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光大控股
EVERBRIGHT LIMITED

中國光大控股有限公司
CHINA EVERBRIGHT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 165)

ANNOUNCEMENT
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM RESULTS

The board of directors (the “Board” or the “Director(s)”) of China Everbright Limited (the “Company” or “CEL”) presents the unaudited results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025. The interim financial report is unaudited, but has been reviewed by KPMG (the auditor of the Company) 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, whose review report will be included in the interim report to be sent to shareholders. The interim financial report has also been reviewed by the Company’s Audit and Risk Management Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 (unaudited)

	Notes	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
Turnover	3	2,800,794	3,028,249
Income from contracts with customers	3	181,413	213,127
Net income/(loss) from investments	3	1,694,254	(389,551)
<i>Interest income</i>		235,409	283,073
<i>Dividend income</i>		678,046	544,210
<i>Realised loss on investments</i>		(199,542)	(3,740)
<i>Unrealised gain/(loss) on investments</i>		980,341	(1,213,094)
Income/(loss) from other sources		18,076	(95,584)
Impairment losses		(265,783)	(226,487)
Operating expenses		(367,039)	(409,224)
Profit/(loss) from operating activities	4	1,260,921	(907,719)
Finance costs		(479,742)	(769,988)
Share of profits less losses of associates	9	172,420	177,948
Share of profits less losses of joint ventures	10	2,144	(20,302)
Profit/(loss) before taxation		955,743	(1,520,061)
Income tax (expenses)/credit	5	(305,743)	277,080
Profit/(loss) for the period		650,000	(1,242,981)
Attributable to:			
Equity shareholders of the Company		399,304	(1,282,100)
Holders of perpetual capital securities	21	38,691	39,335
Non-controlling interests		212,005	(216)
Profit/(loss) for the period		650,000	(1,242,981)
Basic and diluted earnings/(loss) per share	7	HK\$0.237	HK\$(0.761)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 (unaudited)

	Notes	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
Profit/(loss) for the period		650,000	(1,242,981)
Other comprehensive income for the period:			
Items that will not be reclassified subsequently to profit or loss			
— Net movement in investment revaluation reserve of equity investments designated at fair value through other comprehensive income		584,406	429,644
Items that may be reclassified subsequently to profit or loss			
— Share of other comprehensive income and effect of foreign currency translation of associates		65,998	(24,744)
— Share of other comprehensive income and effect of foreign currency translation of joint ventures		10,907	(6,366)
— Other net movement in exchange reserve		(65,107)	(126,483)
		596,204	272,051
Total comprehensive income for the period		1,246,204	(970,930)
Attributable to:			
Equity shareholders of the Company		949,148	(996,747)
Holders of perpetual capital securities	21	38,691	39,335
Non-controlling interests		258,365	(13,518)
Total comprehensive income for the period		1,246,204	(970,930)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (unaudited)

		30 June 2025 HK\$'000	31 December 2024 HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		488,387	455,989
Investment properties	8	5,410,511	5,329,287
Investments in associates	9	17,091,562	17,017,451
Investments in joint ventures	10	742,854	729,803
Equity investments designated at fair value through other comprehensive income	11	7,157,022	6,572,616
Financial assets at fair value through profit or loss	12	21,371,008	22,032,489
		<u>52,261,344</u>	<u>52,137,635</u>
Current assets			
Financial assets at fair value through profit or loss	12	6,998,844	5,218,394
Advances to customers	13	3,019,937	3,059,342
Inventories		1,432,930	1,472,807
Debtors, deposits, prepayments and others	14	1,579,099	1,545,596
Trading securities	15	3,502,012	2,830,106
Cash and cash equivalents		8,090,379	8,422,125
		<u>24,623,201</u>	<u>22,548,370</u>
Current liabilities			
Trading securities	15	(507,505)	(378,368)
Creditors, deposits received and accrued charges	16	(2,896,602)	(2,574,238)
Bank loans	17	(8,268,806)	(9,300,158)
Bonds payable	18	–	(3,239,610)
Other financial liabilities	19	(508,558)	(437,378)
Lease liabilities		(20,900)	(20,473)
Provision for taxation		(552,220)	(672,775)
		<u>(12,754,591)</u>	<u>(16,623,000)</u>
Net current assets		<u>11,868,610</u>	<u>5,925,370</u>
Total assets less current liabilities		<u>64,129,954</u>	<u>58,063,005</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current liabilities			
Bank loans	17	(5,251,254)	(4,084,395)
Bonds payable	18	(16,996,525)	(13,498,375)
Other financial liabilities	19	(6,524,690)	(6,441,964)
Lease liabilities		(53,374)	(18,049)
Deferred tax liabilities		(1,560,767)	(1,370,151)
		<u>(30,386,610)</u>	<u>(25,412,934)</u>
NET ASSETS		<u>33,743,344</u>	<u>32,650,071</u>
CAPITAL AND RESERVES			
Share capital	20	9,618,097	9,618,097
Reserves		<u>20,962,896</u>	<u>20,108,567</u>
Attributable to:			
Equity shareholders of the Company		30,580,993	29,726,664
Holders of perpetual capital securities	21	2,248,321	2,209,630
Non-controlling interests		<u>914,030</u>	<u>713,777</u>
TOTAL EQUITY		<u>33,743,344</u>	<u>32,650,071</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 (unaudited)

		Attributable to equity shareholders of the Company							Perpetual capital securities	Non- controlling interests	Total equity
	Notes	Share capital	Option premium reserve	Investment revaluation reserve	Goodwill reserve	Capital reserve	Exchange reserve	Retained earnings	Total		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June 2025											
As at 1 January 2025		9,618,097	1,242	5,165,427	(664,792)	(87,873)	(2,445,486)	18,140,049	29,726,664	2,209,630	32,650,071
Net movement by											
non-controlling shareholders		-	-	-	-	(10,556)	-	-	(10,556)	-	(68,668)
Dividend paid	6(b)	-	-	-	-	-	-	(84,263)	(84,263)	-	(84,263)
Share of capital reserve of associates		-	-	-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	399,304	399,304	38,691	650,000
Other comprehensive income for the period		-	-	584,406	-	-	(34,562)	-	549,844	-	596,204
As at 30 June 2025		9,618,097	1,242	5,749,833	(664,792)	(98,429)	(2,480,048)	18,455,090	30,580,993	2,248,321	33,743,344
For the six months ended 30 June 2024											
As at 1 January 2024		9,618,097	1,242	3,625,710	(664,792)	(86,127)	(1,806,265)	20,301,856	30,989,721	2,209,566	34,105,786
Net movement by											
non-controlling shareholders		-	-	-	-	282	-	-	282	-	(87,953)
Dividend paid	6(b)	-	-	-	-	-	-	(168,525)	(168,525)	-	(168,525)
Share of capital reserve of associates		-	-	-	-	(1,718)	-	-	(1,718)	-	(1,718)
Loss for the period		-	-	-	-	-	-	(1,282,100)	(1,282,100)	39,335	(1,242,981)
Other comprehensive income for the period		-	-	429,644	-	-	(144,291)	-	285,353	-	272,051
As at 30 June 2024		9,618,097	1,242	4,055,354	(664,792)	(87,563)	(1,950,556)	18,851,231	29,823,013	2,248,901	32,876,942

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025 (unaudited)

	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
Operating activities		
Cash generated from operations	351,889	736,062
Tax paid	(181,149)	(129,590)
Net cash inflow from operating activities	<u>170,740</u>	<u>606,472</u>
Investing activities		
Increase in restricted cash	(506)	(6,781)
Dividends from equity investments designated at fair value through other comprehensive income	176,628	–
Other cash flows arising from investing activities	34,879	62,319
Net cash inflow from investing activities	<u>211,001</u>	<u>55,538</u>
Financing activities		
Net borrowings/(repayments) of bank loans	94,041	(4,262,934)
Net proceeds of bonds payable	–	4,964,110
Redemption of non-controlling shareholders' shares	(29,010)	(87,953)
Repayment of lease liabilities	(18,363)	(15,450)
Interest paid	(614,806)	(796,523)
Dividends paid	(84,263)	(168,525)
Dividends paid to non-controlling shareholders	(29,358)	–
Other cash flows arising from financing activities	255	–
Net cash outflow from financing activities	<u>(681,504)</u>	<u>(367,275)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(299,763)</u>	<u>294,735</u>
Cash and cash equivalents		
Beginning of the period	8,390,018	9,531,117
Exchange rate adjustments	(32,489)	(154,648)
End of the period	<u>8,057,766</u>	<u>9,671,204</u>
Analysis of the balances of cash and cash equivalents		
Bank balances and cash-general accounts	8,090,379	9,734,946
Restricted cash	(32,613)	(63,742)
End of the period	<u>8,057,766</u>	<u>9,671,204</u>

NOTES TO THE UNAUDITED FINANCIAL REPORT

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

This announcement has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised by the Board for issuance on 28 August 2025.

The financial information relating to the year ended 31 December 2024 that is included in the unaudited interim financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.
- The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The unaudited interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for those described in note 2.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

HKAS 21, The effects of changes in foreign exchanges rates — Lack of exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability. Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency’s lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. The amendments do not have a material impact on these financial statements as the Group has not entered into any transaction with a currency lacks of exchangeability.

3. TURNOVER, INCOME FROM CONTRACTS WITH CUSTOMERS AND INVESTMENTS

Turnover from operations represents the aggregate of service fee income, sales of inventories, interest income, dividend income, rental income from investment properties, rental income from finance leases and gross sale proceeds from disposal of trading securities of secondary market investments, in which the turnover of derivatives is defined as the absolute net profit or loss.

Income from contracts with customers and investments recognised during the period is as follows:

	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
Income from contracts with customers		
Recognised over time		
Management fee income	52,937	80,523
Rental income from investment properties	100,766	107,855
Recognised at a point in time		
Consultancy fee and performance fee income	13,114	16,844
Sales of inventories	14,596	7,905
	181,413	213,127
Net income/(loss) from investments		
Interest income		
Financial assets not at fair value through profit or loss		
Bank deposits	35,869	57,988
Advances to customers	160,867	170,518
Debt investments	38,673	54,567
Dividend income		
Financial assets at fair value through profit or loss and trading securities	355,543	244,978
Equity investments designated at fair value through other comprehensive income	322,503	299,232
Realised loss on investments		
Net realised loss on financial assets at fair value through profit or loss	(238,055)	(8,582)
Net realised gain on trading securities	38,513	4,842
Unrealised gain/(loss) on investments		
Change of unrealised gain/(loss) on financial assets at fair value through profit or loss	845,677	(1,257,874)
Change of unrealised gain on trading securities	134,664	44,780
	1,694,254	(389,551)

4. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

Profit/(loss) from operating activities is stated after charging the following:

	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
Depreciation and amortisation expenses	24,763	25,404
Employee expenses (wages, bonuses and allowances)	98,895	106,564

5. INCOME TAX

The provision for Hong Kong profits tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the six months ended 30 June 2025. Taxation for overseas subsidiaries is calculated at the appropriate current rates of taxation in the relevant tax jurisdictions.

The amount of taxation recognised in the condensed consolidated statement of profit or loss represents:

	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
Current taxation		
— Hong Kong profits tax	—	6,452
— Overseas taxation	74,942	115,930
— Under-provision in prior year	18,624	—
Deferred taxation		
— Deferred taxation relating to the origination and reversal of temporary differences	212,177	(399,462)
Income tax expenses/(credit)	305,743	(277,080)

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development.

From 1 January 2025, the Group is liable to Pillar Two income taxes under the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

6. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the period

	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
— Interim dividend declared after the end of the reporting period of HK\$0.05 (six months ended 30 June 2024: HK\$0.05) per share	<u>84,263</u>	<u>84,263</u>

Subsequent to the period end, the Board of Directors declared an interim dividend of HK\$0.05 per share (six months ended 30 June 2024: HK\$0.05 per share) for the six months period ended 30 June 2025. The declared dividend is not reflected as dividend payable in the financial statements.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year and approved during the period

	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
— Final dividend in respect of the previous financial year approved during the period of HK\$0.05 (six months ended 30 June 2024: HK\$0.10) per share	<u>84,263</u>	<u>168,525</u>

2024 final dividend of HK\$84,263,000 was approved during the period and distributed on 12 June 2025 (2023 final dividend of HK\$168,525,000 was approved and distributed during the prior period).

7. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share

The calculation of basic and diluted earnings/(loss) per share for the six months period ended 30 June 2025 is based on the profit attributable to equity shareholders of the Company of HK\$399,304,000 (six months ended 30 June 2024: loss attributable to equity shareholders of the Company of HK\$1,282,100,000) and the weighted average number of 1,685,253,712 shares (six months ended 30 June 2024: 1,685,253,712 shares) in issue during the period.

8. INVESTMENT PROPERTIES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
As at 1 January	5,329,287	5,584,819
Additions	–	13,147
Disposals	–	(55,424)
Net loss on revaluation of investment properties	–	(95,096)
Exchange adjustment	81,224	(118,159)
	<u>5,410,511</u>	<u>5,329,287</u>
As at 30 June 2025/31 December 2024		

9. INVESTMENTS IN ASSOCIATES

(a) Investments in associates

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Carrying value, net (<i>note</i>)	<u>17,091,562</u>	<u>17,017,451</u>
Market value of shares listed in mainland China	20,244,550	20,221,961
Market value of shares listed in Hong Kong	<u>1,187,520</u>	<u>1,017,470</u>

Note:

As at 30 June 2025, the Group's net carrying value of its investment in Everbright Jiabao Co., Ltd. ("Everbright Jiabao"), an associate of the Group, amounted to HK\$1,058,383,000 (31 December 2024: HK\$1,262,039,000).

The Group has reassessed the recoverable amount of Everbright Jiabao as at 30 June 2025 and concluded that no additional or reversal of impairment loss is required for the period.

During the year ended 31 December 2024, the Group has engaged an external specialist to estimate the value-in-use of Everbright Jiabao using a discounted cash flow model. As at 31 December 2024, the accumulated impairment losses charged to profit or loss in prior years related to Everbright Jiabao amounted to HK\$1,598,827,000. The pre-tax discount rates applied in the cash flow projection of different key business operations of Everbright Jiabao ranged from 12.9% to 13.2% and the perpetual growth rate was 1.5%.

