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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 2026

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 2026. 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 2026 (unaudited)

	Notes	1 January to 30 June 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
Turnover	3	4,488,597	2,800,794
Income from contracts with customers	3	138,389	181,413
Net income from investments	3	1,244,344	1,694,254
Interest income		202,292	235,409
Dividend income		505,764	678,046
Realised gain/(loss) on investments		450,209	(199,542)
Unrealised gain on investments		86,079	980,341
(Loss)/income from other sources		(6,238)	18,076
Impairment losses		(375,596)	(265,783)
Operating expenses		(347,989)	(367,039)
Profit from operating activities	4	652,910	1,260,921
Finance costs		(386,791)	(479,742)
Litigation expenses	28	(2,170,000)	–
Share of profits less losses of associates	9	476,735	172,420
Share of profits less losses of joint ventures	10	44,343	2,144
(Loss)/profit before taxation		(1,382,803)	955,743
Income tax expenses	5	(488,789)	(305,743)
(Loss)/profit for the period		(1,871,592)	650,000
Attributable to:			
Equity shareholders of the Company		(2,060,063)	399,304
Holders of perpetual capital securities	21	85,619	38,691
Non-controlling interests		102,852	212,005
(Loss)/profit for the period		(1,871,592)	650,000
Basic and diluted (loss)/earnings per share	7	HK\$(1.222)	HK\$0.237

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 (unaudited)

	Notes	1 January to 30 June 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
(Loss)/profit for the period		(1,871,592)	650,000
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		(843,900)	584,406
Items that may be reclassified subsequently to profit or loss			
— Share of other comprehensive income and effect of foreign currency translation of associates		448,414	65,998
— Share of other comprehensive income and effect of foreign currency translation of joint ventures		21,157	10,907
— Other net movement in exchange reserve		423,518	(65,107)
		49,189	596,204
Total comprehensive income for the period		(1,822,403)	1,246,204
Attributable to:			
Equity shareholders of the Company		(2,019,351)	949,148
Holders of perpetual capital securities	21	85,619	38,691
Non-controlling interests		111,329	258,365
Total comprehensive income for the period		(1,822,403)	1,246,204

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 (unaudited)

		30 June 2026 HK\$'000	31 December 2025 HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		460,939	469,473
Investment properties	8	5,387,103	5,274,958
Investments in associates	9	18,825,132	17,899,983
Investments in joint ventures	10	813,031	747,531
Equity investments designated at fair value through other comprehensive income	11	5,233,078	6,076,978
Financial assets at fair value through profit or loss	12	21,222,250	20,336,825
		<u>51,941,533</u>	<u>50,805,748</u>
Current assets			
Financial assets at fair value through profit or loss	12	5,652,041	5,436,152
Advances to customers	13	2,849,435	3,249,173
Inventories		1,508,366	1,446,184
Debtors, deposits, prepayments and others	14	1,725,823	1,293,680
Trading securities	15	3,321,548	3,048,683
Cash and cash equivalents		7,645,826	8,503,853
		<u>22,703,039</u>	<u>22,977,725</u>
Current liabilities			
Trading securities	15	(614,934)	(728,386)
Creditors, deposits received and accrued charges	16	(3,432,866)	(2,892,942)
Litigation provisions	28	(2,170,000)	–
Bank loans	17	(5,727,981)	(7,247,619)
Bonds payable	18	(8,635,050)	(4,428,600)
Other financial liabilities	19	(709,526)	(538,654)
Lease liabilities		(18,010)	(19,728)
Provision for taxation		(457,346)	(576,464)
		<u>(21,765,713)</u>	<u>(16,432,393)</u>
Net current assets		<u>937,326</u>	<u>6,545,332</u>
Total assets less current liabilities		<u>52,878,859</u>	<u>57,351,080</u>

		30 June 2026 HK\$'000	31 December 2025 HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Bank loans	17	(2,881,511)	(5,222,076)
Bonds payable	18	(9,210,720)	(12,732,225)
Other financial liabilities	19	(5,717,457)	(6,019,309)
Lease liabilities		(36,888)	(42,961)
Deferred tax liabilities		(1,564,278)	(1,193,317)
		<u>(19,410,854)</u>	<u>(25,209,888)</u>
NET ASSETS		<u>33,468,005</u>	<u>32,141,192</u>
CAPITAL AND RESERVES			
Share capital	20	9,618,097	9,618,097
Reserves		<u>15,674,604</u>	<u>17,778,218</u>
Attributable to:			
Equity shareholders of the Company		25,292,701	27,396,315
Holders of perpetual capital securities	21	7,196,585	3,857,815
Non-controlling interests		<u>978,719</u>	<u>887,062</u>
TOTAL EQUITY		<u>33,468,005</u>	<u>32,141,192</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 (unaudited)

