024: HK\$339,259,000 were secured by equity interests in companies listed in Hong Kong and land and properties in Mainland China).

As at 30 June 2025, one of the other loans with a carrying amount of approximately HK\$69,972,000 (31 December 2024: approximately HK\$67,750,000) 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.

### 13. Other loans and debt instruments (continued)

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 2025, the gross carrying amount for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2024: nil), HK\$71,137,000 (31 December 2024: HK\$68,211,000) and HK\$1,275,748,000 (31 December 2024: HK\$1,265,768,000) respectively.

As at 30 June 2025, the average loss rate for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (31 December 2024: nil), 1.61% (31 December 2024: 0.68%) and 92% (31 December 2024: 79%) respectively.

### 14. Advances to customers in margin financing

|                                            | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|--------------------------------------------|--------------------------------------------|----------------------------------------------|
| Advances to customers in margin financing  | 99,815                                     | 93,999                                       |
| Less: Allowance for expected credit losses | (91,975)                                   | (82,456)                                     |
|                                            | 7,840                                      | 11,543                                       |

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.

## 14. Advances to customers in margin financing (continued)

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 2025, the Group has concentration of credit risk as 99% (31 December 2024: 99%) of the total gross carrying amount of loans to securities margin clients due from the Group's five largest securities margin clients.

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 2025, the gross carrying amount for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were HK\$607,000 (31 December 2024: HK\$700,000), nil (31 December 2024: nil) and HK\$99,208,000 (31 December 2024: HK\$93,299,000) respectively.

As at 30 June 2025, the average loss rate for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were 0.04% (31 December 2024: 0.01%), nil (31 December 2024: nil), and 92.9% (31 December 2024: 88.4%) respectively.

As at 30 June 2025 and 31 December 2024, 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<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|--------------------------------------------|--------------------------------------------|----------------------------------------------|
| Accounts receivable from:                  |                                            |                                              |
| – securities dealing services              |                                            |                                              |
| – clients                                  | 1,056                                      | 1,007                                        |
| – brokers, dealers and clearing houses     | 1,330                                      | 2,240                                        |
| – corporate finance and asset management   | –                                          | 6,358                                        |
| – direct investment and others             | 79,177                                     | 73,992                                       |
|                                            | 81,563                                     | 83,597                                       |
| Less: Allowance for expected credit losses | (80,302)                                   | (80,298)                                     |
|                                            | 1,261                                      | 3,299                                        |

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.

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<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|---------------|--------------------------------------------|----------------------------------------------|
| 0–30 days     | 1,261                                      | 2,949                                        |
| 31–90 days    | –                                          | –                                            |
| 91–365 days   | –                                          | –                                            |
| Over 365 days | –                                          | 350                                          |
|               | 1,261                                      | 3,299                                        |

## 15. Accounts receivable (continued)

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

|                              | <b>30 June<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 December<br/>2024<br/>(Audited)<br/>HK\$'000</b> |
|------------------------------|------------------------------------------------------|--------------------------------------------------------|
| At beginning of period/year  | <b>80,298</b>                                        | 76,286                                                 |
| Net provision for impairment | <b>4</b>                                             | 4,012                                                  |
| At end of period/year        | <b>80,302</b>                                        | 80,298                                                 |

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 2025, accounts receivable amounting to nil (31 December 2024: HK\$6,358,000) arose from corporate finance and asset management business which is under the scope of HKFRS 15 and accounts receivable amounting to HK\$79,177,000 (31 December 2024: HK\$73,992,000) arose from direct investment business. The Group performs impairment assessment under lifetime ECL on these balance individually for debtors. As at 30 June 2025, allowance amounting to HK\$80,000,000 (31 December 2024: HK\$79,999,000) 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\$302,000 (31 December 2024: HK\$299,000).

## 16. Restricted bank balances

The Group maintains segregated trust accounts with licenced banks to hold clients' monies arising from its normal course of business licenced 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

|                              | <b>30 June<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 December<br/>2024<br/>(Audited)<br/>HK\$'000</b> |
|------------------------------|------------------------------------------------------|--------------------------------------------------------|
| Cash and deposits with banks | <b>379,152</b>                                       | 413,122                                                |

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 2025 and 31 December 2024, 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:

|                    | <b>30 June<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 December<br/>2024<br/>(Audited)<br/>HK\$'000</b> |
|--------------------|------------------------------------------------------|--------------------------------------------------------|
| Current to 1 month | <b>134,644</b>                                       | 100,798                                                |

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

As at 30 June 2025, accounts payable with a carrying amount of approximately HK132,390,000 (31 December 2024: HK\$99,111,000) are interest-bearing at bank savings deposit rates.