(b) As at 30 June 2025, particulars of principal investments in associates of the Group are as follows:

Name of associate	Place of incorporation/ operation	Principal activities	Percentage of equity interest held by the Company
Everbright Securities Company Limited [#] (“Everbright Securities”)	The PRC	Securities operations (<i>note 1</i>)	20.73%
China Aircraft Leasing Group Holdings Limited ^{##} (“CALC”)	Cayman Islands	Investment holding (<i>note 2</i>)	38.06%*
Everbright Jiabao ^{###}	The PRC	Real estate development/real estate assets management (<i>note 3</i>)	29.17%*
China Everbright Senior Healthcare Company Limited (“Everbright Senior Healthcare”)	Hong Kong	Providing senior health care services (<i>note 4</i>)	49.29%*

[#] Market value of the listed shares in mainland China as at 30 June 2025 was equivalent to HK\$18,848,802,000 (31 December 2024: HK\$18,696,295,000).

^{##} Market value of the listed shares in Hong Kong as at 30 June 2025 was HK\$1,187,520,000 (31 December 2024: HK\$1,017,470,000).

^{###} Market value of the listed shares in mainland China as at 30 June 2025 was equivalent to HK\$1,395,748,000 (31 December 2024: HK\$1,525,666,000).

* Held indirectly

Note 1: Everbright Securities is the Group’s cornerstone investment, with an investment cost of HK\$1,497,149,000 (31 December 2024: HK\$1,497,149,000).

Note 2: CALC is the Group’s key investee engaged in providing full life-cycle aircraft leasing solutions.

Note 3: Everbright Jiabao is the Group’s major investee engaged in real estate development and asset management in mainland China.

Note 4: Everbright Senior Healthcare is the Group’s key investee to provide integrated senior health care services including elderly health care, geriatric treatment, rehabilitation and community services in mainland China.

All of the above associates are accounted for using the equity method in the condensed consolidated financial statements.

10. INVESTMENTS IN JOINT VENTURES

(a) Investments in joint ventures

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Carrying value, net	<u>742,854</u>	<u>729,803</u>

(b) As at 30 June 2025, details of the Group's principal investments in joint ventures are as follows:

Name of joint venture	Place of incorporation/ operation	Principal activities	Percentage of equity interest held by the Company
Wuxi Ronghong Guolian Capital Co. Ltd.	The PRC	Venture capital and investment advisory services (<i>note 1</i>)	50.0%*
山東高速光控產業投資基金管理 有限公司	The PRC	Fund management services (<i>note 2</i>)	48.0%*
CEL Capital Prestige Asset Management Co., Ltd.	The PRC	Assets management service (<i>note 3</i>)	49.0%*

* Held indirectly

Note 1: Wuxi Ronghong Guolian Capital Co. Ltd. is a joint venture of the Group to provide investment advisory services to a joint venture fund in mainland China.

Note 2: 山東高速光控產業投資基金管理有限公司 is a joint venture of the Group to provide fund management service to an industrial sector investment fund in mainland China.

Note 3: CEL Capital Prestige Asset Management Co., Ltd. is a joint venture of the Group and an asset management institution established under approval of the China Securities Regulatory Commission.

All of the above joint ventures are accounted for using the equity method in the condensed consolidated financial statements.

11. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
At fair value:		
Listed equity securities		
— outside Hong Kong	<u>7,157,022</u>	<u>6,572,616</u>

The Group designated the investment in China Everbright Bank Company Limited (“China Everbright Bank”) as financial assets at fair value through other comprehensive income because the Group intends to hold for the long-term strategic purposes. The investment cost of the Group’s investment in China Everbright Bank is HK\$1,407,189,000 (31 December 2024: HK\$1,407,189,000).

No disposal was made during the six months ended 30 June 2025 and the year ended 31 December 2024, and there were no transfers of any cumulative gain or loss within equity relating to this investment (six months ended 30 June 2024: Nil).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Non-current assets		
At fair value:		
Unlisted equity securities/collective investment schemes		
— outside Hong Kong	15,272,301	15,851,841
Unlisted preference shares		
— outside Hong Kong	5,768,601	5,844,212
Unlisted debt securities		
— outside Hong Kong	<u>330,106</u>	<u>336,436</u>
	<u>21,371,008</u>	<u>22,032,489</u>
Current assets		
At fair value:		
Listed equity securities		
— in Hong Kong	1,246,295	756,031
— outside Hong Kong	2,263,477	785,926
Unlisted equity securities/collective investment schemes		
— outside Hong Kong	3,455,693	3,558,998
Unlisted debt securities		
— outside Hong Kong	<u>33,379</u>	<u>117,439</u>
	<u>6,998,844</u>	<u>5,218,394</u>

As at 30 June 2025, the Group's listed and unlisted equity securities amounting to a fair value of HK\$15,998,282,000 (31 December 2024: HK\$16,848,249,000) were investments in associates and joint ventures. The Group was exempted from applying the equity method to these investments and they were measured as financial assets at fair value through profit or loss.

During the six months ended 30 June 2025 and the year ended 31 December 2024, the Group had certain unlisted financial assets at fair value through profit or loss recorded at a purchase price which was below the fair value at inception that was determined at that date using a valuation technique. According to the Group's accounting policy, the difference yet to be recognised in the condensed consolidated statement of profit or loss at the beginning and the end of the period/year is as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
As at 1 January	7,110	7,129
Exchange adjustment	<u>52</u>	<u>(19)</u>
As at 30 June 2025/31 December 2024	<u><u>7,162</u></u>	<u><u>7,110</u></u>

13. ADVANCES TO CUSTOMERS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Current assets		
Term loans to customers		
— secured	2,904,146	1,178,525
— unsecured	<u>1,540,832</u>	<u>2,983,517</u>
Total term loans to customers	<u>4,444,978</u>	<u>4,162,042</u>
Less: Impairment allowance	<u>(1,425,041)</u>	<u>(1,102,700)</u>
Net carrying value	<u><u>3,019,937</u></u>	<u><u>3,059,342</u></u>

Certain term loans to customers are secured by unlisted securities or leasehold land and properties in mainland China with third party guarantees.

Analysis of the gross carrying amount and the corresponding impairment allowance are as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 January 2025	–	1,266,270	2,895,772	4,162,042
New assets originated or purchased	–	241,241	–	241,241
Assets derecognised or repaid	–	–	(13,586)	(13,586)
Exchange difference	–	5,728	49,553	55,281
As at 30 June 2025	<u>–</u>	<u>1,513,239</u>	<u>2,931,739</u>	<u>4,444,978</u>
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 January 2024	5,854	1,697,398	2,333,606	4,036,858
New assets originated or purchased	–	450,126	–	450,126
Assets derecognised or repaid	(5,854)	(242,667)	(210)	(248,731)
Transfer from stage 2 to stage 3	–	(605,001)	605,001	–
Exchange difference	–	(33,586)	(42,625)	(76,211)
As at 31 December 2024	<u>–</u>	<u>1,266,270</u>	<u>2,895,772</u>	<u>4,162,042</u>

The movements in the impairment allowance on term loans to customers are as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 January 2025	–	86,930	1,015,770	1,102,700
Other changes (including new assets and derecognised assets)	–	158,152	164,189	322,341
As at 30 June 2025	<u>–</u>	<u>245,082</u>	<u>1,179,959</u>	<u>1,425,041</u>
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 January 2024	5	334,923	631,357	966,285
Other changes (including new assets and derecognised assets)	(5)	(247,993)	384,413	136,415
As at 31 December 2024	<u>–</u>	<u>86,930</u>	<u>1,015,770</u>	<u>1,102,700</u>

Except for the above impairment allowance of HK\$1,425,041,000 (31 December 2024: HK\$1,102,700,000), there were no other significant advances to customers, that were aged, requiring significant impairment provision as at 30 June 2025 and 31 December 2024.

14. DEBTORS, DEPOSITS, PREPAYMENTS AND OTHERS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Accounts receivable	374,380	492,122
Deposits, prepayments, interest and other receivables and others	<u>1,942,981</u>	<u>1,731,198</u>
	2,317,361	2,223,320
Less: Impairment allowance	<u>(738,262)</u>	<u>(677,724)</u>
	<u>1,579,099</u>	<u>1,545,596</u>

Accounts receivable are mainly amounts due from brokers, collectable in cash within one year and divestment proceeds receivable.

The carrying amount of debtors, deposits, prepayments and others approximated to their fair values as at 30 June 2025 and 31 December 2024.

Their impairment allowance was assessed with reference to the credit status of the debtors, and impairment allowance of HK\$738,262,000 was provided as at 30 June 2025 (31 December 2024: HK\$677,724,000).

Movements in the impairment allowance for debtors, deposits, prepayments and others are as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 January 2024	–	30,353	486,931	517,284
Other changes (including new assets and derecognised assets)	<u>–</u>	<u>1,278</u>	<u>159,162</u>	<u>160,440</u>
As at 31 December 2024 and 1 January 2025	–	31,631	646,093	677,724
Other changes (including new assets and derecognised assets)	–	7,509	54,492	62,001
Exchange difference	<u>–</u>	<u>(12)</u>	<u>(1,451)</u>	<u>(1,463)</u>
As at 30 June 2025	<u><u>–</u></u>	<u><u>39,128</u></u>	<u><u>699,134</u></u>	<u><u>738,262</u></u>

15. TRADING SECURITIES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Current assets		
At fair value:		
Listed equity securities		
— in Hong Kong	96,212	55,178
— outside Hong Kong	2,155	2,973
Listed debt securities		
— in Hong Kong	699,167	922,064
— outside Hong Kong	2,644,158	1,774,621
Listed funds	—	1,320
Unlisted debt securities	44,464	60,594
Derivatives		
— listed	—	5
— unlisted	15,856	13,351
	<u>3,502,012</u>	<u>2,830,106</u>
Current liabilities		
At fair value:		
Listed equity securities		
— in Hong Kong	(298,876)	(168,002)
— outside Hong Kong	(172,729)	(172,486)
Listed debt securities		
— outside Hong Kong	—	(6,151)
Derivatives		
— listed	—	(63)
— unlisted	(35,900)	(31,666)
	<u>(507,505)</u>	<u>(378,368)</u>

16. CREDITORS, DEPOSITS RECEIVED AND ACCRUED CHARGES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Creditors, deposits received and accrued charges	<u>2,896,602</u>	<u>2,574,238</u>

17. BANK LOANS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Maturity details are as follows:		
Within 1 year	8,268,806	9,300,158
1 to 2 years	2,506,868	120,290
2 to 5 years	2,408,842	3,604,161
Over 5 years	<u>335,544</u>	<u>359,944</u>
	<u>13,520,060</u>	<u>13,384,553</u>

As at 30 June 2025, the bank loans were secured as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Bank loans:		
— secured	861,375	891,969
— unsecured	<u>12,658,685</u>	<u>12,492,584</u>
	<u>13,520,060</u>	<u>13,384,553</u>

As at 30 June 2025, the bank loans were secured by:

- (a) Mortgage over certain investment properties with carrying value of approximately HK\$2,324 million (31 December 2024: approximately HK\$2,289 million).

18. BONDS PAYABLE

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
As at 1 January	16,737,985	13,793,500
New issuance during the period/year	3,289,650	9,363,230
Repayments during the period/year	(3,289,650)	(6,042,625)
Exchange adjustment	258,540	(376,120)
As at 30 June 2025/31 December 2024	<u>16,996,525</u>	<u>16,737,985</u>

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Maturity details are as follows:		
Within 1 year	–	3,239,610
1 to 2 years	8,224,125	4,319,480
2 to 5 years	8,772,400	9,178,895
	<u>16,996,525</u>	<u>16,737,985</u>

As at 30 June 2025, the bonds payable were secured as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Bonds payable:		
— unsecured	<u>16,996,525</u>	<u>16,737,985</u>

19. OTHER FINANCIAL LIABILITIES

		30 June 2025 HK\$'000	31 December 2024 HK\$'000
	<i>Note</i>		
Current:			
Financial liabilities to third party investors	(a)	<u>508,558</u>	<u>437,378</u>
Non-current:			
Financial liabilities to third party investors	(a)	<u>6,524,690</u>	<u>6,441,964</u>

- (a) Financial liabilities to third party investors were incurred by the Group's fund management business. The Group issues fund units to third party investors to raise funds through the establishment of investment funds. After the end of the exit period of the investment funds (or the period extended pursuant to the fund agreements and approved by the investors), the Group shall distribute the principal of the fund units and the return thereof to the investors pursuant to the fund agreements, provided that the distribution amount shall be determined in accordance with the fund's performance. The Group does not guarantee the principal and return of third party investors' interests in the investment funds.

20. SHARE CAPITAL

	30 June 2025		31 December 2024	
	<i>No. of shares</i>		<i>No. of shares</i>	
	('000)	HK\$'000	('000)	HK\$'000
Ordinary shares issued and fully paid:				
End of period/year	<u>1,685,254</u>	<u>9,618,097</u>	<u>1,685,254</u>	<u>9,618,097</u>

21. PERPETUAL CAPITAL SECURITIES

	Principal HK\$'000	Distribution HK\$'000	Total HK\$'000
As at 1 January 2024	2,184,880	24,686	2,209,566
Profit attributable to holders of perpetual capital securities	–	78,993	78,993
Distribution to holders of perpetual capital securities	–	(78,929)	(78,929)
As at 31 December 2024 and 1 January 2025	2,184,880	24,750	2,209,630
Profit attributable to holders of perpetual capital securities	–	38,691	38,691
As at 30 June 2025	2,184,880	63,441	2,248,321

In 2023, the Company issued perpetual medium term notes with the principal amount of RMB2,000,000,000 (equivalent to approximately HK\$2,184,880,000). The distribution rate for the perpetual medium term notes is 3.60% per annum for the first 3 years from the date of issuance (i.e., 8 September 2026), and subsequently the distribution rate will be reset in every 3 calendar years. The distribution of perpetual medium term notes is accrued in accordance with the distribution rate and such distribution shall be payable annually in arrears on 11 September of each year.

The perpetual medium term notes have no maturity and the payments of distribution can be deferred into perpetuity at the discretion of the Company. The instruments could only be redeemed at the option of the Company. In substance, the perpetual medium term notes were considered as perpetual capital securities.