		Attributable to equity shareholders of the Company										
		Share capital	Option premium reserve	Investment revaluation reserve	Goodwill reserve	Capital reserve	Exchange reserve	Retained earnings	Total	Perpetual capital securities	Non-controlling interests	Total equity
	Notes	HK\$'000	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 2026												
As at 1 January 2026		9,618,097	1,242	4,669,790	(664,792)	(91,195)	(2,100,628)	15,963,801	27,396,315	3,857,815	887,062	32,141,192
Net movement by non-controlling shareholders		-	-	-	-	-	-	-	-	-	(19,672)	(19,672)
Dividend paid	6(b)	-	-	-	-	-	-	(84,263)	(84,263)	-	-	(84,263)
Issuance of perpetual medium term notes		-	-	-	-	-	-	-	-	3,367,450	-	3,367,450
Distribution payable to holders of perpetual capital securities		-	-	-	-	-	-	-	-	(114,299)	-	(114,299)
(Loss)/profit for the period		-	-	-	-	-	-	(2,060,063)	(2,060,063)	85,619	102,852	(1,871,592)
Other comprehensive income for the period		-	-	(843,900)	-	-	884,612	-	40,712	-	8,477	49,189
As at 30 June 2026		9,618,097	1,242	3,825,890	(664,792)	(91,195)	(1,216,016)	13,819,475	25,292,701	7,196,585	978,719	33,468,005
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	713,777	32,650,071
Net movement by non-controlling shareholders		-	-	-	-	(10,556)	-	-	(10,556)	-	(58,112)	(68,668)
Dividend paid	6(b)	-	-	-	-	-	-	(84,263)	(84,263)	-	-	(84,263)
Profit for the period		-	-	-	-	-	-	399,304	399,304	38,691	212,005	650,000
Other comprehensive income for the period		-	-	584,406	-	-	(34,562)	-	549,844	-	46,360	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	914,030	33,743,344

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026 (unaudited)

	1 January to 30 June 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
Operating activities		
Cash generated from operations	139,653	351,889
Tax paid	(271,409)	(181,149)
Net cash (outflow)/inflow from operating activities	(131,756)	170,740
Investing activities		
Increase in restricted cash	(11,027)	(506)
Dividends from equity investments designated at fair value through other comprehensive income	182,831	176,628
Other cash flows arising from investing activities	27,481	34,879
Net cash inflow from investing activities	199,285	211,001
Financing activities		
Net (repayments)/borrowings of bank loans	(4,040,199)	94,041
Issuance of perpetual medium notes	3,367,450	–
Redemption of non-controlling shareholders' shares	(43,245)	(29,010)
Repayment of lease liabilities	(13,219)	(18,363)
Interest paid	(477,117)	(614,806)
Dividends paid	(84,263)	(84,263)
Dividends paid to non-controlling shareholders	(4,941)	(29,358)
Other cash flows arising from financing activities	28,515	255
Net cash outflow from financing activities	(1,267,019)	(681,504)
Net decrease in cash and cash equivalents	(1,199,490)	(299,763)
Cash and cash equivalents		
Beginning of the period	8,472,937	8,390,018
Exchange rate adjustments	330,436	(32,489)
End of the period	7,603,883	8,057,766
Analysis of the balances of cash and cash equivalents		
Bank balances and cash-general accounts	7,645,826	8,090,379
Restricted cash	(41,943)	(32,613)
End of the period	7,603,883	8,057,766

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised by the Board for issuance on 27 August 2026.

The financial information relating to the year ended 31 December 2025 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 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.
- 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 2025 annual financial statements, except for those described in note 2.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements.

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

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 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
Income from contracts with customers		
Recognised over time		
Management fee income	16,343	52,937
Rental income from investment properties	104,138	100,766
Recognised at a point in time		
Consultancy fee and performance fee income	17,908	13,114
Sales of inventories	<u>–</u>	<u>14,596</u>
	<u>138,389</u>	<u>181,413</u>
Net income from investments		
Interest income		
Financial assets not at fair value through profit or loss		
Bank deposits	28,522	35,869
Advances to customers	128,504	160,867
Debt investments	45,266	38,673
Dividend income		
Financial assets at fair value through profit or loss and trading securities	196,433	355,543
Equity investments designated at fair value through other comprehensive income	309,331	322,503
Realised gain/(loss) on investments		
Net realised gain/(loss) on financial assets at fair value through profit or loss	301,159	(238,055)
Net realised gain on trading securities	149,050	38,513
Unrealised gain on investments		
Change of unrealised gain on financial assets at fair value through profit or loss	202,866	845,677
Change of unrealised (loss)/gain on trading securities	(116,787)	134,664
	<u>1,244,344</u>	<u>1,694,254</u>

4. PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities is stated after charging the following:

	1 January to 30 June 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
Depreciation and amortisation expenses	20,467	24,763
Employee expenses (wages, bonuses and allowances)	95,577	98,895

5. INCOME TAX EXPENSES

The provision for Hong Kong profits tax is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the six months ended 30 June 2026. 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 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
Current taxation		
— Hong Kong profits tax	3,757	—
— Overseas taxation	95,627	74,942
— Under-provision in prior year	68,818	18,624
Deferred taxation		
— Deferred taxation relating to the origination and reversal of temporary differences	320,587	212,177
Income tax expenses	488,789	305,743

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.