## 19. Other liabilities, payables and accruals

|                              | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|------------------------------|--------------------------------------------|----------------------------------------------|
| Current:                     |                                            |                                              |
| Other payables               | 78,792                                     | 89,731                                       |
| Interest payables (note (i)) | 294,230                                    | 173,318                                      |
| Accruals                     | 3,786                                      | 2,921                                        |
| Receipt in advance           | 998                                        | 894                                          |
|                              | <b>377,806</b>                             | 266,864                                      |
| Non-current:                 |                                            |                                              |
| Other payables               | –                                          | 3,504                                        |
|                              | <b>377,806</b>                             | 270,368                                      |

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

Note:

- (i) Included in interest payables are the interest payables amounting to HK\$293,065,000 (31 December 2024: HK\$165,860,000) in relation to the loans from an intermediate holding company of an aggregate amount of US\$500,055,000 (31 December 2024: US\$490,055,000) at annual interest rate of 6.51% (31 December 2024: 6.51%) and nil (31 December 2024: HK\$nil) interest payable in relation to bank borrowings. Moreover, interest payables of HK\$nil (31 December 2024: HK\$3,252,000) are related to the loans from an immediate holding company and HK\$1,165,000 (31 December 2024: HK\$4,206,000) is related to unsecured loan from a fellow subsidiary.

## 20. Interest-bearing borrowings

|                                                      | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| Non-current:                                         |                                            |                                              |
| Unsecured loans from an intermediate holding company | 3,925,315                                  | 3,804,056                                    |
| An unsecured loan from a fellow subsidiary           | –                                          | 28,077                                       |
|                                                      | 3,925,315                                  | 3,832,133                                    |
| Current:                                             |                                            |                                              |
| An unsecured loan from a fellow subsidiary           | 6,579                                      | –                                            |
|                                                      | 6,579                                      | –                                            |
| Total interest-bearing borrowings                    | 3,931,894                                  | 3,832,133                                    |

  

|                                                                                                                               | 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 31 December<br>2024<br>(Audited)<br>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                                                                                                  | 6,579                                      | –                                            |
| Within a period of more than one year but not exceeding two years                                                             | –                                          | –                                            |
| Within a period of more than two years but not exceeding five years                                                           | 3,925,315                                  | 3,832,133                                    |
|                                                                                                                               | 3,931,894                                  | 3,832,133                                    |

## 20. Interest-bearing borrowings (continued)

|                 | <b>30 June<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2024<br>(Audited)<br>HK\$'000 |
|-----------------|------------------------------------------------------|----------------------------------------------|
| Denominated in: |                                                      |                                              |
| US\$            | <b>3,925,315</b>                                     | 3,804,056                                    |
| RMB             | <b>6,579</b>                                         | 28,077                                       |
|                 | <b>3,931,894</b>                                     | 3,832,133                                    |

As at 30 June 2025 and 31 December 2024, there were no secured bank borrowings.

In addition, the Group had loans amounting to approximately US\$500,055,000 (equivalent to approximately HK\$3,925,315,000) (31 December 2024: US\$490,055,000 (equivalent to approximately HK\$3,804,056,000)) 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 2024: 6.51% per annum) and are repayable in one year and within five years (31 December 2024: within five years) from the end of the reporting period.

In addition, the Group had a loan of RMB6,000,000 (equivalent to approximately HK\$6,579,000) (31 December 2024: RMB26,000,000 (equivalent to approximately HK\$28,077,000)) 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 (31 December 2024: 5.43% per annum) and are repayable within one year (31 December 2024: repayable in three years) 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<br>shares<br>'000,000 | Share capital<br>HK\$'000 |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------|
| Authorised:                                                                                                       |                                 |                           |
| Ordinary shares of HK\$0.001 each at 1 January 2024,<br>31 December 2024, 1 January 2025 and 30 June 2025         | 1,000,000                       | 1,000,000                 |
| Issued and fully paid:                                                                                            |                                 |                           |
| At 1 January 2024 (audited), 31 December 2024 (audited),<br>1 January 2025 (audited) and 30 June 2025 (unaudited) | 8,710                           | 8,710                     |

