兴证国际
INDUSTRIAL SECURITIES INTERNATIONAL

China Industrial Securities International Financial Group Limited
興證國際金融集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6058)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	For the six months ended 30 June	
	2026	2025
	HK$	*HK$*
	Unaudited	Unaudited
Profit for the period	**137,748,258**	102,931,754
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
– Equity instruments designated at fair value through other comprehensive income		
– Changes in fair value	**(5,083,191)**	46,050,894
– Income tax impact	**9,452,405**	239,403
Items that may be reclassified subsequently to profit or loss:		
– Debt investments at fair value through other comprehensive income		
– Changes in fair value	**10,745,954**	28,032,704
– Reclassification adjustment to profit or loss on disposal	**(23,389,345)**	(2,080,905)
– Income tax impact	**2,083,621**	(1,067,031)
Other comprehensive income for the period, net of tax	**(6,190,556)**	71,175,065
Total comprehensive income for the period	**131,557,702**	174,106,819
Attributable to:		
Owners of the Company	**131,557,702**	174,106,819

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2026** *HK$* **Unaudited**	As at 31 December 2025 *HK$* Audited
Non-current assets			
Property and equipment		**7,661,297**	16,893,458
Intangible assets		**7,266,850**	8,260,730
Financial assets at fair value through profit or loss		**9,876,028**	8,849,637
Debt investments at amortised cost		**4,033,300,189**	3,236,746,213
Reverse repurchase agreements		**90,426,161**	92,885,100
Statutory deposits		**10,949,888**	22,925,431
Deferred tax assets		**57,403,800**	63,258,274
Deposits, other receivables and prepayments		**6,412,371**	6,393,750
		4,223,296,584	3,456,212,593
Current assets			
Accounts receivable	*9*	**1,809,581,848**	813,730,980
Financial assets at fair value through profit or loss		**9,186,581,813**	6,597,751,424
Financial assets at fair value through other comprehensive income		**9,845,217,214**	8,415,190,308
Debt investments at amortised cost		**482,304,548**	289,888,787
Statutory deposits		**28,394,064**	15,928,455
Deposits, other receivables and prepayments		**522,697,916**	402,418,023
Tax receivable		**6,402,739**	6,402,739
Amount due from a related party		**–**	2,848,215
Bank balances – trust accounts		**2,811,982,401**	2,434,108,361
Bank balances – general accounts and cash		**3,400,229,359**	2,165,859,422
		28,093,391,902	21,144,126,714

	Notes	As at 30 June 2026 HK$ Unaudited	As at 31 December 2025 HK$ Audited
Current liabilities			
Accounts payable	*10*	**3,852,947,396**	2,858,409,025
Accruals and other payables		**154,415,976**	120,227,955
Amount due to a related party		**5,335,890**	5,136,472
Contract liabilities		**7,647,473**	712,607
Tax payable		**18,909,618**	469,772
Financial liabilities at fair value through profit or loss		**24,056,007**	101,256,999
Repurchase agreements		**14,645,009,591**	10,142,674,924
Bank borrowings		**8,236,256,632**	5,156,127,781
Notes		**2,366,464**	8,413,207
Bonds		**655,500,819**	–
Lease liabilities		**2,625,075**	12,018,729
Other liabilities		**151,730,806**	301,151,716
		27,756,801,747	18,706,599,187
Net current assets		**336,590,155**	2,437,527,527
Non-current liabilities			
Repurchase agreements		**–**	815,312,538
Bonds		**–**	650,565,503
Deferred tax liabilities		**5,736**	5,736
Lease liabilities		**466,958**	–
		472,694	1,465,883,777
Net assets		**4,559,414,045**	4,427,856,343

	As at 30 June 2026 *HK$* Unaudited	As at 31 December 2025 *HK$* Audited
Equity		
Share capital	**400,000,000**	400,000,000
Share premium	**3,339,895,424**	3,339,895,424
Accumulated loss	**(676,791,933)**	(830,000,756)
Other reserve	**11,577,844**	11,577,844
Capital reserve	**442,441,821**	442,441,821
Fair value reserve	**42,290,889**	63,942,010
Equity attributable to holders of the ordinary shares	**3,559,414,045**	3,427,856,343
Equity attributable to holders of other equity instruments	**1,000,000,000**	1,000,000,000
Total equity	**4,559,414,045**	4,427,856,343

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL

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

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basis of preparation

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

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

(b) Changes in accounting policies

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

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

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

3. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

Revenue

	For the six months ended 30 June	
	2026	2025
	HK$	*HK$*
	Unaudited	Unaudited
Revenue from contracts with customers within the scope of HKFRS15		
Commission and fee income		
Brokerage:		
Commission and fee income from securities brokerage	**60,225,392**	55,579,713
Commission and fee income from futures and options brokerage	**2,531,115**	7,072,735
Commission income from insurance brokerage	**278,573**	1,838,638
	63,035,080	64,491,086
Corporate finance:		
Commission income on placing, underwriting and sub-underwriting		
– Debt securities	**2,784,543**	85,240,629
– Equity securities	**3,698,669**	549,487
Corporate advisory fee income	**–**	200,400
Sponsor fee income	**5,354,817**	1,053,487
Arrangement fee income	**2,346,300**	3,035,803
	14,184,329	90,079,806
Asset management:		
Asset management fee income	**5,931,707**	4,747,274
Investment advisory fee income	**968,121**	964,458
	6,899,828	5,711,732
	84,119,237	160,282,624