22. MATURITY PROFILE

The maturity profile of the Group's certain financial instruments as at the end of the reporting period, based on the contractual discounted payments, is as follows:

As at 30 June 2025

	Indefinite	On	Less than	3 to	1 to	Over	Total
	HK\$'000	demand	3 months	less than	5 years	5 years	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	12 months	HK\$'000	HK\$'000	HK\$'000
Liabilities							
— Bank loans	-	-	(3,164,986)	(5,103,820)	(4,915,710)	(335,544)	(13,520,060)
— Other financial liabilities	-	(499,062)	-	(9,496)	(2,480,236)	(4,044,454)	(7,033,248)
— Trading securities	(507,505)	-	-	-	-	-	(507,505)
— Bonds payable	-	-	-	-	(16,996,525)	-	(16,996,525)
— Lease liabilities	-	-	(3,199)	(17,701)	(53,374)	-	(74,274)
	<u>(507,505)</u>	<u>(499,062)</u>	<u>(3,168,185)</u>	<u>(5,131,017)</u>	<u>(24,445,845)</u>	<u>(4,379,998)</u>	<u>(38,131,612)</u>

As at 31 December 2024

	Indefinite	On	Less than	3 to	1 to	Over	Total
	HK\$'000	demand	3 months	less than	5 years	5 years	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	12 months	HK\$'000	HK\$'000	HK\$'000
Liabilities							
— Bank loans	-	-	-	(9,300,158)	(3,724,451)	(359,944)	(13,384,553)
— Other financial liabilities	-	(437,378)	-	-	(2,394,774)	(4,047,190)	(6,879,342)
— Trading securities	(378,368)	-	-	-	-	-	(378,368)
— Bonds payable	-	-	-	(3,239,610)	(13,498,375)	-	(16,737,985)
— Lease liabilities	-	-	(7,439)	(13,034)	(18,049)	-	(38,522)
	<u>(378,368)</u>	<u>(437,378)</u>	<u>(7,439)</u>	<u>(12,552,802)</u>	<u>(19,635,649)</u>	<u>(4,407,134)</u>	<u>(37,418,770)</u>

23. MATERIAL RELATED PARTY TRANSACTIONS

- (a) Except as disclosed elsewhere in the financial statements, the following transactions were entered into with related parties during the period:

	1 January to 30 June 2025 HK\$'000	1 January to 30 June 2024 HK\$'000
Management fee income from:		
— a joint venture	—	341
— associates exempted from applying the equity method and were recognised as financial assets at fair value through profit or loss	39,471	39,905
Consultancy and other service income from an associate	—	221
Bank interest income from a fellow subsidiary/a related party bank*	3,160	10,139
Dividend income from:		
— associates exempted from applying the equity method and were recognised as financial assets at fair value through profit or loss	171,901	—
— a fellow subsidiary/a related party bank	322,503	299,232
Bank loans interest expense to a fellow subsidiary/a related party bank*	36,069	86,152
Consultancy fee to an associate and a fellow subsidiary/a related party bank*	4,555	5,694

* These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

- (b) Except as disclosed elsewhere in the financial statements, included in the condensed consolidated statement of financial position are the following balances with related parties:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Amounts due from associates and a fellow subsidiary/a related party bank (included in debtors, deposits, prepayments and others)	236,807	55,884
Bank deposits with a fellow subsidiary/ a related party bank (including bank deposits in trust accounts)	2,551,090	2,418,593
Advances to:		
— associates exempted from applying the equity method and were recognised as financial assets at fair value through profit or loss	2,198,473	2,182,717
— an associate	986,895	971,883
Bank loans from a fellow subsidiary/a related party bank	(2,000,000)	(2,000,000)
Interests in collective investment schemes issued by a joint venture (included in financial assets at fair value through profit or loss)	789,218	977,725

Amounts due from associates arising in the ordinary course of securities trading business are unsecured, interest-bearing and repayable on demand.

Bank deposits and loans with a fellow subsidiary/a related party bank arising from the ordinary course of business for corporate financing. The bank deposits earn interest at floating rates based on daily bank deposit rates. The loans are unsecured, interest-bearing, and have a maturity within 1 year.

All advances to associates arising in the ordinary course of the money lending business are interest-bearing and certain of them are secured and unsecured respectively.

Interests in collective investment schemes are issued on market terms by a joint venture.

(c) Transactions with other PRC state-owned entities

The Group operates in an economic regime currently predominated by entities directly or indirectly owned by the PRC government through its government authorities, agencies, affiliations and other organisations (“State-owned Entities”). Transactions with other State-owned Entities include, but are not limited to: lending and deposit taking; issuance and redemption of bonds issued by other State-owned Entities; purchase, sale and leases of properties and other assets; and rendering and receiving of utilities and other services. Among the above, transactions on lending and deposit taking, leases of properties and receiving utilities are continuous throughout the period and were conducted in the ordinary course of business, while the remaining types of transactions happened occasionally.

The Group is of the opinion that none of these transactions are material related party transactions that require separate disclosures.

- (d)** Certain related party transactions above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

24. COMMITMENTS

(a) Capital commitments

As at 30 June 2025, the Group had capital commitments as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Contracted but not provided for:		
— consolidated structured entities	2,106,525	2,029,493
— unconsolidated structured entities	1,638,225	975,203
	<u>3,744,750</u>	<u>3,004,696</u>

- (b) As at 30 June 2025, the undiscounted lease payments receivable by the Group in the future periods under non-cancellable operating leases with its tenants are as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Within 1 year	180,788	206,409
After 1 year but within 2 years	122,054	163,598
After 2 years but within 3 years	84,208	89,431
After 3 years but within 4 years	64,847	68,416
After 4 years but within 5 years	56,126	54,812
After 5 years	147,185	155,766
	<u>655,208</u>	<u>738,432</u>

(c) **Off-balance sheet exposure**

The fair values and the contractual or notional amounts of the Group's trading derivatives outstanding at 30 June 2025 are detailed as follows:

	Fair value assets/ (liabilities)		Contractual/notional amounts	
	30 June 2025 HK\$'000	31 December 2024 HK\$'000	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Assets derivative contracts	15,856	10,735	343,510	212,793
Liabilities derivative contracts	<u>(35,900)</u>	<u>(28,147)</u>	<u>2,172,322</u>	<u>1,989,702</u>

The financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market prices of the underlying instruments relative to their terms.

Notional amounts of these financial instruments provide a basis for comparison with instruments recognised on the condensed consolidated statement of financial position but do not necessarily indicate the amount of future cash flows involved or the current fair value of the instruments and, therefore, are not a representation of the Group's exposure to the credit or price risks.

25. FINANCIAL INSTRUMENTS

Risk management is of fundamental importance to the business operation of the Group. The major types of risk inherent in the Group's business are credit risk, liquidity risk, interest rate risk, currency risk and equity price risk. The Group's risk management objectives are to maximise shareholders' value and to reduce volatility in earnings while maintaining risk exposures within acceptable limits.

The Group's work in the area of risk management is executed by the Risk Management, Legal and Compliance Department and is led by the Vice President of the Group in charge of Risk Management, Legal and Compliance Department. This functional structure can assess, identify and document the Group's risk profile to ensure that the business units focus, control and systematically avoid potential risks in various business areas. The following is a brief description of the Group's approach in managing these risks.

(a) Credit risk

The Group's credit risk is primarily attributable to advances to customers, accounts receivable, debt investments and unlisted derivative financial instruments.

Credit risk management framework

The Group has formulated a comprehensive set of credit risk management policies and procedures, and appropriate credit risk limits to manage and control credit risk that may arise. These policies, procedures and credit risk limits are regularly reviewed and updated to cope with the changes in market conditions and business strategies.

The Group's organisational structure establishes a clear set of authority and responsibility for monitoring compliance with policies, procedures and limits.

The Vice President of the Group in charge of Risk Management, Legal and Compliance who reports directly to the Audit and Risk Management Committee, takes charge of credit risk management and is also responsible for the control of credit risk exposures of the Group in line with the credit risk management principles and requirements set by the Group.

Credit risk management is embedded within all business units of the Group. The first line of defense against undesirable outcomes is the business function and the respective line managers. Department heads of their own business areas take the lead role with respect to implementing and maintaining appropriate credit risk controls. Risk Management, Legal and Compliance Department, which is independent from the business units, is responsible for the management of credit risks and it is an ongoing process for identifying, measuring, monitoring and controlling credit risk to ensure effective checks and balances, as well as drafting, reviewing and updating credit risk management policies and procedures. It is also responsible for the design, development and maintenance of the Group's internal rating system and it ensures that the system complies with the relevant regulatory requirements. Credit risk is approved by the Vice President of the Group in charge of Risk Management, Legal and Compliance Department and reported to Audit and Risk Management Committee quarterly.

For advances to customers, generally collaterals would be advised to be pledged before advances are granted. The amount of advances permitted depends on the quality and value of collateral provided by the customer. Any subsequent change in value as well as quality of collateral is closely monitored in order to determine whether any corrective action is required.

Accounts receivable mainly arise from the Group's investment activities. Receivables from brokers and counterparties are normally repayable on demand. The Group has established procedures in the selection of brokers/counterparties with sound credit ratings and/or reputation.

Investments in debt instruments and unlisted derivative financial instruments are also governed by whether the issuers and the trade counterparties respectively have sound credit ratings.

The Group has well-defined policies in place on the setting and approval of trading, credit and investment position limits in order to manage its credit risk exposure and concentration. As at the end of the reporting period, the Group did not have a significant concentration of credit risk.

Expected Credit Loss ("ECL") Methodology

The Group's policy requires the review of individual outstanding amounts at least quarterly or more regularly depending on individual circumstances or market conditions.

The Group has adopted HKFRS 9, where the impairment requirements under HKFRS 9 are based on an ECL model. The Group applies the general approach for impairment of financial assets. Under the general approach, financial assets migrate through the following three stages based on the change in credit risk since initial recognition: Stage 1: 12-month ECL, Stage 2: Lifetime ECL — not credit-impaired and Stage 3: Lifetime ECL — credit-impaired.

When determining whether the risk of default has increased significantly since initial recognition, the Group incorporates both quantitative and qualitative assessment such as number of days past due, the Group's historical experience, and market benchmark. When estimating the ECL on term loans to customers, the Group has incorporated forward-looking economic information through the use of industry trend and experienced credit judgement to reflect the qualitative factors, and through the use of probability-weighted scenarios. The measurement of ECL is the product of the financial instrument's probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") discounted at the effective interest rate to the reporting date. As at 30 June 2025, ECL of unsecured financial assets is measured based on PD at a range of 35.92% to 100% (31 December 2024: 25.98% to 100%) and LGD at a range of 5% to 76% (31 December 2024: 5% to 94%).

ECL is measured at an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The Group adopts three economic scenarios in the ECL measurement to meet the requirements of HKFRS 9. The "Base" scenario represents a most likely outcome and the other two scenarios, referred to as the "Best" scenario and "Worse" scenario, represent less likely outcomes which are more optimistic or more pessimistic compared to the "Base" scenario.

The probability assigned for each scenario reflects the Group's view for the economic environment, which implements the Group's prudent and consistent credit strategy of ensuring the adequacy of impairment allowance. A higher probability is assigned to the "Base" scenario to reflect the most likely outcome and a lower probability is assigned to the "Best" and "Worse" scenarios to reflect the less likely outcomes. The probabilities assigned are updated in each quarter.

Audit and Risk Management Committee is responsible for approving ECL methodology. Risk Management, Legal and Compliance Department is responsible for the implementation and maintenance of ECL methodology including models review and parameters update on a regular basis. If there is any change in ECL methodology, the Group will go through a proper approval process.

The maximum exposure to credit risk without taking into account any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, at the end of the reporting period, deducting any impairment allowance.

(b) Liquidity risk

The Group's policy is to regularly assess current and expected liquidity requirements and to ensure that it maintains reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

For subsidiaries with statutory liquidity requirements, the Group closely monitors their liquidity positions. To ensure strict compliance, the Group maintains adequate cash reserves to prepare for immediate fund injection if required. If there is a medium to long-term operational need, management would also consider adjusting those subsidiaries' capital structure. Subsidiaries with external equity stakeholders are generally responsible for their own liquidity management.

(c) Interest rate risk

The Group monitors its interest rate exposure regularly to ensure that the underlying risk is monitored within an acceptable range.

The Group's interest rate positions arise from treasury and operating activities. Interest rate risk arises from treasury management, customer financing and investment portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. Interest rate risk is managed by the Finance and Accounting Department under the delegated authority of the Board and is monitored by the Risk Management, Legal and Compliance Department. The instruments used to manage interest rate risk include time deposits and interest rate linked derivatives, if necessary.

The Group is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In respect of the Group's interest-bearing financial instruments, the Group's policy is to mainly transact in financial instruments that mature or reprice in the short to medium term. Accordingly, the Group would be subject to limited exposure to fair value or cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates.

(d) Currency risk

The Group's exposure to currency risk primarily stems from holding of monetary assets and liabilities denominated in foreign currencies, other than Hong Kong dollars and net investment in foreign operations. As most of the Group's monetary assets and liabilities and net investment in foreign operations are denominated in Hong Kong dollars, Renminbi, United States dollars and Singapore dollars, management is aware of the likely increase in volatility in these currencies and takes a balanced view when considering the management of currency risk.

Overall, the Group monitors its currency exposure closely and would consider hedging significant currency exposure should the need arise.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as trading securities (note 15), equity investments designated at fair value through other comprehensive income (note 11) and financial assets at fair value through profit or loss (note 12). Other than unlisted securities held for medium to long-term purposes, all of these investments are listed.

The Group's investments in listed equity instruments are mainly listed on the Stock Exchange of Hong Kong, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, Nasdaq and the New York Stock Exchange. Decisions to buy or sell trading securities rest with assigned investment team professionals and each investment portfolio is governed by specific investment and risk management guidelines. Independent daily monitoring of each portfolio against the corresponding guidelines is carried out by the Risk Management, Legal and Compliance Department. Listed equity instruments held in the equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss portfolio have been chosen based on their medium to long-term growth potential and are monitored regularly for performance against expectations.