## 22. Perpetual capital securities classified as equity instruments

|                                                                       | Principal<br>HK\$'000 | Distributions<br>HK\$'000 | Total<br>HK\$'000 |
|-----------------------------------------------------------------------|-----------------------|---------------------------|-------------------|
| Balance at 1 January 2024 (audited)                                   | 6,162,900             | 78,735                    | 6,241,635         |
| Profit attributable to holder of perpetual<br>capital securities      | –                     | 401,672                   | 401,672           |
| Distributions relating to perpetual capital securities                | –                     | (399,691)                 | (399,691)         |
| Balance at 31 December 2024 (audited) and<br>1 January 2025 (audited) | <b>6,162,900</b>      | <b>80,716</b>             | <b>6,243,616</b>  |
| Profit attributable to holder of perpetual<br>capital securities      | –                     | <b>199,071</b>            | <b>199,071</b>    |
| Distributions relating to perpetual capital securities                | –                     | <b>(198,640)</b>          | <b>(198,640)</b>  |
| Balance at 30 June 2025 (unaudited)                                   | <b>6,162,900</b>      | <b>81,147</b>             | <b>6,244,047</b>  |

## 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:

|                             | <b>For the six months<br/>ended 30 June</b> |                    |
|-----------------------------|---------------------------------------------|--------------------|
|                             | <b>2025</b>                                 | <b>2024</b>        |
|                             | <b>(Unaudited)</b>                          | <b>(Unaudited)</b> |
|                             | <b>HK\$'000</b>                             | <b>HK\$'000</b>    |
| Short-term employee benefit | <b>1,089</b>                                | 1,225              |

- (b) During the period ended 30 June 2025 and 30 June 2024, the Group did not have any material transactions with related parties.

Details as follow:

|                                         | <b>For the six months<br/>ended 30 June</b> |                    |
|-----------------------------------------|---------------------------------------------|--------------------|
|                                         | <b>2025</b>                                 | <b>2024</b>        |
|                                         | <b>Finance</b>                              | <b>Finance</b>     |
|                                         | <b>costs</b>                                | <b>costs</b>       |
|                                         | <b>(Unaudited)</b>                          | <b>(Unaudited)</b> |
|                                         | <b>HK\$'000</b>                             | <b>HK\$'000</b>    |
| Intermediate holding company (note (i)) | <b>125,392</b>                              | 88,723             |
| Fellow subsidiaries (note (ii))         | <b>605</b>                                  | 1,347              |
| Immediate holding company (note (iii))  | <b>–</b>                                    | 33,335             |

## 23. Related party transactions (continued)

### (b) (continued)

Notes:

- (i) The Group had loans amounting to approximately US\$500,055,000 (equivalent to approximately HK\$3,925,315,000) (31 December 2024: US\$490,055,000 (equivalent to approximately HK\$3,804,056,000)) 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\$125,392,000 (2024: HK\$88,723,000) was resulted for the period ended 30 June 2025.
- (ii) During the period, the Group had a loan denominated in RMB of approximately RMB6,000,000 (equivalent to approximately HK\$6,579,000) (31 December 2024: approximately RMB26,000,000 (equivalent to approximately HK\$28,488,000)) 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\$605,000 (2024: HK\$1,347,000) was resulted for the period ended 30 June 2025.
- (iii) During the period ended 30 June 2025 and year ended 31 December 2024, the Group had no loan from its immediate holding company. The respective loan was fully repaid in 2024 and finance cost of HK\$33,335,000 was resulted for the year ended 31 December 2024.

The Group is indirectly controlled by CCFAMC. The MOF is the major shareholder of CCFAMC as at 30 June 2025. 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 2025 (Unaudited)

|                                                                      | Fair value measurement using                                   |                                                              |                                                                | Total<br>HK\$'000 |
|----------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------|-------------------|
|                                                                      | Quoted prices<br>in active<br>markets<br>(Level 1)<br>HK\$'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>HK\$'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>HK\$'000 |                   |
| <b>Assets</b>                                                        |                                                                |                                                              |                                                                |                   |
| <b>Non-current</b>                                                   |                                                                |                                                              |                                                                |                   |
| Financial assets at fair value through<br>other comprehensive income | –                                                              | 18,354                                                       | –                                                              | 18,354            |
| Financial assets at fair value through<br>profit or loss             |                                                                |                                                              |                                                                |                   |
| – Unlisted fund investments                                          | –                                                              | –                                                            | 269,236                                                        | 269,236           |
| – Listed fixed income securities                                     | –                                                              | 29,401                                                       | –                                                              | 29,401            |
| – Unlisted fixed income securities                                   | –                                                              | –                                                            | 414,718                                                        | 414,718           |
|                                                                      | –                                                              | 47,755                                                       | 683,954                                                        | 731,709           |
| <b>Current</b>                                                       |                                                                |                                                              |                                                                |                   |
| Financial assets at fair value through<br>other comprehensive income | –                                                              | 55,409                                                       | –                                                              | 55,409            |
| Financial assets at fair value through<br>profit or loss             |                                                                |                                                              |                                                                |                   |
| – Unlisted fund investments                                          | –                                                              | 12,500                                                       | 169,757                                                        | 182,257           |
| – Listed equity investments                                          | 11,270                                                         | –                                                            | –                                                              | 11,270            |
| – Listed fixed income securities                                     | –                                                              | 48,713                                                       | –                                                              | 48,713            |
|                                                                      | 11,270                                                         | 116,622                                                      | 169,757                                                        | 297,649           |
| Total financial assets measured at fair value                        | 11,270                                                         | 164,377                                                      | 853,711                                                        | 1,029,358         |