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, China 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 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
— Interim dividend declared after the end of the reporting period of HK\$0.04 (six months ended 30 June 2025: HK\$0.05) per share	<u>67,410</u>	<u>84,263</u>

Subsequent to the period end, the Board of Directors declared an interim dividend of HK\$0.04 per share (six months ended 30 June 2025: HK\$0.05 per share) for the six months period ended 30 June 2026. The declared dividend is not reflected as dividend payable in the financial statements.

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

	1 January to 30 June 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
— Final dividend in respect of the previous financial year approved during the period of HK\$0.05 (six months ended 30 June 2025: HK\$0.05) per share	<u>84,263</u>	<u>84,263</u>

2025 final dividend of HK\$84,263,000 was approved during the period and distributed on 5 June 2026 (2024 final dividend of HK\$84,263,000 was approved and distributed during the prior period).

7. (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share

The calculation of basic and diluted (loss)/earnings per share for the six months period ended 30 June 2026 is based on the loss attributable to equity shareholders of the Company of HK\$2,060,063,000 (six months ended 30 June 2025: profit attributable to equity shareholders of the Company of HK\$399,304,000) and the weighted average number of 1,685,253,712 shares (six months ended 30 June 2025: 1,685,253,712 shares) in issue during the period.

8. INVESTMENT PROPERTIES

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
As at 1 January	5,274,958	5,329,287
Net loss on revaluation of investment properties	–	(185,859)
Exchange adjustment	112,145	131,530
As at 30 June 2026/31 December 2025	<u>5,387,103</u>	<u>5,274,958</u>

9. INVESTMENTS IN ASSOCIATES

(a) Investments in associates

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Carrying value, net (<i>note</i>)	<u>18,825,132</u>	<u>17,899,983</u>
Market value of shares listed in Chinese Mainland	16,870,174	19,947,638
Market value of shares listed in Hong Kong, China	<u>963,620</u>	<u>1,309,390</u>

As at 30 June 2026, the share of profits less losses of associates, amounted to HK\$476,735,000 (30 June 2025: HK\$172,420,000) included in the consolidated statement of profit or loss.

Note:

As at 30 June 2026, the Group's net carrying value of its investment in Everbright Jiabao Co., Ltd. ("Everbright Jiabao"), an associate of the Group, amounted to HK\$802,713,000 (31 December 2025: HK\$850,671,000).

As at 30 June 2026, the Group performed an impairment testing on the investment on the basis of the amount recoverable from the associates with reference to the fair value of the underlying assets held by the associates and this demonstrated that the recoverable amount of the investment was higher than the carrying value as at 30 June 2026. The Group has concluded no additional or reversal of impairment loss is required for the period.

(b) As at 30 June 2026, 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”)	Chinese Mainland	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 ^{###}	Chinese Mainland	Real estate development/ real estate assets management (<i>note 3</i>)	29.17%*
China Everbright Senior Healthcare Company Limited (“Everbright Senior Healthcare”)	Hong Kong, China	Providing senior health care services (<i>note 4</i>)	49.29%*

[#] Market value of the listed shares in Chinese Mainland as at 30 June 2026 was equivalent to HK\$15,883,110,000 (31 December 2025: HK\$18,575,872,000).

^{##} Market value of the listed shares in Hong Kong, China as at 30 June 2026 was HK\$963,620,000 (31 December 2025: HK\$1,309,390,000).

^{###} Market value of the listed shares in Chinese Mainland as at 30 June 2026 was equivalent to HK\$987,064,000 (31 December 2025: HK\$1,371,766,000).

* Held indirectly

Note 1: Everbright Securities is the Group’s cornerstone investment, with an investment cost of HK\$1,497,149,000 (31 December 2025: HK\$1,497,149,000).

Note 2: CALC, an associate of the Group, is engaged in providing full life-cycle aircraft leasing solutions.

Note 3: Everbright Jiabao, an associate of the Group, is engaged in real estate development and asset management in Chinese Mainland.

Note 4: Everbright Senior Healthcare, an associate of the Group, is engaged in providing integrated senior health care services including elderly health care, geriatric treatment, rehabilitation and community services in Chinese Mainland.

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 2026 HK\$'000	31 December 2025 HK\$'000
Carrying value, net	<u>813,031</u>	<u>747,531</u>

(b) As at 30 June 2026, 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.	Chinese Mainland	Venture capital and investment advisory services (<i>note 1</i>)	50.0%*
山東玖泰產業私募基金有限公司	Chinese Mainland	Fund management services (<i>note 2</i>)	48.0%*
CEL Capital Prestige Asset Management Co., Ltd.	Chinese Mainland	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 Chinese Mainland.

Note 2: 山東玖泰產業私募基金有限公司 is a joint venture of the Group to provide fund management service to an industrial sector investment fund in Chinese Mainland.

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 2026 HK\$'000	31 December 2025 HK\$'000
At fair value:		
Listed equity securities		
— outside Hong Kong, China	<u>5,233,078</u>	<u>6,076,978</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 2025: HK\$1,407,189,000).