The performance of the Group's investments in unquoted equity instruments is assessed periodically, based on the information available to the Group.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group engages professional independent valuers to perform valuations of certain financial instruments, including financial assets at fair value through profit or loss categorised into Level 3 of the fair value hierarchy. The professional valuer reports directly to the Vice President of the Group in charge of Risk Management, Legal and Compliance and the Audit and Risk Management Committee. Valuation reports with analysis of changes in fair value measurement are prepared by the professional valuers at each interim and annual reporting date, and are reviewed and approved by the Vice President of the Group in charge of Risk Management, Legal and Compliance and the Audit and Risk Management Committee. Discussion of the valuation process and results with the Vice President of the Group in charge of Risk Management, Legal and Compliance and the Audit and Risk Management Committee is held twice a year to coincide with the reporting dates.

In addition to the above valuers, the Group also makes reference to the valuation reports performed by other professional valuers to ascertain the fair values of certain investments with underlying interests in real estate investments and some other private equity investments.

As at 30 June 2025

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Recurring fair value measurement				
Assets				
Equity investments designated at fair value through other comprehensive income:				
— Listed equity securities	<u>7,157,022</u>	<u>—</u>	<u>—</u>	<u>7,157,022</u>
Financial assets at fair value through profit or loss:				
— Listed equity securities	1,995,599	1,514,173	—	3,509,772
— Unlisted equity securities/collective investment schemes	—	—	18,727,994	18,727,994
— Unlisted preference shares	—	—	5,768,601	5,768,601
— Unlisted debt securities	<u>—</u>	<u>—</u>	<u>363,485</u>	<u>363,485</u>
	<u>1,995,599</u>	<u>1,514,173</u>	<u>24,860,080</u>	<u>28,369,852</u>
Trading securities:				
— Listed equity securities	98,367	—	—	98,367
— Listed debt securities	—	3,343,325	—	3,343,325
— Unlisted debt securities	—	44,464	—	44,464
— Unlisted derivatives	<u>—</u>	<u>15,856</u>	<u>—</u>	<u>15,856</u>
	<u>98,367</u>	<u>3,403,645</u>	<u>—</u>	<u>3,502,012</u>
Liabilities				
Trading securities:				
— Listed equity securities	(471,605)	—	—	(471,605)
— Unlisted derivatives	<u>—</u>	<u>(35,900)</u>	<u>—</u>	<u>(35,900)</u>
	<u>(471,605)</u>	<u>(35,900)</u>	<u>—</u>	<u>(507,505)</u>

As at 31 December 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Recurring fair value measurement				
Assets				
Equity investments designated at fair value through other comprehensive income:				
— Listed equity securities	6,572,616	—	—	6,572,616
Financial assets at fair value through profit or loss:				
— Listed equity securities	1,541,957	—	—	1,541,957
— Unlisted equity securities/ collective investment schemes	—	—	19,410,839	19,410,839
— Unlisted preference shares	—	—	5,844,212	5,844,212
— Unlisted debt securities	—	—	453,875	453,875
	1,541,957	—	25,708,926	27,250,883
Trading securities:				
— Listed equity securities	58,151	—	—	58,151
— Listed debt securities	—	2,696,685	—	2,696,685
— Listed derivatives	—	5	—	5
— Listed funds	1,320	—	—	1,320
— Unlisted debt securities	—	60,594	—	60,594
— Unlisted derivatives	—	13,351	—	13,351
	59,471	2,770,635	—	2,830,106
Liabilities				
Trading securities:				
— Listed equity securities	(340,488)	—	—	(340,488)
— Listed funds	—	(6,151)	—	(6,151)
— Listed derivatives	—	(63)	—	(63)
— Unlisted derivatives	—	(31,666)	—	(31,666)
	(340,488)	(37,880)	—	(378,368)

As at 30 June 2025, one of the financial assets at fair value through profit or loss with fair value of HK\$1,514,173,000 was previously determined to be Level 3 under the fair value hierarchy using a valuation technique that used significant unobservable inputs. As quoted price of the security is available and not using significant unobservable inputs for valuation, accordingly the equity security was transferred from Level 3 to Level 2. There were no other transfers between levels of the fair value hierarchy.

As at 31 December 2024, one of the financial assets at fair value through profit or loss with fair values of HK\$732,484,000 was previously determined to be Level 3 under the fair value hierarchy using a valuation technique that used significant unobservable inputs. As unadjusted quoted prices are available in the active markets the fair value measurement of these equity securities were accordingly transferred from Level 3 to Level 1 of the fair value hierarchy. There were no other transfers between levels of the fair value hierarchy.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of listed and unlisted debt securities and derivatives in Level 2 is determined using broker quotes.

Information about Level 3 fair value measurements

As at 30 June 2025

Valuation techniques	Significant unobservable inputs	Range	Increase/ (decrease) in unobservable inputs	Favourable/ (unfavourable) impact on profit or loss HK\$'000
Market comparable companies	Discount for lack of marketability	20% to 30%	5% (5%)	(194,232) 194,232
	Market multiples	0.8 to 20.4	5% (5%)	(599,335) 599,335
	Control premium	0% to 18.9%	5% (5%)	308 (308)

As at 31 December 2024

Valuation techniques	Significant unobservable inputs	Range	Increase/ (decrease) in unobservable inputs	Favourable/ (unfavourable) impact on profit or loss HK\$'000
Market comparable companies	Discount for lack of marketability	20% to 30%	5% (5%)	(177,188) 177,188
	Control premium	0% to 25%	5% (5%)	306 (306)
	Market multiples	0.8 to 21.5	5% (5%)	251,089 (251,089)
	Probability of liquidation	10.00% to 10.00%	5% (5%)	(19,355) 19,355

Other than using the recent transaction approach as the valuation technique in determining the fair value of Level 3 financial instruments, the valuation techniques in estimating the fair value of other financial instruments are described as follows:

The fair value of unquoted equity investments is estimated using an appropriate combination of:

- (1) making reference to capital statements, management information and valuation reports provided by third parties;
- (2) deducing from prices recently paid for similar assets, quoted market prices in active markets and the financial indicators of the transacted assets such as net book value and net operating profit; and
- (3) applying, if possible, price to earnings (“P/E”) ratios, price to book (“P/B”) ratios, enterprise value to earnings before interest, taxes, depreciation and amortisation (“EV/EBITDA”) ratios and enterprise value to sales (“EV/Sales”) ratios for similar listed companies adjusted to reflect the specific circumstances of the investments.

The Group has certain shares listed on the Nasdaq, which are subject to restriction on sales for defined periods. The fair value measurement reflected the effect of such restriction with an adjustment to the quoted price of otherwise similar but unrestricted securities and the adjustment was referenced to put option models.

The fair values of preference shares and debt securities are estimated using the equity allocation model and discounted future cash flows respectively. Future cash flows are estimated based on management’s best estimate of the amount it would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions. The discount rate used is a market rate for a similar instrument at the end of the reporting period. The fair value of an option contract is determined by applying an option valuation model such as the Black-Scholes valuation model. Inputs are based on market related data at the end of the reporting period.

The movements during the period in the balance of Level 3 financial instruments are as follows:

Financial assets at fair value through profit or loss					
	Listed equity securities HK\$'000	Unlisted equity securities/ collective investment schemes HK\$'000	Unlisted preference shares HK\$'000	Unlisted debt securities HK\$'000	Total HK\$'000
As at 1 January 2024	732,484	23,002,403	5,361,456	456,435	29,552,778
Purchased	–	332,783	–	–	332,783
Net unrealised gain/(loss) recognised in profit or loss	–	(3,604,493)	495,040	4,123	(3,105,330)
Exchange adjustments	–	(281,733)	(83,114)	(6,683)	(371,530)
Disposals	–	(38,121)	70,830	–	32,709
Reclassification	(732,484)	–	–	–	(732,484)
As at 31 December 2024 and 1 January 2025	–	19,410,839	5,844,212	453,875	25,708,926
Purchased	–	270,894	–	–	270,894
Net unrealised gains or loss recognised in profit or loss	–	(917,324)	88,411	(93,158)	(922,071)
Exchange adjustments	–	144,354	43,769	2,768	190,891
Disposals	–	(180,769)	(57,881)	–	(238,650)
Reclassification	–	–	(149,910)	–	(149,910)
As at 30 June 2025	–	18,727,994	5,768,601	363,485	24,860,080

27. SEGMENT INFORMATION

The Group manages and conducts the majority of its business activities by business units. Operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's senior management for the purposes of resource allocation and performance assessment.

Fund Management Business

Fund management business refers to the business that the Group raises funds from external investors and deploys the Group's seed capital into specific clients, applies its professional knowledge and experience to make investment decisions on the capital according to laws, regulations and the fund's prospectus, while seeking to maximise gains for investors. The fund management business is comprised of primary market investment, secondary market investment and Fund of Funds investment ("FoF").

- **Primary market investment:** Investment in unlisted equity securities or equity derivatives with equity position for participating in the ongoing management of these companies, and with an ultimate objective of capital gain on investee's equity listing or through other exit channels. Areas of investments include new economy, artificial intelligence and advanced manufacturing, new energy, medical care and senior healthcare, overseas acquisition and infrastructure, real estate, aircraft industry chain, consumer market, wealth management and others.
- **Secondary market investment:** Provides a diversified range of financial services, including asset management, investment management and investment advisory activities. Products include absolute return funds, bond funds and equity funds.
- **Fund of Funds investment or "FoF":** FoF invested in both funds initiated and managed by the Group as well as external funds with proven track records of performance and governance. FoF can provide one-stop solution that offers liquidity and potential returns for mega-size institutions.

Principal Investments Business

The Group makes full use of its own capital to make the following three types of investments to promote the development of the fund management business and to optimise its income structure. They are:

- **Key investee companies:** Focusing on aircraft leasing, artificial intelligence of things (AIoT) and elderly care industry platforms;
- **Financial investments:** Investing in equity, debts, structured products and other products; and
- **Cornerstone investments:** The Group's stake in China Everbright Bank and Everbright Securities contributing relative stable earnings and dividend income.

Business segments

For the six months ended 30 June 2025:

	Fund Management Business			Principal Investments Business				Total HK\$'000
	Primary Market Investments HK\$'000	Secondary Market Investments HK\$'000	Fund of Funds Investments HK\$'000	Key Investee Companies HK\$'000	Financial Investments HK\$'000	Cornerstone Investments HK\$'000	Reportable segments total HK\$'000	
Income from contract with customers	30,987	15,143	19,677	–	115,606	–	181,413	181,413
Net income/(loss) from investments	(87,630)	241,629	(15,954)	(40,286)	1,273,992	322,503	1,694,254	1,694,254
Income/(loss) from other sources	–	(31,842)	–	–	49,918	–	18,076	18,076
Total income/(loss)	<u>(56,643)</u>	<u>224,930</u>	<u>3,723</u>	<u>(40,286)</u>	<u>1,439,516</u>	<u>322,503</u>	<u>1,893,743</u>	<u>1,893,743</u>
Segment operating results	(363,332)	170,546	(5,308)	(43,329)	1,297,719	322,503	1,378,799	1,378,799
Unallocated head office and corporate expenses*								(597,620)
Share of profits less losses of associates	(196,225)	–	–	73,500	4,967	290,178	172,420	172,420
Share of profits less losses of joint ventures	<u>2,171</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(27)</u>	<u>–</u>	<u>2,144</u>	<u>2,144</u>
Profit/(loss) before taxation	(557,386)	170,546	(5,308)	30,171	1,302,659	612,681	1,553,363	<u>955,743</u>
Less: Non-controlling interests	<u>(23,728)</u>	<u>(45,963)</u>	<u>15</u>	<u>–</u>	<u>(142,329)</u>	<u>–</u>	<u>(212,005)</u>	
Segment results	<u>(581,114)</u>	<u>124,583</u>	<u>(5,293)</u>	<u>30,171</u>	<u>1,160,330</u>	<u>612,681</u>	<u>1,341,358</u>	
Other segment information:								
Interest income	144,051	39,844	4,778	17,071	29,665	–	235,409	
Impairment losses recognised in the condensed consolidated statement of profit or loss	<u>254,782</u>	<u>–</u>	<u>–</u>	<u>3,043</u>	<u>7,958</u>	<u>–</u>	<u>265,783</u>	

* The unallocated head office and corporate expenses mainly included unallocated finance costs, employee expenses and other operating expenses. The segment expenses and the unallocated head office and corporate expenses are measured on the same basis as HKFRS.

For the six months ended 30 June 2024:

	Fund Management Business			Principal Investments Business				Total
	Primary Market Investments HK\$'000	Secondary Market Investments HK\$'000	Fund of Funds Investments HK\$'000	Key Investee Companies HK\$'000	Financial Investments HK\$'000	Cornerstone Investments HK\$'000	Reportable segments total HK\$'000	
Income from contract with customers	53,293	15,169	27,955	–	116,710	–	213,127	213,127
Net (loss)/income from investments	(445,661)	137,275	(68,004)	(113,947)	(198,446)	299,232	(389,551)	(389,551)
(Loss)/income from other sources	–	18,473	–	–	(114,057)	–	(95,584)	(95,584)
Total (loss)/income	<u>(392,368)</u>	<u>170,917</u>	<u>(40,049)</u>	<u>(113,947)</u>	<u>(195,793)</u>	<u>299,232</u>	<u>(272,008)</u>	<u>(272,008)</u>
Segment operating results	(572,263)	111,847	(53,772)	(159,882)	(437,770)	299,232	(812,608)	(812,608)
Unallocated head office and corporate expenses*								(865,099)
Share of profits less losses of associates	(76,372)	–	–	25,340	515	228,465	177,948	177,948
Share of profits less losses of joint ventures	<u>(20,286)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(16)</u>	<u>–</u>	<u>(20,302)</u>	<u>(20,302)</u>
(Loss)/profit before taxation	(668,921)	111,847	(53,772)	(134,542)	(437,271)	527,697	(654,962)	<u>(1,520,061)</u>
Less: Non-controlling interests	<u>14,958</u>	<u>(42,988)</u>	<u>–</u>	<u>–</u>	<u>28,246</u>	<u>–</u>	<u>216</u>	
Segment results	<u>(653,963)</u>	<u>68,859</u>	<u>(53,772)</u>	<u>(134,542)</u>	<u>(409,025)</u>	<u>527,697</u>	<u>(654,746)</u>	
Other segment information:								
Interest income	109,878	58,173	14,040	28,650	72,332	–	283,073	
Impairment losses recognised in the condensed consolidated statement of profit or loss	<u>123,899</u>	<u>–</u>	<u>–</u>	<u>45,935</u>	<u>56,653</u>	<u>–</u>	<u>226,487</u>	

* The unallocated head office and corporate expenses mainly included unallocated finance costs, employee expenses and other operating expenses. The segment expenses and the unallocated head office and corporate expenses are measured on the same basis as HKFRS.