## 24. Fair value measurements of financial instruments (continued)

31 December 2024 (Audited)

|                                                                      | Fair value measurement using                                   |                                                              |                                                                |                   |
|----------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------|-------------------|
|                                                                      | Quoted prices<br>in active<br>markets<br>(Level 1)<br>HK\$'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>HK\$'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>HK\$'000 | Total<br>HK\$'000 |
| <b>Assets</b>                                                        |                                                                |                                                              |                                                                |                   |
| <b>Non-current</b>                                                   |                                                                |                                                              |                                                                |                   |
| Financial assets at fair value through<br>other comprehensive income | –                                                              | 24,576                                                       | –                                                              | 24,576            |
| Financial assets at fair value through<br>profit or loss             |                                                                |                                                              |                                                                |                   |
| – Unlisted fund investments                                          | –                                                              | –                                                            | 307,287                                                        | 307,287           |
| – Listed fixed income securities                                     | –                                                              | 33,480                                                       | –                                                              | 33,480            |
| – Unlisted fixed income securities                                   | –                                                              | –                                                            | 428,415                                                        | 428,415           |
|                                                                      | –                                                              | 58,056                                                       | 735,702                                                        | 793,758           |
| <b>Current</b>                                                       |                                                                |                                                              |                                                                |                   |
| Financial assets at fair value through<br>other comprehensive income | –                                                              | 52,627                                                       | –                                                              | 52,627            |
| Financial assets at fair value through<br>profit or loss             |                                                                |                                                              |                                                                |                   |
| – Unlisted fund investments                                          | –                                                              | 12,833                                                       | 168,392                                                        | 181,225           |
| – Listed equity investments                                          | 10,513                                                         | –                                                            | –                                                              | 10,513            |
| – Listed fixed income securities                                     | –                                                              | 104,518                                                      | –                                                              | 104,518           |
|                                                                      | 10,513                                                         | 169,978                                                      | 168,392                                                        | 348,883           |
| Total financial assets measured at fair value                        | 10,513                                                         | 228,034                                                      | 904,094                                                        | 1,142,641         |

## 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 2025 and 31 December 2024 are as follows:

|                                      | Fair value as at<br>30 June 2025<br>(Unaudited)<br>HK\$'000 | Fair value as at<br>31 December 2024<br>(Audited)<br>HK\$'000 | Fair value<br>hierarchy | Valuation<br>technique(s)<br>and key<br>input(s) | Significant<br>unobservable<br>inputs | Reasonable<br>change in key<br>inputs +/- | Increase/(decrease) in fair value of<br>financial instruments by reasonable<br>changes in significant inputs |
|--------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|-------------------------|--------------------------------------------------|---------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>Financial assets at<br/>FVTPL</b> |                                                             |                                                               |                         |                                                  |                                       |                                           |                                                                                                              |
| (1) Financial assets at<br>FVTPL     | <b>Listed equity<br/>investments:<br/>– HK\$11,270</b>      | Listed equity<br>investments:<br>– HK\$10,513                 | Level 1                 | Note (a)                                         | N/A                                   | N/A                                       | N/A                                                                                                          |
| (2) Financial assets at<br>FVTPL     | <b>Listed fixed<br/>income securities:<br/>– HK\$78,114</b> | Listed fixed<br>income securities:<br>– HK\$137,998           | Level 2                 | Note (b)                                         | N/A                                   | N/A                                       | N/A                                                                                                          |
| (3) Financial assets at<br>FVTPL     | <b>Unlisted fund<br/>investment:<br/>– HK\$12,500</b>       | Unlisted fund<br>investments:<br>– HK\$12,833                 | Level 2                 | Note (c)                                         | N/A                                   | N/A                                       | N/A                                                                                                          |
| (4) Financial assets at<br>FVTPL     | <b>Unlisted fund<br/>investments:<br/>– HK\$87,988</b>      | Unlisted fund<br>investments:<br>– HK\$87,010                 | Level 3                 | Note (d)                                         | Net asset value                       | 10% unit value                            | Increase/decrease in net asset value of<br>HK\$880,000/HK\$(880,000)                                         |