No disposal was made during the six months ended 30 June 2026 and the year ended 31 December 2025, and there were no transfers of any cumulative gain or loss within equity relating to this investment (six months ended 30 June 2025: Nil).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Non-current assets		
At fair value:		
Unlisted equity securities/collective investment schemes		
— outside Hong Kong, China	16,765,253	14,888,692
Unlisted preference shares		
— outside Hong Kong, China	4,190,596	5,035,294
Unlisted debt securities		
— outside Hong Kong, China	<u>266,401</u>	<u>412,839</u>
	<u>21,222,250</u>	<u>20,336,825</u>
Current assets		
At fair value:		
Listed equity securities		
— in Hong Kong, China	801,098	1,251,170
— outside Hong Kong, China	1,263,073	1,459,977
Quoted fund	466,531	—
Unlisted equity securities/collective investment schemes		
— outside Hong Kong, China	3,121,339	2,698,749
Unlisted debt securities		
— outside Hong Kong, China	<u>—</u>	<u>26,256</u>
	<u>5,652,041</u>	<u>5,436,152</u>

As at 30 June 2026, the Group's listed and unlisted equity securities amounting to a fair value of HK\$14,954,502,000 (31 December 2025: HK\$14,895,027,000) 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 year ended 31 December 2025, 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 2026 HK\$'000	31 December 2025 HK\$'000
As at 1 January	–	7,110
Released during the period/year	–	(7,135)
Exchange adjustment	–	25
	<u>–</u>	<u>25</u>
As at 30 June 2026/31 December 2025	<u>–</u>	<u>–</u>

13. ADVANCES TO CUSTOMERS

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Current assets		
Term loans to customers		
— secured	3,985,679	4,102,357
— unsecured	1,664,827	1,602,404
	<u>5,650,506</u>	<u>5,704,761</u>
Total term loans to customers	5,650,506	5,704,761
Less: Impairment allowance	(2,801,071)	(2,455,588)
	<u>(2,801,071)</u>	<u>(2,455,588)</u>
Net carrying value	2,849,435	3,249,173
	<u>2,849,435</u>	<u>3,249,173</u>

Certain term loans to customers are secured by unlisted securities or leasehold land and properties in Hong Kong, China and Chinese Mainland with third party guarantees.

Certain advances to customers are provided to related parties.

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 2026	–	2,756,804	2,947,957	5,704,761
Assets derecognised or repaid	–	(253,295)	–	(253,295)
Exchange difference	–	110,033	89,007	199,040
As at 30 June 2026	–	2,613,542	3,036,964	5,650,506
	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	–	1,528,799	–	1,528,799
Assets derecognised or repaid	–	(65,719)	(13,879)	(79,598)
Exchange difference	–	27,454	66,064	93,518
As at 31 December 2025	–	2,756,804	2,947,957	5,704,761

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 2026	–	665,931	1,789,657	2,455,588
Other changes (including new assets and derecognised assets)	–	61,024	203,187	264,211
Exchange difference	–	26,578	54,694	81,272
As at 30 June 2026	–	753,533	2,047,538	2,801,071
	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)	–	581,577	762,497	1,344,074
Exchange difference	–	(2,576)	11,390	8,814
As at 31 December 2025	–	665,931	1,789,657	2,455,588

Except for the above impairment allowance of HK\$2,801,071,000 (31 December 2025: HK\$2,455,588,000), there were no other significant advances to customers, that were aged, requiring significant impairment provision as at 30 June 2026 and 31 December 2025.

Analysis of the advances to customers as at 30 June 2026:

HK\$'000	Gross amount		Impairment allowance		Net carrying value		Impairment losses recognised in the statement of profit or loss for the six months ended		Average provision ratio on advances to customers
	(a)		(b)		(c = a-b)		30 June 2026		(b)/(a)
	Advances to customers	Interest receivables	Advances to customers	Interest receivables	Advances to customers	Interest receivables	Advances to customers	Interest receivables	
Real Estate	4,841,597	953,823	2,305,019	610,855	2,536,578	342,968	203,128	97,987	48%
Customer 1	2,613,542	114,074	753,535	32,894	1,860,007	81,180	61,024	22,895	29%
Customer 2	754,588	336,012	524,020	246,829	230,568	89,183	79,121	32,524	69%
Customer 3	679,291	221,040	406,701	137,496	272,590	83,544	56,733	19,371	60%
Customer 4	263,232	152,583	223,257	125,699	39,975	26,884	–	15,471	85%
Customer 5	183,942	85,119	50,504	22,942	133,438	62,177	6,250	3,072	27%
Customer 6	47,006	44,995	47,006	44,995	–	–	–	4,654	100%
Others Customers (fully impaired)	299,996	–	299,996	–	–	–	–	–	100%
Others	808,909	127,613	496,052	75,623	312,857	51,990	61,083	12,459	61%
Total	5,650,506	1,081,436	2,801,071	686,478	2,849,435	394,958	264,211	110,446	50%

Analysis of the advances to customers as at 31 December 2025:

HK\$'000	Gross amount		Impairment allowance		Net carrying value		Impairment losses recognised in the statement of profit or loss for the year ended 31 December 2025		Average provision ratio on advances to customers (b)/(a)
	(a)		(b)		(c = a-b)				
	Advances to customers	Interest receivables	Advances to customers	Interest receivables	Advances to customers	Interest receivables	Advances to customers	Interest receivables	
Real Estate	4,920,595	846,094	2,041,213	497,908	2,879,382	348,186	1,122,580	268,813	41%
Customer 1	2,756,804	39,789	665,932	9,615	2,090,872	30,174	581,577	8,806	24%
Customer 2	725,626	332,914	427,822	206,079	297,804	126,835	301,163	149,389	59%
Customer 3	653,219	220,482	336,536	113,591	316,683	106,891	173,464	71,097	52%
Customer 4	261,391	133,433	221,695	109,457	39,696	23,976	57,962	33,142	85%
Customer 5	176,882	79,417	42,555	19,107	134,327	60,310	8,414	6,525	24%
Customer 6	46,677	40,059	46,677	40,059	–	–	–	(146)	100%
Others Customers (fully impaired)	299,996	–	299,996	–	–	–	–	–	100%
Others	784,166	118,933	414,375	61,690	369,791	57,243	221,494	21,890	53%
Total	5,704,761	965,027	2,455,588	559,598	3,249,173	405,429	1,344,074	290,703	43%

Notes:

- (1) Customer 1 is an associate company of the Group engaged in real estate development and asset management in Chinese Mainland. The advances to this customer is classified as stage 2 and the expected credit loss (the “ECL”) is measured based on probability of default (the “PD”) of 49% (31 December 2025: 43%) and loss given default (the “LGD”) of 51% (31 December 2025: 51%).

Among the advances to this customer, HK\$886,532,000 and HK\$1,727,010,000 are due to mature in September 2026 and December 2026, respectively.

- (2) Customer 2 is a private equity fund managed by a subsidiary of customer 1, holding a mixed-use development project in Beijing. The advances to this customer is classified as stage 3 and the ECL is measured based on PD of 100% (31 December 2025: 100%) and LGD of 65% (31 December 2025: 53%).
- (3) Customer 3 is a private equity fund managed by a subsidiary of customer 1, indirectly holding a commercial project in Beijing. The advances to this customer is classified as stage 3 and the ECL is measured based on PD of 100% (31 December 2025: 100%) and LGD of 53% (31 December 2025: 43%).
- (4) Customer 4 is a limited partnership managed by a subsidiary of customer 1, indirectly holding a logistics project in Shenyang. The advances to this customer is classified as stage 3 and the ECL is measured based on PD of 100% (31 December 2025: 100%) and LGD of 81% (31 December 2025: 81%).
- (5) Customer 5 is a private equity fund managed by a subsidiary of customer 1, holding a mixed-use development project in Chongqing. The advances to this customer is classified as stage 3 and the ECL is measured based on PD of 100% (31 December 2025: 100%) and LGD of 15% (31 December 2025: 11%).
- (6) Customer 6 is a limited partnership managed by a subsidiary of customer 1, indirectly holding a logistics project in Hangzhou. The advances to this customer is classified as stage 3 and fully impaired as at 30 June 2026 and 31 December 2025.
- (7) As at 30 June 2026 and 31 December 2025, the total residual value represents less than 5% of the Group’s total assets.
- (8) Excluding customer 1, the advances to remaining customers have been overdue over 12 months.

Recovery actions

The real estate-related advances in question primarily pertain to customer 1. The Company is its largest shareholder and has appointed directors to its board, while also engaging in both equity and debt investments in such customer and its affiliates. Given the Company’s deep participation in its operational governance, this is not an ordinary independent third-party lending relationship.

The Company has consistently implemented proactive control and recovery measures. First, the Company regularly urges the borrowers related to customer 1 to repay the advances. Second, by leveraging its board representation and governance rights in customer 1, the Company ensures timely access to the financial and operational data of the borrowers and the underlying projects, continuously monitoring the overall status of the exposure. Third, the management holds regular, dedicated discussions with the borrowers regarding operational matters and repayment plans to advance debt settlement. Fourth, the Company actively leverages market resources to introduce project investors to the borrowers, thereby facilitating the disposal of the underlying projects for cash inflows. In the first half of 2026, the advances to customer 1 have been recovered of RMB220 million.

Given the broadly depressed state of the current real estate market and the illiquidity of assets, the valuations of the underlying projects and the borrowers’ repayment capabilities remain under severe pressure. Resorting to aggressive recovery actions, such as litigation or asset preservation measures, carries a high risk of triggering a cascading debt run and accelerating the deterioration of the

borrowers' operations. Such actions would likely fail to recover the debt effectively and could force the borrowers into liquidation, resulting in substantial losses to the Company's equity investment and prejudicing the overall asset base and long-term interests of shareholders. Following a prudent and comprehensive assessment, the Board has concluded that the current combination of soft recovery measures and asset revitalization strategies will maximize the preservation of the Company's asset value and is in the core interests of the Company and its shareholders as a whole.