Other information

As at 30 June 2025:

	Fund Management Business			Principal Investment Business			Reportable segments total HK\$'000	Total HK\$'000
	Primary	Secondary	Fund of	Key	Financial	Cornerstone		
	Market	Market	Funds	Investee	Investments	Investments		
	Investments HK\$'000	Investments HK\$'000	Investments HK\$'000	Companies HK\$'000	Investments HK\$'000	Investments HK\$'000		
Segment assets	16,108,644	3,851,770	6,237,881	3,080,823	22,107,595	7,303,729	58,690,442	58,690,442
Investments in associates	1,125,632	–	–	2,086,386	318,444	13,561,100	17,091,562	17,091,562
Investments in joint ventures	737,341	–	5,513	–	–	–	742,854	742,854
Unallocated head office and corporate assets								359,687
Total assets								<u>76,884,545</u>
Segment liabilities	2,874,032	1,495,053	4,389,100	–	2,281,665	–	11,039,850	11,039,850
Unallocated head office and corporate liabilities								29,988,364
Provision for taxation								552,220
Deferred tax liabilities								<u>1,560,767</u>
Total liabilities								<u>43,141,201</u>

As at 31 December 2024:

	Fund Management Business			Principal Investments Business			Reportable segments total HK\$'000	Total HK\$'000
	Primary	Secondary	Fund of	Key	Financial	Cornerstone		
	Market	Market	Funds	Investee	Investments	Investments		
	Investments HK\$'000	Investments HK\$'000	Investments HK\$'000	Companies HK\$'000	Investments HK\$'000	Investments HK\$'000		
Segment assets	17,936,342	3,308,559	9,387,545	2,965,019	16,406,076	6,572,732	56,576,273	56,576,273
Investments in associates	1,303,681	–	–	2,200,058	325,498	13,188,214	17,017,451	17,017,451
Investments in joint ventures	724,263	–	5,540	–	–	–	729,803	729,803
Unallocated head office and corporate assets								362,478
Total assets								<u>74,686,005</u>
Segment liabilities	2,432,840	1,045,453	4,664,160	–	2,181,641	–	10,324,094	10,324,094
Unallocated head office and corporate liabilities								29,668,914
Provision for taxation								672,775
Deferred tax liabilities								<u>1,370,151</u>
Total liabilities								<u>42,035,934</u>

Geographical segments

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and investment properties, right-of-use assets, investments in associates and joint ventures ("Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the Specified non-current assets is based on the physical locations of the asset. For investments in associates and joint ventures, the geographical location is based on the locations of operations.

	For the year ended			For the six months ended		
	30 June 2025			30 June 2024		
	Hong Kong	Mainland	Total	Hong Kong	Mainland	Total
	& others	China		and others	China	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue						
Income from contracts with customers	55,239	126,174	181,413	57,103	156,024	213,127
Net income/(loss) from investments	1,700,952	(6,698)	1,694,254	(19,933)	(369,618)	(389,551)
Income/(loss) from other sources	(92,505)	110,581	18,076	(79,675)	(15,909)	(95,584)
	<u>1,663,686</u>	<u>230,057</u>	<u>1,893,743</u>	<u>(42,505)</u>	<u>(229,503)</u>	<u>(272,008)</u>
	As at			As at		
	30 June 2025			31 December 2024		
	Hong Kong	Mainland	Total	Hong Kong	Mainland	Total
	& others	China		and others	China	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Specified non-current assets	<u>2,371,113</u>	<u>21,362,201</u>	<u>23,733,314</u>	<u>2,493,088</u>	<u>21,039,442</u>	<u>23,532,530</u>

28. LITIGATION

Reference is made to the announcements of the Company made through The Stock Exchange of Hong Kong Limited dated 2 February 2021, 11 April 2023, 1 June 2023, 9 September 2024 and 11 November 2024 (the “Announcements”) which have disclosed, among others, matters pertaining to the litigation filed by Fang Ming (the “Plaintiff”) against the Group relating to equity transfer dispute of Ying Li International Real Estate Limited (the “Legal Proceedings”). Certain amount of the Group’s assets insignificant to its daily operations were preserved under the Legal Proceedings.

Following the appeal filed by the Company, on 5 September 2024, the Company received a civil judgment issued by the High People’s Court of Chongqing Municipality which ruled that, among other things, the civil judgment issued by the Fifth Intermediate People’s Court of Chongqing Municipality (the “First Instance Court”) shall be revoked and the case shall be remanded to the First Instance Court for retrial. The Company subsequently received a civil complaint (the “Civil Complaint”) against the Company in respect of the Legal Proceedings in which the Plaintiff alleged that there was disagreement over the consideration of the equity transfers, and demanded the Company to restitute and compensate for the Plaintiff’s properties, financial loss and other related losses and certain subsidiaries of the Company as the other defendants to be jointly responsible for restitution and compensation obligations. According to the Civil Complaint, the amount involved in the relevant properties and related losses is yet to be ascertained.

The Company continues to firmly believe that the above allegations against the Group are without merit. The Group will take every possible step to defend the claim vigorously, and reserve the rights to take legal action(s) against the Plaintiff for any damages. The Company is of the view that the Legal Proceedings will not have a material adverse impact on the operations and debt-paying ability of the Group. The Company will continue to closely monitor the progress of the Legal Proceedings and use its best endeavours to safeguard the legitimate rights and interests of the Company and its shareholders. The Company will provide further information as and when appropriate in accordance with the applicable listing rules, laws and regulations.

MANAGEMENT DISCUSSION AND ANALYSIS

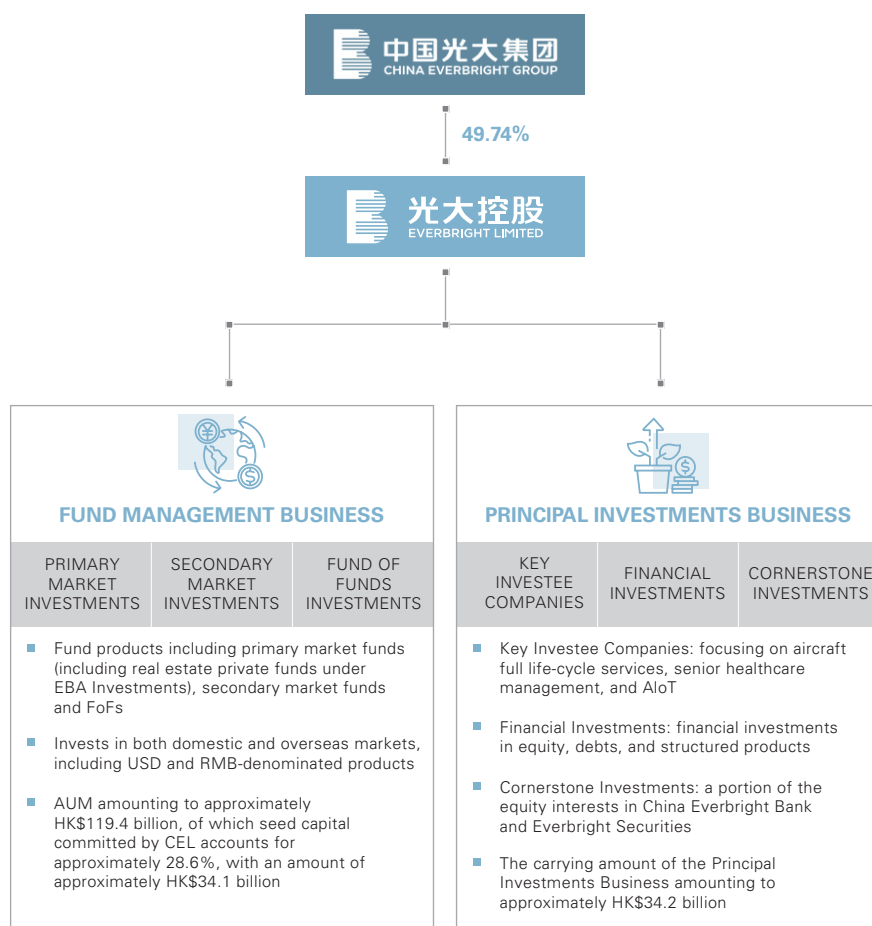
BUSINESS REVIEW

CEL is a leading cross-border asset management and private equity investment company in China, and a listed company in Hong Kong with management and investment of private funds as the core business. With more than 27 years of experience in cross-border asset management and private equity investment, CEL has been assessed as one of the top PE firms in China several times. China Everbright Group Ltd. (“Everbright Group”), the largest shareholder of the Company, indirectly holds 49.74% of the shares of CEL.

For Fund Management Business, as at 30 June 2025, total assets under management (“AUM”)¹ of CEL reached approximately HK\$119.4 billion, with 72 funds. By forming a rich asset management product portfolio covering primary market funds, secondary market funds, FoFs, S funds, etc., CEL has nurtured many promising enterprises with high growth potential alongside with investors. CEL fully capitalised its role as a cross-border investment platform to support strategic emerging industries, prospective industries and scientific and technological innovation, foster new quality productivity and contribute to the development of the real economy.

For Principal Investments Business, CEL has nurtured China Aircraft Leasing Group Holdings Limited (“CALC”), the largest independent aircraft operating lessor in China; nurtured China Everbright Senior Healthcare Company Limited (“Everbright Senior Healthcare”), a renowned senior healthcare industrial group in China with consolidating multiple mid-to-high-end senior healthcare enterprises; and invested in Terminus Smart Technology Co., Ltd. (“Terminus”) in the artificial intelligence and Internet of Things (“AIoT”) industry. CEL also invests in financial assets to achieve a balanced return and liquidity in its Principal Investments in due course. In addition, the Company holds a portion of the equity interests of China Everbright Bank Company Limited (“China Everbright Bank”) and Everbright Securities Company Limited (“Everbright Securities”) as Cornerstone Investments.

¹ Total assets under management refer to the committed capital of fund investors (including CEL as an investor) for primary market funds and FoFs, and refers to the net worth of funds for secondary market investments.



REVIEW AND ANALYSIS

Macro-economic and Industry Review

In the first half of 2025, the global economy experienced significant disruption as tariff tensions took their toll. The World Bank lowered its global growth forecast for the year from 2.7%, the initial projection made at the beginning of the year, to 2.3%. This marks the lowest growth rate in a non-recessionary period since the 2008 financial crisis. During this period, China's monetary and fiscal policies were closely aligned to achieve the goal of "stabilising growth". Counter-cyclical adjustments were intensified to sustain the steady upward trajectory of economic activities. China's Gross Domestic Product (GDP) grew by 5.3% year-on-year in the first half, demonstrating strong resilience and vitality.

In the first half of 2025, the global capital markets were highly volatile, shaken by the ongoing tariff disputes, which led to sharp corrections across major equity indices. As tariff negotiations between the United States, China, and the European Union gained momentum, the capital markets began to recover strongly from mid-April. All three major U.S. indices hit record highs, with the S&P 500 climbing by 5.50%; in Europe markets, Germany's DAX stood out with a 20.09% rise; and in the Asia-Pacific region, South Korea's KOSPI led the way with a 28.01% gain, while Japan's stock market posted a modest increase of 1.49% following periods of volatility.

In the first half of 2025, China's assets continued to grow in appeal, with the Hong Kong stock market strengthening against the dual pressures of fluctuating Federal Reserve policies and RMB exchange rate volatility. Buoyed by the emergence of new growth drivers, such as artificial intelligence, new consumer sectors, and innovative pharmaceuticals, the Hong Kong market remained vibrant. The Hang Seng Index rose by 21%, while the Hang Seng Technology Index gained 19%. The IPO market also saw impressive momentum, with the number of Main Board listings up 43% year-on-year, reaching 43 companies. Total funds raised surged by 688% to HK\$106.7 billion, bringing international capital back into the market at an accelerated pace. On the policy front, the Hong Kong Exchanges launched the Technology Enterprises Channel (TECH) in May, allowing confidential submissions from companies under Chapter 18C of the Listing Rules. This initiative further opened the door for hard technology enterprises to list in Hong Kong. Compared to overseas markets, the A-share market showed relatively stable index performance. The SSE Index rose by 2.76%, the SZSE Component Index gained 0.48%, the ChiNext Index climbed 0.53%, and the STAR 50 grew by 1.46%, with trading volumes witnessing a noticeable increase. In the first half of the year, the average daily trading volume of A-shares reached RMB1.35 trillion, representing a 55% year-on-year increase. With robust policy support and growing optimism around economic recovery, market confidence received a significantly boost. AI has been a key driver of innovation in the technology sector, while the new development philosophy has been accelerating the creation of new quality productivity. Together, these forces are steadily reinforcing a positive long-term growth outlook.

After several years of adjustment, China's private equity industry began to show early signs of bottoming out and recovering, driven by a mix of policy reforms and industrial transformations. On the fundraising front, patient capital from banks, insurance funds, and government-guided funds made its way into the market at an accelerated pace, helping to stabilise and revive the number and scale of new funds raised in the first half of 2025. On the investment side, there was a year-on-year rebound in the number of investment projects, marking the first such increase in nearly three years. Capital continuously flowed into hard technology sectors like semiconductor equipment, IT, and biotechnology, with a shift in investment strategies from focusing on short-term returns to pursuing long-term empowerment. Exit channels also expanded. In the first half of the year, Hong Kong IPOs saw a strong resurgence, while A-share IPOs made steady strides, with the number of listed companies in the first half of the year rising by more than 30% year-on-year. Meanwhile, the growing variety of exit mechanisms, including mergers and acquisitions, helped further optimise the industry ecosystem. China's private equity industry was set to enter a new phase of development, with both market sentiment and investor confidence recovering in tandem. Long-term patient capital flowed in at an accelerated pace, supported by the wave of technological innovation, and the turning point for industry recovery will gradually take shape.