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

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

|                                   | Fair value as at<br>30 June 2025<br>(Unaudited)<br>HK\$'000 | Fair value as at<br>31 December 2024<br>(Audited)<br>HK\$'000 | Fair value<br>hierarchy | Valuation<br>technique(s)<br>and key<br>input(s) | Significant<br>unobservable<br>inputs | Reasonable<br>change in key<br>inputs +/- | Increase/(decrease) in fair value of<br>financial instruments by reasonable<br>changes in significant inputs |
|-----------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|-------------------------|--------------------------------------------------|---------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>Financial assets at FVTPL</b>  |                                                             |                                                               |                         |                                                  |                                       |                                           |                                                                                                              |
| (5) Financial assets at FVTPL     | <b>Unlisted fund investments</b><br>– HK\$350,994           | Unlisted fund investments<br>– HK\$388,669                    | Level 3                 | Note (d) and (e)                                 | Net asset value                       | 10% unit value                            | Increase/decrease in net asset value of HK\$3,510,000/HK\$(3,510,000)                                        |
| (6) Financial assets at FVTPL     | <b>Unlisted convertible bonds</b><br>– HK\$414,718          | Unlisted convertible bonds<br>– HK\$428,415                   | Level 3                 | Note (f)                                         | Discount rate                         | 0.5% of the discount rate                 | Increase/decrease of HK\$(4,147,000)/HK\$4,147,000                                                           |
| <b>Financial assets at FVTOCI</b> |                                                             |                                                               |                         |                                                  |                                       |                                           |                                                                                                              |
| (7) Financial assets at FVTOCI    | <b>Listed fixed income securities:</b><br>– HK\$73,763      | Listed fixed income securities:<br>– HK\$77,203               | 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:

|                                     | <b>30 June<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>30 June<br/>2024<br/>(Unaudited)<br/>HK\$'000</b> |
|-------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Financial assets:                   |                                                      |                                                      |
| At beginning of the period          | <b>904,094</b>                                       | 1,052,908                                            |
| Disposed during the period          | <b>(193,373)</b>                                     | (180,846)                                            |
| Total loss/(gain) in profit or loss | <b>142,990</b>                                       | (19,815)                                             |
| At end of the period                | <b>853,711</b>                                       | 852,247                                              |

For the period ended 30 June 2025, the total loss for the period included in profit or loss was HK\$142,990,000 (2024: gain of HK\$19,815,000) 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 2025 and 31 December 2024.

## 27. Dividends

No dividend was paid to the shareholders of the Company for the six months ended 30 June 2025 and 30 June 2024.

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2025 and 30 June 2024.

## 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 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.

On 22 December 2022, third party A commenced legal proceedings in the courts of both Hong Kong and the Cayman Islands. In both sets of proceedings, third party A seeks 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. Third party A also claims unquantified damages for alleged breaches of fiduciary, contractual and/or statutory duties by subsidiary X. Further, third party A alleges breaches of the comfort letter and the deed of undertaking signed by the Company and subsidiary Y respectively.

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. The other set of proceedings before the HK Courts is at an early procedural stage with pleadings yet to be closed. 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 2025, 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<br>Shares held | Approximate<br>percentage of<br>the issued<br>share capital of<br>the Company<br>as at<br>30 June 2025 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------|
| China CITIC Financial AMC (Notes 1, 2 and 3)                                                                                                                                   | Interests in controlled corporation                        | 4,441,556,104 (L)        | 51.00%                                                                                                 |
|                                                                                                                                                                                | Interests in controlled corporation<br>(security interest) | 2,144,097,429 (L)        | 24.62%                                                                                                 |
| CFAIH (Notes 1 and 3)                                                                                                                                                          | Interests in controlled corporation                        | 4,441,556,104 (L)        | 51.00%                                                                                                 |
|                                                                                                                                                                                | Interests in controlled corporation<br>(security interest) | 135,000,000 (L)          | 1.55%                                                                                                  |
| 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<br>(formerly known as China Huarong Overseas Investment<br>Holdings Co., Limited) (" <b>XinZhi Overseas</b> ") (Note 2) | Interests in controlled corporation<br>(security interest) | 2,009,097,429 (L)        | 23.07%                                                                                                 |
| Huarong Huaqiao Asset Management Co., Ltd. (Note 2)                                                                                                                            | Interests in controlled corporation<br>(security interest) | 2,009,097,429 (L)        | 23.07%                                                                                                 |