14. DEBTORS, DEPOSITS, PREPAYMENTS AND OTHERS

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Accounts receivable	424,567	554,890
Deposits, prepayments, interest and other receivables and others	<u>2,397,126</u>	<u>1,706,095</u>
	2,821,693	2,260,985
Less: Impairment allowance	<u>(1,095,870)</u>	<u>(967,305)</u>
	<u>1,725,823</u>	<u>1,293,680</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 2026 and 31 December 2025.

Interest receivable from advances to customers of HK\$1,081,436,000 (2025: HK\$965,027,000) is included within "Debtors, deposits, prepayments and others". Impairment allowance on interest receivable from advances to customers as at 30 June 2026 was HK\$686,478,000 (2025: HK\$559,598,000). The Group applies a three-stage approach to measure the expected credit loss allowance for interest receivable in accordance with HKFRS 9.

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 2025	–	31,631	646,093	677,724
Other changes (including new assets and derecognised assets)	–	8,806	282,713	291,519
Exchange difference	<u>–</u>	<u>(237)</u>	<u>(1,701)</u>	<u>(1,938)</u>
As at 31 December 2025 and 1 January 2026	–	40,200	927,105	967,305
Other changes (including new assets and derecognised assets)	–	22,895	88,490	111,385
Exchange difference	<u>–</u>	<u>384</u>	<u>16,796</u>	<u>17,180</u>
As at 30 June 2026	<u><u>–</u></u>	<u><u>63,479</u></u>	<u><u>1,032,391</u></u>	<u><u>1,095,870</u></u>

15. TRADING SECURITIES

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Current assets		
At fair value:		
Listed equity securities		
— in Hong Kong, China	73,187	29,355
— outside Hong Kong, China	2,440	47,378
Listed debt securities		
— in Hong Kong, China	270,376	426,716
— outside Hong Kong, China	2,820,014	2,393,092
Unlisted funds	89,102	77,935
Unlisted debt securities	52,250	48,119
Derivatives		
— listed	26	139
— unlisted	14,153	25,949
	<u>3,321,548</u>	<u>3,048,683</u>
Current liabilities		
At fair value:		
Listed equity securities		
— in Hong Kong, China	(342,547)	(453,921)
— outside Hong Kong, China	(193,475)	(217,429)
Listed debt securities		
— outside Hong Kong, China	(8,525)	—
Derivatives		
— listed	(64)	(382)
— unlisted	(70,323)	(56,654)
	<u>(614,934)</u>	<u>(728,386)</u>

16. CREDITORS, DEPOSITS RECEIVED AND ACCRUED CHARGES

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Creditors, deposits received and accrued charges	<u>3,432,866</u>	<u>2,892,942</u>

17. BANK LOANS

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Maturity details are as follows:		
Within 1 year	5,727,981	7,247,619
1 to 2 years	2,407,571	4,680,605
2 to 5 years	188,738	234,948
Over 5 years	<u>285,202</u>	<u>306,523</u>
	<u>8,609,492</u>	<u>12,469,695</u>

As at 30 June 2026, the bank loans were secured as follows:

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Bank loans:		
— secured	746,707	811,814
— unsecured	<u>7,862,785</u>	<u>11,657,881</u>
	<u>8,609,492</u>	<u>12,469,695</u>

As at 30 June 2026, the bank loans were secured by:

- (a) Mortgage over certain investment properties with carrying value of approximately HK\$2,440 million (31 December 2025: approximately HK\$2,347 million).

18. BONDS PAYABLE

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
As at 1 January	17,160,825	16,737,985
New issuance during the period/year	–	3,321,450
Repayments during the period/year	–	(3,321,450)
Exchange adjustment	684,945	422,840
	<u>17,845,770</u>	<u>17,160,825</u>
As at 30 June 2026/31 December 2025	<u>17,845,770</u>	<u>17,160,825</u>

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Maturity details are as follows:		
Within 1 year	8,635,050	4,428,600
1 to 2 years	3,454,020	3,875,025
2 to 5 years	5,756,700	8,857,200
	<u>17,845,770</u>	<u>17,160,825</u>

All the bonds payable of HK\$17,845,770,000 were unsecured as at 30 June 2026 (31 December 2025: HK\$17,160,825,000)

19. OTHER FINANCIAL LIABILITIES

	Note	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Current:			
Financial liabilities to third party investors	(a)	<u>709,526</u>	<u>538,654</u>
Non-current:			
Financial liabilities to third party investors	(a)	<u>5,717,457</u>	<u>6,019,309</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 2026		31 December 2025	
	<i>No. of shares</i> (‘000)	HK\$’000	<i>No. of shares</i> (‘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 2025	2,184,880	24,750	2,209,630
Issuance of perpetual medium term notes	1,644,255	–	1,644,255
Profit attributable to holders of perpetual capital securities	–	82,911	82,911
Distribution to holders of perpetual capital securities	<u>–</u>	<u>(78,981)</u>	<u>(78,981)</u>
As at 31 December 2025 and 1 January 2026	3,829,135	28,680	3,857,815
Issuance of perpetual medium term notes	3,367,450	–	3,367,450
Profit attributable to holders of perpetual capital securities	–	85,619	85,619
Distribution payable to holders of perpetual capital securities	<u>–</u>	<u>(114,299)</u>	<u>(114,299)</u>
As at 30 June 2026	<u>7,196,585</u>	<u>–</u>	<u>7,196,585</u>

21. PERPETUAL CAPITAL SECURITIES (CONTINUED)

In 2023, the Company issued perpetual medium term notes with the principal amount of RMB 2,000,000,000 (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., ending on 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 8 September of each year.