Review of Business Highlights in the First Half of 2025

In the first half of 2025, despite the challenges of a complex and ever-changing domestic and international environment, CEL, one of China's leading cross-border asset management companies, remained steadfast in its strategy. By staying focused on its core business, the Company demonstrated impressive operational resilience. Committed to long-term value investment, CEL fully leveraged the advantages of patient capital. After years of nurturing and empowerment, multiple high-quality investment projects witnessed a surge in value this year, generating sound returns and significantly boosting the Company's overall operational performance.

During the reporting period, the Company took full advantage of the industry recovery and the active capital markets, proactively adjusting its fundraising, investment, exit, and other strategies. By concentrating its resources and business focus on high-potential products, the Company successfully unlocked significant value. The main business achievements are as follows:

Firstly, CEL harnessed the strengths of group-based operations to enhance fundraising synergy. In the first half of 2025, the Company successfully launched the Huaian Hongze Guangqi Fund (淮安洪澤光啟基金) and the Xiamen Marine High-Tech Industrial Development Fund (廈門海洋高新產業發展基金), with a total scale of RMB2.5 billion. The Huaian Fund targets growth-stage projects in the areas of new energy, new materials, and intelligent manufacturing, with its first round of capital contribution completed in the first half of the year. The Xiamen Marine Fund is dedicated to incubating and transforming scientific and technological innovations in the marine sector, driving the high-quality development of the marine economy. At the same time, several other funds have been approved and are progressing smoothly, following the established plan.

Secondly, CEL strengthened core businesses to drive robust recovery in performance. During the reporting period, the total exits from funds and principal investments amounted to HK\$2.018 billion. This include the full exit from Xpeng Motors (an emerging new energy vehicle manufacturer), DAPU Telecom (a mobile communications solutions provider), and Taboola (an AI-driven original advertising and content distribution platform), alongside partial exit from iSoftStone, Dekon Food and Agriculture, 4Paradigm, and other projects. With a MOIC (multiple on invested capital) of approximately 2.78 times, these exits significantly boosted the DPI of multiple funds, generating substantial returns for LPs. Several listed projects, including Circle, Dekon Food and Agriculture, and NetEase Cloud Music, delivered strong market performance in the first half of the year, making notable contribution to the Company’s investment returns. In the first half of the year, secondary market funds expertly capitalised on structural opportunities, achieving impressive investment performance. Notably, Everbright Convertible Opportunities Fund ranked second among similar funds in Barclays’ performance rankings.

Thirdly, CEL anchored strategy around scientific and technological innovation, with a particular focus on key industry sectors. Guided by deep industrial insight and a forward-looking strategic vision, the Company accelerated its investment activity in the first half of the year. It targeted emerging strategic industries such as artificial intelligence, chips and semiconductors, and biomedicine, with a total investment of approximately HK\$264 million by funds. CEL have nurtured and supported a number of technology leaders, including Yangtze Memory and Wuhan Xinxin (both prominent domestic memory chip producers), HengYi Biotech (a company engaged in the research and development of innovative drug for tumors and autoimmune diseases), J-Sensor (a strategic supplier of domestic industrial automation modules and core sensors for new energy vehicles), and Tec-Do (a service provider in the field of big data and BI), among others. These investments reflect our commitment to strengthening China’s science and technology enterprises. Meanwhile, CEL supported FoF platforms such as Jinyi Capital and Eastern Bell Capital, which plays an active role in advancing China’s “technology innovation + industry empowerment” strategy. These FoF investments allow us to fully leverage the advantages of resource amplification, risk diversification, and diversified returns.

Fourthly, CEL optimise business management to unlock growth momentum. In the first half of the year, the Company continued to optimise its financing structure and took full advantage of the domestic interest rate cut cycle, issuing RMB3 billion in the first tranche of its 2025 medium-term notes at a coupon rate of 2.09% per annum — the lowest coupon rate in the Company’s bond issuance history. During the reporting period, the Company’s overall financing cost declined by 133 basis points year-on-year to 3.14%, while its finance costs reduced by 38% year-on-year. Operating and administrative expenses also recorded year-on-year decrease of 10%, underscoring the solid progress made in reducing costs and increasing efficiency. The Company continued to optimise its risk management framework. CEL advanced the classification of risk assets, reinforced dynamic valuation management, and established a risk monitoring and early warning system, thereby improving the effectiveness of risk prevention and control across the full business cycle.

Fifthly, CEL aligned with the national livelihood strategy by supporting commercial consumption. During the reporting period, CEL leveraged its industrial strengths to enhance the quality of its products and services, catering to the growing demand for consumer services among citizens. In the commercial consumption arena, EBA successfully launched 18 “IMIX Park” shopping centres across nine cities nationwide, managing approximately 2.6 million square metres in total. These centres created approximately 37,700 jobs, attracted approximately 121 million customer visits, and hosted more than 4,500 tenant merchants in the first half of 2025. During the reporting period, Phase I of the “Zhongguancun ART PARK IMIX Parks”, a flagship consumption infrastructure and urban renewal project in Beijing, opened smoothly, significantly upgrading the consumer experience and giving a strong boost to domestic demand. In the silver economy sector, Everbright Senior Healthcare provided over 30,000 elderly care beds across 49 cities nationwide. Building on core business of institutional elderly care, Everbright Senior Healthcare are committed to creating a unique elderly care model that “seamlessly combines medical treatment, rehabilitation, and nursing care”, alongside “tailored financial services for seniors”. Everbright Senior Healthcare continued to advance smart elderly care solutions to better serve the diverse needs of seniors.

Sixthly, CEL strengthened ESG framework to promote sustainable development. During the reporting period, the Company enhanced its Board diversity with the appointment of a female as an independent non-executive director. ESG principles continued to be embedded across our management and decision-making processes, as CEL invested in and managed a broad portfolio of ESG-related projects across multiple sectors through both principal investments and various fund platforms. To further enhance compliance framework, the Company issued regulatory documents such as *Negative List for Primary Market Investments*, and the *Guidelines for Investment Project Due Diligence (Trial) — Second Revised*, thereby raising employees' compliance awareness. No ESG compliance incidents were recorded during the reporting period. In alignment with the Hong Kong government's green transition policies, the Company promoted green office practices, sustainable procurement, and eco-friendly commuting. The newly opened “Zhongguancun ART PARK IMIX Park” in Beijing, thanks to its systematic application of technology and management optimization that reduce energy consumption and emissions, has emerged as a benchmark for green transformation in the capital. The Company attaches great importance to talent development and training. CEL has organised 32 training programmes with participation from 2,046 attendances. Furthermore, the Company showed heartfelt commitment to grassroots youth and elderly communities in Hong Kong. CEL backed the Hong Kong SAR government's “Strive and Rise Programme” and actively advanced the “Bright Campus” (光彩校園) public welfare initiative. Our partnership with the local grassroots was further strengthened through impactful projects such as the “Rodent Control Programme” (消鼠奇兵), which installed rat guards in Wan Chai, the “Toward the Bright, With Health Along the Way” (向光而行 健康相伴) health screening campaign in Sha Tin, and volunteer efforts like “Food Angel Programme”. Together, these efforts have reached and served over 10,000 community members. At the same time, CEL sustained efforts in rural revitalisation and consumption assistance, exemplifying the social responsibility expected of a central enterprise. During the reporting period, the Company maintained an “A” rating in the MSCI ESG Rating and received the “BEST ESG (S)” award from the Hong Kong Investor Relations Association (HKIRA).

In the first half of 2025, the Company's issuance of Panda Bonds is as follows:

Bond Abbreviation	Date of issuance	Size of issuance	Use of raised funds
25 Everbright Limited MTN001	June 2025	RMB3 billion	Repayment of domestic medium-term notes due, net of underwriting fees.

FINANCIAL PERFORMANCE ANALYSIS

Income

Key income items <i>(in HK\$ hundred million)</i>	2025 1H	2024 1H	Change
Income from contracts with customers,			
mainly including:	1.81	2.13	(15 %)
— Management fee income	0.53	0.81	(35 %)
— Performance fee and consultancy fee income	0.13	0.17	(24 %)
Income/(loss) from investments,			
mainly including:	16.94	(3.90)	N/A
— Interest income	2.36	2.83	(17 %)
— Dividend income	6.79	5.44	25 %
— Realised loss from investments	(1.99)	(0.04)	(>100 %)
— Unrealised income/(loss) from investments ²	9.81	(12.13)	N/A
Income/(loss) from other sources	0.19	(0.95)	N/A
Share of profits less losses of associates	1.72	1.78	(3 %)
Share of profits less losses of joint ventures	0.02	(0.20)	N/A
Total amount of income³	20.68	(1.14)	N/A

During the reporting period, the Group realised total income of HK\$2,068 million, representing a significant increase of HK\$2,182 million from the same period last year. Income from contracts with customers decreased by HK\$32 million year-on-year, mainly due to some funds gradually entering their exit or extension periods, resulting in a decrease in management fee income. In respect of income from investments, benefiting from the rebound in project valuations, unrealized investment income increased by HK\$2,194 million from the same period last year, while dividend income rose steadily, resulting in an improvement in income from investments to HK\$1,694 million in the reporting period from a loss from investments of HK\$390 million in the same period last year.

² The distribution of dividends by the fund will result in a decrease in net asset value. Therefore, when dividend income is recognized, an unrealized investment loss of the same amount will be recorded simultaneously.

³ The calculation method for total amount of income is: income from contracts with customers + income/(loss) from investments + income/(loss) from other sources + share of profits less losses of associates + share of profits less losses of joint ventures. “Total amount of income” is a metric used by the Group’s management to monitor business performance and financial condition, and it may not be comparable to similar items reported by other companies.

The year-on-year change in each income was mainly due to the following factors:

- (1) In the first half of 2025, the Group realised income from contracts with customers of HK\$181 million, a decrease of HK\$32 million compared with the same period last year. During the reporting period, management fee income amounted to HK\$53 million, a year-on-year decline of HK\$28 million, showing a moderate narrowing trend. Performance fee and consultancy fee income amounted to HK\$13 million, a decrease of HK\$4 million. The above decline in income from contracts with customers was mainly due to the cyclical nature of the fund business.
- (2) In the first half of 2025, the Group's income from investments was HK\$1,694 million, a significant increase of HK\$2,084 million compared to a loss from investments of HK\$390 million in the same period last year.

In particular, dividend income was HK\$679 million, an increase of HK\$135 million from the same period last year, mainly attributable to the growth in dividends received from the Fund Management Business.

Unrealised income from investments amounted to HK\$981 million, a significant improvement of HK\$2,194 million from a loss of HK\$1,213 million in the same period last year. This was mainly due to the stable valuation of Key Investee Companies within the Principal Investments Business, which caused the unrealised valuation losses narrowed to HK\$57 million from HK\$143 million in the same period last year (the carrying value of relevant Key Investee Companies as at the end of 2024 was HK\$2,598 million). Unrealised income from Financial Investments amounted to HK\$1,157 million, a significant improvement of HK\$1,485 million compared to a loss of HK\$328 million in the same period last year, which was mainly attributable to the improved fundamentals of the investment projects and the valuation rebound brought about by the recovery of the capital market (the carrying value of the relevant Financial Investments as at the end of 2024 was HK\$4,795 million). Investment in Fund Management Business has incurred an unrealised loss of HK\$120 million, a significant improvement of HK\$622 million compared to a loss of HK\$742 million in the same period last year.

- (3) During the reporting period, the Group's income from other sources amounted to HK\$19 million, compared to a loss of HK\$95 million in the same period last year. During the reporting period, the Group's share of profits less losses of associates was HK\$172 million, remained more or less on par with that of last year. The profit attributable to Everbright Securities increased by HK\$62 million when compared with the same period last year, while the profit attributable to CALC also increased by HK\$50 million when compared with the same period last year. The loss attributable to Everbright Jiabao decreased by HK\$155 million when compared to the profit in the same period last year.

Income from Key Business Segments

<i>(in HK\$ hundred million)</i>	2025 1H	2024 1H
— Loss from Fund Management Business	(0.22)	(3.58)
— Income from Principal Investments Business	<u>20.90</u>	<u>2.44</u>
Total amount of income	<u>20.68</u>	<u>(1.14)</u>

By business segment, the loss from Fund Management Business of the Group during the reporting period was HK\$22 million, a significant decrease of loss of HK\$336 million from HK\$358 million in the same period last year, representing an improvement of 94% year-on-year.

The main reasons for the changes were as follows: (1) the unrealised loss from the Group's investment in funds under management with seed capital narrowed significantly from HK\$742 million for the same period last year to HK\$120 million for the reporting period; (2) during the reporting period, the realised gain of the Fund Management Business segment turned from HK\$42 million for the same period last year to a loss of HK\$200 million for the reporting period; (3) during the reporting period, benefiting from the exits of proven projects, the segment's dividend income reached HK\$269 million, representing a significant year-on-year increase of 89% (same period last year: HK\$142 million), which partially offset the effect of realised loss on investments.

During the reporting period, the Group's Principal Investments Business recorded an income of HK\$2,090 million, representing a substantial increase of HK\$1,846 million or 757% compared to HK\$244 million in the same period last year. The main reasons for the change were as follows: (1) due to improved project fundamentals and capital market performance, the market value and annual valuation of principal investment projects showed significant recovery, with its unrealised income reversing from a loss of HK\$471 million in the same period last year to an income of HK\$1,100 million in the reporting period; and (2) performance in Key Investee Companies and Cornerstone Investments improved, including: a HK\$50 million year-on-year increase in the share of profits from CALC, and a HK\$62 million year-on-year increase in the share of profits from Everbright Securities.