| Name of Shareholder                                                                                                                                             | Capacity/Nature of interest         | Number of<br>Shares held | Approximate<br>percentage of<br>the issued<br>share capital of<br>the Company<br>as at<br>30 June 2025 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------|
| CITIC Financial AMC Zhiyuan Enterprise Management Co., Ltd. (formerly known as Huarong Zhiyuan Investment & Management Co., Ltd.) (" <b>Zhiyuan</b> ") (Note 2) | Interests in controlled corporation | 2,009,097,429 (L)        | 23.07%                                                                                                 |
| Hero Link Enterprises Limited (Note 4)                                                                                                                          | Beneficial owner                    | 129,000,000 (L)          | 1.48%                                                                                                  |
| China Tian Yuan International Finance Limited (Note 4)                                                                                                          | Beneficial owner                    | 646,220,529 (L)          | 7.42%                                                                                                  |
|                                                                                                                                                                 | Interests in controlled corporation | 129,000,000 (L)          | 1.48%                                                                                                  |
| China Tian Yuan Finance Group (Holdings) Limited (Note 4)                                                                                                       | Interests in controlled corporation | 775,220,529 (L)          | 8.90%                                                                                                  |
| Ningxia Tianyuan Manganese Industry Group Co., Ltd. (Note 5)                                                                                                    | Interests in controlled corporation | 996,517,500 (L)          | 11.44%                                                                                                 |
| Tian Yuan Manganese Limited (Note 5)                                                                                                                            | Interests in controlled corporation | 996,517,500 (L)          | 11.44%                                                                                                 |
| China Tian Yuan Manganese Finance (Holdings) Limited (Note 5)                                                                                                   | Interests in controlled corporation | 996,517,500 (L)          | 11.44%                                                                                                 |
| China Tian Yuan Asset Management Limited (" <b>Tian Yuan Asset Management</b> ") (Note 5)                                                                       | Beneficial owner                    | 996,517,500 (L)          | 11.44%                                                                                                 |
| Mr. Jia Tianjiang (Notes 4 and 5)                                                                                                                               | Interests in controlled corporation | 1,771,738,029 (L)        | 20.34%                                                                                                 |
| Ms. Dong Jufeng (Notes 4 and 5)                                                                                                                                 | 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) Fresh Idea Ventures Limited holds direct security interest in 135,000,000 underlying Shares and is a wholly-owned subsidiary of Linewear Assets Limited. Linewear Assets Limited is a wholly-owned subsidiary of the Company, which in turn is owned as to 51% collectively by Camellia Pacific and Right Select. Accordingly, each of CFAIH and China CITIC Financial AMC is deemed to be interested in the security interest in the 135,000,000 underlying Shares held by Fresh Idea Ventures Limited by virtue of the SFO.
- (4) 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.
- (5) 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.

Saved as disclosed above, as at 30 June 2025, 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 2024 annual report of the Company are as follows:

- (1) Mr. Hung Ka Hai Clement ("**Mr. Hung**"), an independent non-executive Director, has been appointed as an independent non-executive director of Finsoft Financial Investment Holdings Limited (Stock Code: 8018) with effect from 1 April 2025. Mr. Hung ceased to be an independent non-executive director of USPACE Technology Group Limited (Stock Code: 1725) with effect from 1 July 2025.
- (2) Mr. Wang Cheng, Chairman of the Board and a non-executive Director, has been appointed as a director of CFAIH with effect from 15 August 2025.

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

As at 30 June 2025, 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 under the Board 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 (formerly known as China Huarong 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. (formerly known as China Huarong 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 (formerly known as Huarong International Financial 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                                                                                                                                                                                                                                                                                                                                     |

\* For identification purposes only

|                            |                                                                                                                                                                                                                                                                                 |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “HKFRS”                    | the Hong Kong Financial Reporting Standards                                                                                                                                                                                                                                     |
| “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 2024                                                                                                                                                                                                                                |
| “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 2025, 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 (formerly known as Huarong 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                                                                                                                                                                                                                                                                        |