In 2025, the Company issued perpetual medium term notes with the principal amount of RMB1,500,000,000 (equivalent to approximately HK\$1,644,255,000). The distribution rate for the perpetual medium term notes is 2.17% per annum for the first 2 years from the date of issuance (i.e., ending on 17 November 2027), and subsequently the distribution rate will be reset in every 2 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 17 November of each year.

In January 2026, the Company issued perpetual medium term notes with the principal amount of RMB1,000,000,000 (equivalent to approximately HK\$1,107,150,000). The distribution rate for the perpetual medium term notes is 2.08% per annum for the first 2 years from the date of issuance (i.e., ending on 29 January 2028), and subsequently the distribution rate will be reset in every 2 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 29 January of each year.

In March 2026, the Company issued perpetual medium term notes with the principal amount of RMB2,000,000,000 (equivalent to approximately HK\$2,260,300,000). The distribution rate for the perpetual medium term notes is 2.08% per annum for the first 2 years from the date of issuance (i.e., ending on 13 March 2028), and subsequently the distribution rate will be reset in every 2 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 13 March 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 2026

	Indefinite HK\$'000	On demand HK\$'000	Less than 3 months HK\$'000	3 to less than 12 months HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Liabilities							
— Bank loans	-	-	(969,999)	(4,757,982)	(2,596,308)	(285,203)	(8,609,492)
— Other financial liabilities	-	(482,045)	-	(227,481)	(1,562,666)	(4,154,791)	(6,426,983)
— Trading securities	(614,934)	-	-	-	-	-	(614,934)
— Bonds payable	-	-	(4,605,360)	(4,029,690)	(9,210,720)	-	(17,845,770)
— Lease liabilities	-	-	(3,169)	(14,841)	(36,888)	-	(54,898)
	<u>(614,934)</u>	<u>(482,045)</u>	<u>(5,578,528)</u>	<u>(9,029,994)</u>	<u>(13,406,582)</u>	<u>(4,439,994)</u>	<u>(33,552,077)</u>

As at 31 December 2025

	Indefinite HK\$'000	On demand HK\$'000	Less than 3 months HK\$'000	3 to less than 12 months HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Liabilities							
— Bank loans	-	-	-	(7,247,619)	(4,915,553)	(306,523)	(12,469,695)
— Other financial liabilities	-	(500,296)	(38,358)	-	(1,959,479)	(4,059,830)	(6,557,963)
— Trading securities	(728,386)	-	-	-	-	-	(728,386)
— Bonds payable	-	-	-	(4,428,600)	(12,732,225)	-	(17,160,825)
— Lease liabilities	-	-	(2,880)	(16,848)	(42,961)	-	(62,689)
	<u>(728,386)</u>	<u>(500,296)</u>	<u>(41,238)</u>	<u>(11,693,067)</u>	<u>(19,650,218)</u>	<u>(4,366,353)</u>	<u>(36,979,558)</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 2026 HK\$'000	1 January to 30 June 2025 HK\$'000
Management fee income from:		
— associates exempted from applying the equity method and were recognised as financial assets at fair value through profit or loss	—	39,471
Bank interest income from a fellow subsidiary/a related party bank*	1,486	3,160
Dividend income from:		
— associates exempted from applying the equity method and were recognised as financial assets at fair value through profit or loss	8,956	171,901
— a fellow subsidiary/a related party bank	309,331	322,503
Bank loans interest expense to a fellow subsidiary/a related party bank*	21,264	36,069
Consultancy fee to an associate and a fellow subsidiary/a related party bank*	2,676	4,555

* 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 2026 HK\$'000	31 December 2025 HK\$'000
Amounts due from associates and a fellow subsidiary/a related party bank (included in debtors, deposits, prepayments and others)	5,012	5,008
Bank deposits with a fellow subsidiary/a related party bank (including bank deposits in trust accounts)	1,859,492	2,079,947
Advances to:		
— associates exempted from applying the equity method and were recognised as financial assets at fair value through profit or loss	2,282,049	2,210,503
— an associate	2,613,542	2,756,804
Bank loans from a fellow subsidiary/a related party bank	(1,950,000)	(1,200,000)
Interests in collective investment schemes issued by a joint venture (included in financial assets at fair value through profit or loss)	506,542	416,822

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

- (b) 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 Chinese Mainland state-owned entities

The Group operates in an economic regime currently predominated by entities directly or indirectly owned by the Chinese 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 2026, the Group had capital commitments as follows:

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Contracted but not provided for:		
— consolidated structured entities	1,426,018	2,790,281
— unconsolidated structured entities	589,319	584,528
	<u>2,015,337</u>	<u>3,374,809</u>