Profit

Profit in Key Business Segments

<i>(in HK\$ hundred million)</i>	2025 1H	2024 1H	Change
Loss from Fund Management Business	(4.62)	(6.39)	28%
Profit/(loss) from Principal Investments			
Business:	18.03	(0.17)	N/A
— Key Investee Companies	0.30	(1.35)	N/A
— Financial Investments	11.60	(4.09)	N/A
— Cornerstone Investments	6.13	5.27	16%
Less: Unallocated corporate expenses, taxes and profit attributable to holders of senior perpetual capital securities	(9.42)	(6.26)	(50%)
Net profit/(loss) attributable to shareholders of the Company	3.99	(12.82)	N/A

During the reporting period, the net profit attributable to shareholders of the Company amounted to HK\$399 million, successfully turning around from a net loss attributable to shareholders of HK\$1,282 million in the same period last year, representing a significant improvement in performance:

- (1) During the reporting period, the Fund Management Business recorded a loss of HK\$462 million, primarily due to valuation adjustments of the investment projects held. During the reporting period, the realised gains of the Fund Management Business changed from a profit of HK\$42 million in the same period last year to a loss of HK\$200 million, while the unrealised loss narrowed significantly from HK\$742 million in the same period last year to HK\$120 million in the reporting period. This demonstrated the effectiveness of active portfolio management in mitigating the impact of unrealised book losses on profit or loss.
- (2) During the reporting period, the Principal Investment Business recorded a profit of HK\$1,803 million, successfully turning around from a loss of HK\$17 million in the same period last year. This was mainly attributable to: Financial Investments turning from a loss of HK\$409 million last year to a profit of HK\$1,160 million in the reporting period, showing significant improvement in financial investment performance. Additionally, profits from Key Investee Companies reversed from a loss of HK\$135 million last year to a profit of HK\$30 million in the reporting period.

Dividends

Per share (HK\$)

	2025 1H	2024 1H	Change
Earnings/(loss) per share	0.24	(0.76)	N/A
Interim dividend per share	0.05	0.05	no change

Net profit after tax attributable to shareholders of the Company for the period was HK\$399 million, with net cash inflow from operating activities amounting to HK\$171 million and net cash inflow from investing activities amounting to HK\$211 million. The Company as a whole achieved a turnaround from loss during the reporting period, and remained sufficient in liquidity and solid in overall financial, business and operating conditions. Following the practice of sharing the Company's operating results with shareholders, the Board declared interim dividend of HK\$0.05 per share for 2025 (2024 interim dividend: HK\$0.05 per share).

Key Financial Ratios

Key financial data ⁴	30 June 2025	31 December 2024	Change
Gearing ratio ⁵	90%	92%	-2 ppt
Net gearing ratio ⁶	86.3%	86.8%	-0.5 ppt
Debt-to-asset ratio ⁷	56.1%	56.3%	-0.2 ppt
Current ratio ⁸	193.1%	135.6%	+57.5 ppt

⁴ The Gearing ratio, net gearing ratio, debt-to-asset ratio and current ratio are the measures used by the management of the Group for monitoring business performance and financial position. These may not be comparable to similar measures presented by other companies

⁵ The gearing ratio is calculated as interest-bearing debt (including bank loans+ notes payable + bonds payable)/total equity x 100%

⁶ The net gearing ratio is calculated as (interest-bearing debt — available cash)/total equity x 100%

⁷ The debt-to-asset ratio is calculated as (total liabilities/total assets) x 100%

⁸ The current ratio is calculated as (current assets/current liabilities) x 100%

The Group executed refined cost control to boost operating efficiency through technological and electronic methods. Operating costs⁹ for the first half of 2025 amounted to HK\$367 million, representing a year-on-year decrease of 10.3%. This reduction highlights the positive impact of the Group's efforts in cost control and efficiency improvement.

During the reporting period, the Group succeeded in turning around from loss to profit. Total equity increased from HK\$32.7 billion at the end of last year to HK\$33.7 billion at the end of the reporting period, which had a positive impact on the gearing ratio. As at the end of June 2025, the gearing ratio of the Group was 90%, representing a decrease of 2 ppt compared to the end of 2024, reflecting the effectiveness of deleveraging efforts. The Group's available cash reserves at the end of June 2025 amounted to HK\$1,382 million (as at the end of 2024: HK\$1,786 million). Excluding the impact of available cash, the net gearing ratio was 86.3%, representing a decrease of 0.5 ppt as compared to the end of 2024.

As at the end of June 2025, the Group had cash and cash equivalents of approximately HK\$8.1 billion, with available and unutilised bank facilities of approximately HK\$4.9 billion, representing sufficient liquidity and a solid financial position.

⁹ Operating costs include staff costs, depreciation and amortisation expenses and other operating expenses

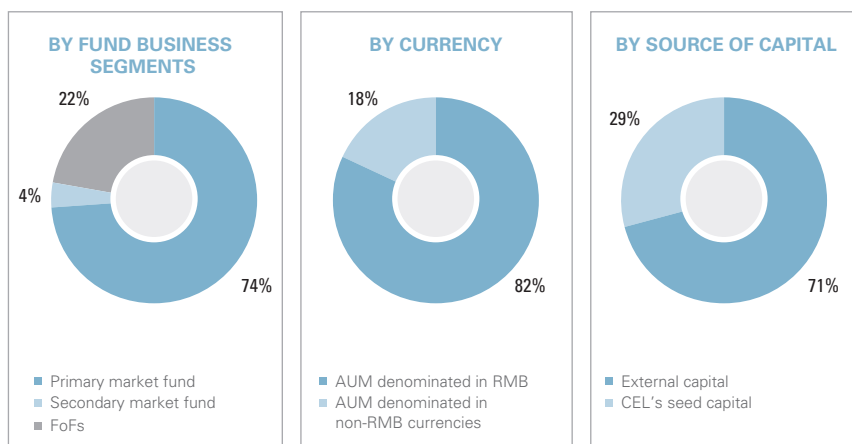
BUSINESS PERFORMANCE ANALYSIS

Fund Management Business

As at 30 June 2025, the total AUM of CEL's funds amounted to approximately HK\$119.4 billion, representing an increase of approximately HK\$2.0 billion as compared to the end of last year. Two new funds were established during the reporting period, with new fundraising amounting to approximately HK\$2,741 million.

CEL's funds have extensive source of funding, where external investors are primarily institutional investors, with a diversified mix of institutions covering, amongst others, commercial banks, insurance companies, family offices and government agencies. In terms of currency, funds denominated in RMB and all other currencies were equivalent to approximately HK\$97.8 billion and HK\$21.6 billion, accounting for 82% and 18% of the total amount, respectively. In terms of nature of funds, the Company's Fund Management Business included 43 primary market funds, 20 secondary market funds and discretionary accounts, and 9 FoFs products.

During the reporting period, CEL tailored to the circumstances to make prudent investment decisions, and to exit from prevailing projects. The Fund Management Business made capital contributions of approximately HK\$264 million to a total of 9 projects, and exited, fully or partially, from 46 projects, recording a cash inflow of approximately HK\$1.777 billion.



Fund Management Business

Primary Market Funds

As at 30 June 2025, there were 42 primary market fund products under the management of CEL, with an aggregate AUM equivalent to approximately HK\$64.0 billion and scope of investment covering various industries including semiconductors, industrial Internet and high-end manufacturing. CEL also actively explored potential opportunities in artificial intelligence, new energy and other sectors. By currency, amounts equivalent to approximately HK\$46.5 billion were denominated in RMB and approximately HK\$17.4 billion were denominated in other currencies, accounting for 73% and 27% respectively. During the reporting period, through a combination of disposal of shares of listed companies and other diversified exit channels (such as transfer), CEL completed the full exits from investments — Xpeng, Dapu Telecom and Taboola, as well as the partial exits from multiple projects including iSoftStone, Dekon Food and Agriculture, and 4Paradigm.

CEL's comprehensive primary market equity investment fund system continued to expand across borders with a "Chinese perspective" through its diversified fund structure and leading comprehensive strength. The funds under management cover multiple areas, including new economy, marine economy, biopharmaceuticals, artificial intelligence, and green development, all of which continuously invest in new industries and emerging fields so as to provide enterprises with equity financing services throughout their entire lifecycle, namely from the startup and growth stages to maturity.

Secondary Market Funds

As at 30 June 2025, CEL's secondary market business managed a total of 20 funds and discretionary accounts with AUM in terms of net worth of approximately HK\$4.5 billion. In terms of product types, fixed income products accounted for 93% of the AUM, while equity products accounted for 7%.

With years of cross-border experience and by leveraging on its investment capabilities, CEL's secondary market funds have built a one-stop portfolio, which covers Asian credit bond hedge funds, Asian convertible bond hedge funds, offshore Greater China equity hedge funds, onshore A+H shares long-only strategies funds (including private fund managers and institutional investors) and investment advisory business.

CEL has well diversified fixed income products covering offshore funds, QFII managed accounts, offshore managed accounts and asset securitisation products. Everbright Convertible Opportunities Fund, a flagship Asian convertible bond product, delivered superior results during the reporting period. The fund was selected by BarclayHedge, a renowned overseas hedge fund research institution, as the “2024 Second Best Performing Fixed Income Convertible Bond Fund”, and was awarded the “Best Asian Ex-Japan Multi-Strategy Hedge Fund (5-year)”, “Best Asian Ex-Japan Multi-Strategy Hedge Fund (3-year)”, “Best Asian Ex-Japan Fixed-Income Hedge Fund (5-year)”, “Best Asian Ex-Japan Fixed-Income Hedge Fund (3-year)” under the 2025 I&M Professional Investment Award, demonstrating the recognition of CEL’s investment capability and comprehensive strength by independent ranking agencies. Everbright Income Focus Fund, a public bond fund in Hong Kong and being an investment advisor, was awarded “Best Bond Fund in Asia Pacific (3 years)” by Lipper Fund Awards for its superior performance and risk-adjusted returns.

Fund of Funds

CEL’s FoFs not only invested in external funds with proven track records and robust governance, but also invested in funds launched and managed by the Company, and coinvested or directly invested in equity projects. As at 30 June 2025, the FoFs team managed 9 FoFs with an AUM equivalent to approximately HK\$26.6 billion. The Company’s FoFs business has established an investment matrix primarily targeting information technology, biopharmaceuticals, consumption and entertainment, and technology manufacturing, with active collaborations with well-established major (white horse) managers, emerging and promising (dark horse) managers, and leading managers in specialised sectors both domestically and internationally.

As of 30 June 2025, there were 103 invested projects (including sub-funds and direct investment projects) under the FoFs, which closely aligned with national strategic needs and actively deployed key areas such as GPU/CPU/semiconductors, allowing China to achieve independence and self-reliance in core technology. At the same time, CEL has seized long-term development opportunities in fields such as biopharmaceuticals by increasing investment in related high-quality projects, thereby contributing to the innovation and upgrading of China’s biopharmaceuticals industry. A total of 175 investees in the underlying projects of invested sub-funds and direct investment projects under the FoFs were listed. During the reporting period, 9 new enterprises were listed, all of which came from the underlying projects of sub-funds. With years of development in the FoFs sector, CEL has consistently received high recognition from the industry and garnered numerous prestigious awards. Its brand influence has been further enhanced within the industry, demonstrating its outstanding capabilities and leading position.

Real Estate Investment and Asset Management Business

As at 30 June 2025, CEL held 29.17% equity interest in Everbright Jiabao, an A-share listed company (stock code: 600622.SH), as its largest shareholder. Everbright Jiabao managed 49 projects through the platform under EBA Investments, including 21 investment management projects with a managed fund scale of approximately RMB22.2 billion (equivalent to approximately HK\$24.3 billion) and AUM of approximately RMB47 billion (equivalent to approximately HK\$51.5 billion). During the reporting period, Everbright Jiabao/EBA Investments took the opportunity of building a new development model for the real estate industry to coordinate and advance various initiatives to stabilize operations, mitigate risks, promote reforms, and support people's livelihoods. It accelerated the creation of a leading real estate asset management platform in China by adopting a "dual emphasis on both asset-light and asset-heavy strategies" model, and remained focus on the commercial consumer sector with a view to expanding the competitiveness and market influence of its proprietary commercial brand "IMIX Parks". As at the end of the reporting period, EBA Investments and its subsidiaries managed a total of 18 consumption infrastructure projects of IMIX Parks through fund investment or entrusted management, located in consumption center cities in various municipalities and provinces in China. During the reporting period, multiple projects including Beijing Zhongguancun Art Park IMIX Park (West Zone) and Nanjing Health IMIX Park were successfully opened. Jinjiang IMIX Park was successfully taken over and is expected to reopen after renovation in October 2025. In addition, EBA Investments continued to expand the business of real estate construction and management projects under the brand of "安石建管", and expanded and reserved a number of projects during the reporting period. EBA Investments was ranked first in the "Excellent Enterprises in terms of Comprehensive Strength among China Real Estate Funds" of the China Real Estate Top 100 Enterprises Research Results jointly published by the China Enterprise Evaluation Association, Property Research Institute of Tsinghua University and Beijing China Index Academy.

Principal Investments Business

The Company strives to achieve the following 3 objectives through its principal investments: (1) Key Investee Companies: investing in and fostering enterprises with synergy between industry and finance and promising development prospects; (2) Financial Investments: maintaining flexible liquidity management through investment in structured financing products and obtaining stable interest income; capitalizing on the co-investment opportunities brought by the Fund Management Business and participating in equity and related financial investments to obtain investment returns; (3) Cornerstone Investments: holding a portion of the equity interest in China Everbright Bank and Everbright Securities to obtain stable dividends and investment returns.

As at the end of June 2025, the Principal Investments Business managed 54 post-investment projects with an aggregate carrying amount of approximately HK\$34.2 billion. Among these projects, the total carrying amount of equity interest held in CALC, Everbright Senior Healthcare and Terminus was approximately HK\$4.8 billion; the fair value of Financial Investments was approximately HK\$8.7 billion; the fair value of the Cornerstone Investments in China Everbright Bank was HK\$7.2 billion, and the carrying amount of Everbright Securities accounted as an associate was HK\$13.5 billion.

Principal investments (in HK\$ hundred million)	30 June 2025	31 December 2024
— Key Investee Companies	48	50
— Financial Investments	87	71
— Cornerstone Investments	207	198
Total	342	319

Key Investee Companies

CALC

As at 30 June 2025, CEL held 38.06% of the equity interest in CALC (stock code: 1848.HK), as its largest shareholder. CALC is a one-stop full life-cycle solutions provider for global airlines. CALC's scope of business includes regular operations such as aircraft operating leasing, leaseback after purchase, aircraft asset package transactions and asset management, and value-added services such as fleet upgrading, aircraft maintenance, aircraft disassembling and parts selling. It also elevates aircraft asset value through flexible aircraft asset management. At the same time, CALC has the advantages of dual-platform financing, leasing and sales channels, as well as a strong capability and rich experience in financing both domestically and abroad. Meanwhile, CALC also serves as a "pioneer" in promoting the overseas commercial operation of domestically produced aircraft, steadfastly supporting China's civil aviation strategy. In the first half of 2025, CALC maintained stable growth in its core business, with continuous improvements in operational quality and efficiency, demonstrating steady enhancement in overall operational performance. As at 30 June 2025, CALC had a fleet of 181 aircraft, consisting of 151 owned aircraft and 30 managed aircraft. CALC's owned and managed aircraft are leased to 41 airlines in 22 countries and regions.