	For the six months ended 30 June	
	2026	2025
	HK$	*HK$*
	Unaudited	Unaudited
Revenue from other sources		
Interest revenue		
Financial products and investments:		
Interest income from reverse repurchase agreements	**2,960,938**	3,398,352
Interest income from debt investments at fair value through other comprehensive income	**107,864,844**	59,758,858
Interest income from debt investments at amortised cost	**95,954,349**	41,369,311
	206,780,131	104,526,521
Margin financing:		
Interest income from margin financing	**13,516,286**	13,396,128
	220,296,417	117,922,649
Net trading and investment income		
Financial products and investments:		
Interest income from financial assets at fair value through profit or loss	**231,317,023**	163,715,677
Dividend income from financial assets at fair value through profit or loss	**500,894**	3,405,563
Net loss on financial assets at fair value through profit or loss	**(152,027,589)**	(77,535,818)
Net gain/(loss) on derivatives	**59,417,987**	(42,259,405)
Dividend income from equity instruments designated at fair value through other comprehensive income	**129,289,790**	70,640,072
Net gain on disposals of debt investments at fair value through other comprehensive income	**23,389,345**	2,080,905
	291,887,450	120,046,994
Total revenue	**596,303,104**	398,252,267

Timing of revenue recognition for commission and fee income from customers

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

Other income

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

4. SEGMENT REPORTING

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

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

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

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

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

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

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

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

For the six months ended 30 June 2026 (unaudited)

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

For the six months ended 30 June 2025 (unaudited)

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

5. PROFIT BEFORE TAXATION

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

6. TAXATION

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

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

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

7. DIVIDENDS

No dividend in respect of the year ended 31 December 2025 was declared and paid during the six months ended 30 June 2026 (30 June 2025: final dividend in respect of the year ended 31 December 2024 of HK$0.01 per ordinary share, in an aggregate amount of HK$40,000,000 was approved and paid during the six months ended 30 June 2025).

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

8. EARNINGS PER SHARE

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

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

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

9. ACCOUNTS RECEIVABLE

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

Secured margin loans

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

Accounts receivable (except for secured margin loans)

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

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

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

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

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

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

Corporate finance clients

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

Asset management clients

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

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

10. ACCOUNTS PAYABLE

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

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

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

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

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

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

The Group has accounts payable arising from the business of dealing in securities of HK$20,274,120 due to the immediate holding company as at 30 June 2026 (31 December 2025: HK$19,743,871).

MANAGEMENT DISCUSSION AND ANALYSIS

I. MARKET REVIEW

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

II. RESULTS AND OVERVIEW

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

For the six months ended 30 June 2026, the Group's operating revenue from wealth management services, corporate finance services, asset management services, and financial products and investments recorded decreases of 1.72% and 84.26%, and increases of 20.84% and 122.06% year-on-year, respectively.

III. BUSINESS REVIEW

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

Wealth management

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

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

Corporate finance

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

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

Asset management

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

Financial products and investments

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

FINANCIAL POSITION

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

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

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

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

As at 30 June 2026, the Group had outstanding bonds of HK$655.50 million (31 December 2025: HK$650.57 million) and outstanding notes of HK$2.37 million (31 December 2025: HK$8.41 million). As at 30 June 2026, the gearing ratio of the Group (defined as the sum of repurchase agreements, bank borrowings, outstanding bonds and outstanding notes divided by total equity) increased by 137% to 516% (31 December 2025: 379%).

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

FUTURE PLAN

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

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

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

PLEDGE OF ASSETS BY THE GROUP

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

EMPLOYEE AND REMUNERATION POLICY

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

CONTINGENT LIABILITIES

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

EVENTS AFTER THE REPORTING PERIOD

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

RISK MANAGEMENT

Risk management framework and mechanism

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

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

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

Credit risk

The Group's exposure to credit risk refers to the risk of losses to the Group arising from non-performance by the debtors or counterparties. The Group has established a risk management committee to review and monitor the implementation of credit risk management policies, and to update relevant risk management policies to adapt to changes. With respect to the Company's investment and financing projects, the Group has established relevant credit review policies, formulated systems governing various types of credit limits, transaction limits and pledged security ratios, conducted pre-approvals in accordance with such systems, regularly re-examined the implementation of existing investment and financing projects and margin loans to assess the credit risk exposure, and has taken appropriate measures to mitigate risks.

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

Liquidity risk

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

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

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

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

Market risk

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

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

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

Operational risk

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

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

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

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

Compliance and legal risks

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

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

Reputation risk

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company and its subsidiaries during the six months ended 30 June 2026 (including sales of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")).

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

COMPETING INTERESTS

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("Model Code"). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 30 June 2026.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

The Group's unaudited condensed consolidated results for the six months ended 30 June 2026 have been reviewed by the Audit Committee, which was of the opinion that such results have complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company (www.xyzq.com.hk) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2026 interim report will be despatched to shareholders of the Company and available on the above websites in due course.

By Order of the Board
China Industrial Securities International Financial Group Limited
Xiong Bo
Chairman

Hong Kong, 17 August 2026

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