Everbright Senior Healthcare

Everbright Senior Healthcare has been seizing the development opportunities in China's healthcare industry. Building on the core business of institutional elderly care, it has been striving to build a distinctive elderly care ecosystem integrating "medical health and nursing care combined services" and "pension finance". As of 30 June 2025, Everbright Senior Healthcare has 237 institutions of various types which include institutional and community service centers, forming a deployment covering the Beijing-Tianjin-Hebei region, Yangtze River Delta, and Chengdu-Chongqing Economic Circle. It managed 29,300 beds, with occupancy rates increasing by 1.77%, and community-based home care services recorded year-on-year growth of 0.14 million people. Positioning smart elderly care as a core strategy, Everbright Senior Healthcare has been committed in innovative application through in-house R&D and open collaboration. Powered by "standardisation, branding, and digital-intelligent transformation", Everbright Senior Healthcare has achieved full coverage across 117 elderly care facilities through its smart operation management platform, enabling "quantifiable, traceable, and optimisable" operational management.

Terminus

During the reporting period, Terminus continued to deepen the integration of AI technology across multiple industries, driving intelligent transformation and implementing localised AI applications and digital-intelligent solutions, while receiving multiple authoritative certifications. The company officially launched its comprehensive spatial intelligence strategy and introduced the spatial intelligence all-in-one machine, offering a new and upgraded spatial intelligence experience for the era of large models. In collaboration with Colliers, Terminus developed a large model for the real estate sector, creating end-to-end intelligent spatial solutions to provide clients with smarter, more personalised, and efficient consulting services. Terminus also established a strategic partnership with Tongji University's Engineering Artificial Intelligence Research Institute to jointly advance breakthroughs in spatial intelligence technologies and accelerate the implementation of cutting-edge technologies in industrial applications. In the first half of 2025, Terminus was awarded the "Shanghai Specialised and Innovative Enterprise" certification, recognised with the "2024 Green Development Case Excellence Award", and named among the "Top 10 Best Investment Cases in China's AI and Big Data Industry." It was also included on the 2024 Hurun China AI Top 50 list and "Annual Social Responsibility and Sustainability Cases List" on 36Kr.com.

Financial Investments

The Company's Financial Investments funded by its own capital cover the following aspects: (1) based on the investment/co-investment opportunities brought by the Company's funds and extensive business network, investing in the equity or debt of unlisted companies; (2) investing in structured financing products with a balance in return and liquidity. As at 30 June 2025, the Company's financial investments amounted to HK\$8.7 billion in various sectors including real estate, new economy and technology, artificial intelligence and advanced manufacturing, and green investments, with the aggregate carrying value of the top 10 projects amounting to HK\$6.2 billion.

Cornerstone Investments

As at 30 June 2025, the carrying amount of a certain portion of equity interests in Everbright Securities and China Everbright Bank held by the Group as Cornerstone Investments each accounted for more than 5% of the Group's total assets and the two investments were regarded as significant investments of the Group. These two Cornerstone Investments held by the Group accounted for in aggregate 61.4% and 26.9% of the Group's net assets and total assets, respectively.

Everbright Securities (601788.SH)

Established in 1996 with its headquarters in Shanghai, Everbright Securities is one of the first 3 innovative pilot securities firms approved by the China Securities Regulatory Commission. As at the end of June 2025, the Group held 956 million A-shares in Everbright Securities, representing 20.73% of its total share capital, with an investment cost of HK\$1,497 million. Everbright Securities is accounted for as an associate of the Group. The carrying value of the shares held by the Group was HK\$13.5 billion, accounting for 40.2% and 17.6% of the Group's net assets and total assets respectively. Based on the closing price of RMB17.98 per share as at 30 June 2025, the fair value of the shares in Everbright Securities held by the Group was HK\$17.2 billion. During the reporting period, the Group's share of profit from an investment in associate attributable to Everbright Securities was HK\$290 million, representing a year-on-year increase of 27.2%.

China Everbright Bank (601818.SH)

Established in August 1992, China Everbright Bank is a national joint-stock commercial bank approved by the State Council and the People's Bank of China. As at the end of June 2025, the Group held 1.57 billion A-shares in China Everbright Bank, representing 2.66% of the total share capital of China Everbright Bank, with an investment cost of HK\$1,407 million. The shares in China Everbright Bank held by the Group are accounted for as equity investments designated at fair value through other comprehensive income. Based on the closing price of RMB4.15 per share as at 30 June 2025, the carrying amount and fair value of the shares in China Everbright Bank held by the Group amounted to HK\$7.2 billion, accounting for 21.2% and 9.3% of the Group's net assets and total assets respectively. During the year, the Group's income from China Everbright Bank was HK\$323 million, representing a year-on-year increase of 8.0%.

OUTLOOK

In the first half of 2025, the international situation remained complex and volatile. Amid the rising trade protectionism and other pressures, the Chinese government strengthened macroeconomic control by introducing policies to stabilise growth, promote development, adjust economic structures, and improve people's livelihoods. As a result, the domestic economy is steadily progressing with an optimistic outlook. However, structural contradictions in the economy, insufficient effective demand and other challenges still persist. Looking ahead to the second half of the year, the economy is at a critical juncture in striking a balance between overall stabilisation and structural optimisation. Despite the ongoing external uncertainties, domestic policies are expected to maintain strong continuity and consistency, with focus on economic development and livelihood improvement. As the effects of policies to boost domestic demand, stimulate consumption, and stabilise growth become more apparent, China's economy will maintain its consistency and resilience.

In the past two years, China has attached great importance to the venture capital and equity investment industry, promoted cooperation of central and local governments, and introduced a series of favorable policies. In the first half of the year, the sector witnessed notable achievement across various stages including fundraising, investment, and exits, with signs of a gradual market recovery from the bottom. With stronger policy support, deeper reforms, and ongoing improvements to the regulatory system, China's private equity industry is likely to enter a new phase of high-quality development. In the next phase, the Company will seize the opportunities of high-quality development of the industry, analyse in-depth the changing trends in both internal and external environments, enhance industry assessments, optimise and adjust strategic initiatives. The Company will also continue to advance the formulation of the "15th Five-Year Plan", charting a blueprint for high-quality development.

On the fundraising front, the Company will continue to advance the rollout of approved funds, actively engage in the selection of government-guided funds, and focus on attracting long-term patient capital to further solidify the foundation of its fund management business. When it comes to investment, the Company will build on its equity investment strengths to support the “Five Major Financial Initiatives” by facilitating direct financing for the real economy. It will also step up efforts to explore and strategically deploy venture capital funds, zeroing in on early- and growth-stage technology companies that boast disruptive innovation, vast market potential, and exceptional workforce, thereby laying a robust groundwork for sustainable returns. From a management perspective, the Company will further enhance its risk control framework and empower the investee companies. It will leverage cross-border platforms and the Group’s comprehensive synergies to help the investees grow and thrive. CEL will maintain focus on key sectors such as commercial consumption, elderly care, and aircraft leasing, aiming to elevate strategic positioning, enhance group-wide synergy and empowerment, and further boost its market competitiveness and influence. In terms of exits, the Company will explore a diverse range of exit channels, including IPOs, mergers and acquisitions, and secondary market transactions. CEL aims to accelerate exits while maintaining strategic patience, driving more efficient capital recycling.

Looking ahead, CEL will continue to concentrate on its core business of private equity fund investment and management. The Company will enhance its dynamic assessment of frontier technologies and fully leverage the international hub advantages of its cross-border platforms. Guided by scientific strategic planning, supported by a professional investment team, and underpinned by rigorous risk management, the Company will strive to achieve capital appreciation that aligns closely with national strategic priorities, consistently creating value for its shareholders.

FINANCIAL POSITION

As at 30 June 2025, the Group’s total assets amounted to HK\$76.885 billion (31 December 2024: HK\$74.686 billion) with net assets amounting to HK\$33.743 billion (31 December 2024: HK\$32.650 billion). Equity attributable to the Company’s shareholders was HK\$30.581 billion (31 December 2024: HK\$29.727 billion) and equity attributable to shareholders of the Company per share was HK\$18.15 (31 December 2024: HK\$17.64).

FINANCIAL RESOURCES

The Group adopts a prudent approach in liquidity management to ensure liquidity risk control and reduce the cost of funds. The Group finances its operations primarily with internally generated cash flow and loan facilities from banks. As at 30 June 2025, the Group had cash and cash equivalents of HK\$8.090 billion (31 December 2024: HK\$8.422 billion). Currently, most of the Group's cash is denominated in Hong Kong dollars and Renminbi.

BORROWING

As at 30 June 2025, the Group's interest-bearing borrowings amounted to HK\$30.517 billion (31 December 2024: HK\$30.123 billion). The Group will review and ensure sufficient banking facilities to reserve resources to support its business development. As at 30 June 2025, the Group had banking facilities of HK\$18.444 billion (31 December 2024: HK\$21.415 billion), of which HK\$4.924 billion (31 December 2024: HK\$8.030 billion) had not been utilised. The banking facilities were of one to ten years terms. The Group had outstanding bank loans of HK\$13.520 billion (31 December 2024: HK\$13.385 billion), which increased by HK\$0.135 billion compared with 31 December 2024, of which HK\$12.659 billion (31 December 2024: HK\$12.493 billion) was unsecured. The Group had issued corporate bonds with an outstanding principal amount of HK\$16.997 billion (31 December 2024: HK\$16.738 billion). The interest bearing borrowings were denominated in Renminbi and Hong Kong dollars, representing 69%, 31% of the total respectively. As at 30 June 2025, approximately 33% of the Group's total principal amount of borrowing were at floating rates and the remaining 67% were at fixed rates. The maturity profile of the Group's borrowings is set out in note 22 of the Notes to the Financial Statements in this announcement.

PLEDGE OF ASSETS

As at 30 June 2025, restricted bank balances of HK\$33 million (31 December 2024: HK\$32 million) were pledged to the banks for sales of mortgaged properties to customers and interest reserve account on borrowings. Investment properties with carrying values of HK\$2,324 million (31 December 2024: HK\$2,289 million) were mortgaged to secure certain bank loans granted to the Group. Pursuant to the prime brokerage agreements entered with the prime brokers of a fund held by the Group, cash and securities deposited with the prime brokers were secured against liabilities to the prime brokers. As at 30 June 2025, assets deposited with the prime brokers included HK\$1,665 million (31 December 2024: HK\$1,238 million) and HK\$30 million (31 December 2024: HK\$111.4 million) which formed part of the Group's trading securities and debtors respectively. Analysis on collateral of the Group's bank loans is set out in note 17 of the Notes to the Financial Statements in this announcement.

EMPLOYEES

As at 30 June 2025, the Group's headquarters and wholly owned subsidiaries had 242 (31 December 2024: 242) full-time employees. The Group ensures that the remuneration packages for employees are fair and competitive and are determined by position, duties, experience and performance of employees. Other benefits to employees include medical insurance, retirement scheme and training programmes.

EBA YIDA

In August 2020, Zhuhai EBA Yida Management Centre, L.P. ("EBA Yida") was established by EBA Investments to use appropriate channels and methods to invest in real estate projects, primarily for urban renewal, focusing on investing in first-tier cities in China as well as second- and third-tier cities with a healthy and well-developed real estate market in China. The following table sets forth information on the major projects invested by EBA Yida during the reporting period:

Name of Key Project	Business Type	Location	Investment Type
Beijing Zhongguancun Project	Consumer infrastructure	Beijing	Convertible bonds
Chongqing Chaotianmen Project	Commercial complex	Chongqing	Fund interest investment
EBA Centre Project	Commercial complex	Shanghai	Fund interest investment
Parkview Place	Commercial office	Beijing	Fund interest investment
EBA Centre Hongqiao Project	Commercial complex	Shanghai	Fund interest investment

PRINCIPAL RISKS AND UNCERTAINTIES

During the period under review, the Group continuously implemented relevant work of the risk management system to effectively control the principal risks which may be encountered by the Group. Those risks include credit risk, liquidity risk, interest rate risk, currency risk and equity price risk, the details of which are set out in note 25 of the Notes to the Financial Statements of this announcement.

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK\$0.05 per share for the six months ended 30 June 2025 (2024: HK\$0.05 per share) to those shareholders whose names appear on the register of members of the Company on Wednesday, 24 September 2025, being the record date for determining shareholders' entitlement to the interim dividend. The interim dividend will be paid on Friday, 10 October 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 19 September 2025 to Wednesday, 24 September 2025, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 18 September 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED EQUITY SECURITIES

There was no purchase, sale or redemption of the Company's listed equity securities by the Company or any of its subsidiaries during the six months ended 30 June 2025.

CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions of the Corporate Governance Code in force as set out in Appendix C1 of 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 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own "Code for Securities Transactions by Directors & Relevant Employees" (the "Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules to govern the securities transactions of the Directors and relevant employees of the Company. Following a specific enquiry made by the Company, all Directors confirmed that they have complied with the required standard set out in both the Code and the Model Code throughout the six months ended 30 June 2025.

REVIEW BY AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises Mr. Wong Chun Sek Edmund, Dr. Lin Zhijun, Mr. Law Cheuk Kin Stephen and Dr. Young Danqing Xu. The committee is chaired by Mr. Wong Chun Sek Edmund. All members are independent non-executive Directors.

The Audit and Risk Management Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial report of the Group for the six months ended 30 June 2025.

By Order of the Board
China Everbright Limited
Lin Chun
President

Hong Kong, 28 August 2025

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Lin Chun (*President*)
Mr. Pan Jianyun
Mr. An Xuesong
Mr. Yin Yanwu

Non-executive Directors:

Mr. Yu Fachang (*Chairman*)
Dr. Qin Hongyuan

Independent Non-executive Directors:

Dr. Lin Zhijun
Mr. Law Cheuk Kin Stephen
Mr. Wong Chun Sek Edmund
Dr. Young Danqing Xu