- (b) As at 30 June 2026, 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 2026 HK\$'000	31 December 2025 HK\$'000
Within 1 year	170,546	189,522
After 1 year but within 2 years	118,983	116,492
After 2 years but within 3 years	96,830	73,029
After 3 years but within 4 years	72,158	58,184
After 4 years but within 5 years	52,996	54,141
After 5 years	94,424	109,662
	<u>605,937</u>	<u>601,030</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 2026 are detailed as follows:

	Fair value assets/ (liabilities)		Contractual/ notional amounts	
	30 June 2026 HK\$'000	31 December 2025 HK\$'000	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Assets derivative contracts	14,180	26,087	152,794	307,121
Liabilities derivative contracts	(70,388)	(57,037)	2,636,091	2,529,340

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 RISK MANAGEMENT

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 interim report does not include all financial risk management information and disclosures required in the annual report, and should be read in conjunction with the Group's annual report as at 31 December 2025. There are no significant changes in the risk management policies since the 2025 year end.

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 2026

	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>5,233,078</u>	<u>—</u>	<u>—</u>	<u>5,233,078</u>
Financial assets at fair value through profit or loss:				
— Listed equity securities	1,885,666	178,505	—	2,064,171
— Quoted fund	—	466,531	—	466,531
— Unlisted equity securities/ collective investment schemes	—	—	19,886,592	19,886,592
— Unlisted preference shares	—	—	4,190,596	4,190,596
— Unlisted debt securities	<u>—</u>	<u>—</u>	<u>266,401</u>	<u>266,401</u>
	<u>1,885,666</u>	<u>645,036</u>	<u>24,343,589</u>	<u>26,874,291</u>
Trading securities:				
— Listed equity securities	75,627	—	—	75,627
— Listed debt securities	—	3,090,390	—	3,090,390
— Unlisted debt securities	—	52,250	—	52,250
— Unlisted fund	—	89,102	—	89,102
— Listed derivatives	—	26	—	26
— Unlisted derivatives	<u>—</u>	<u>14,153</u>	<u>—</u>	<u>14,153</u>
	<u>75,627</u>	<u>3,245,921</u>	<u>—</u>	<u>3,321,548</u>
Liabilities				
Trading securities:				
— Listed equity securities	(536,022)	—	—	(536,022)
— Listed debt securities	—	(8,525)	—	(8,525)
— Listed derivatives	(64)	—	—	(64)
— Unlisted derivatives	<u>—</u>	<u>(70,323)</u>	<u>—</u>	<u>(70,323)</u>
	<u>(536,086)</u>	<u>(78,848)</u>	<u>—</u>	<u>(614,934)</u>

As at 31 December 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>6,076,978</u>	<u>—</u>	<u>—</u>	<u>6,076,978</u>
Financial assets at fair value through profit or loss:				
— Listed equity securities	2,419,679	291,468	—	2,711,147
— Unlisted equity securities/ collective investment schemes	—	—	17,587,441	17,587,441
— Unlisted preference shares	—	—	5,035,294	5,035,294
— Unlisted debt securities	<u>—</u>	<u>—</u>	<u>439,095</u>	<u>439,095</u>
	<u>2,419,679</u>	<u>291,468</u>	<u>23,061,830</u>	<u>25,772,977</u>
Trading securities:				
— Listed equity securities	76,733	—	—	76,733
— Listed debt securities	—	2,819,808	—	2,819,808
— Unlisted funds	—	77,935	—	77,935
— Listed derivatives	—	139	—	139
— Unlisted debt securities	—	48,119	—	48,119
— Unlisted derivatives	<u>—</u>	<u>25,949</u>	<u>—</u>	<u>25,949</u>
	<u>76,733</u>	<u>2,971,950</u>	<u>—</u>	<u>3,048,683</u>
Liabilities				
Trading securities:				
— Listed equity securities	(671,350)	—	—	(671,350)
— Listed derivatives	(382)	—	—	(382)
— Unlisted derivatives	<u>—</u>	<u>(56,654)</u>	<u>—</u>	<u>(56,654)</u>
	<u>(671,732)</u>	<u>(56,654)</u>	<u>—</u>	<u>(728,386)</u>

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. As at 31 December 2025, two of the financial assets at fair value through profit or loss with fair value of HK\$291,468,000 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.

As at 31 December 2025, one of the financial assets at fair value through profit or loss with fair value of HK\$729,908,000 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 market, the fair value measurement of these equity securities were accordingly transferred from Level 3 to Level 1 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 2026

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%)	(137,035) 137,035
	Market multiples	1.3 to 21.3	5% (5%)	409,801 (409,801)

As at 31 December 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%)	(97,268) 97,268
	Market multiples	0.7 to 28	5% (5%)	295,959 (295,959)

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 Shanghai Stock Exchange and the Hong Kong Stock Exchange, 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			
	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 2025	19,410,839	5,844,212	453,875	25,708,926
Purchased	1,016,386	–	–	1,016,386
Net unrealised loss recognised in profit or loss	(2,853,848)	(626,771)	(22,674)	(3,503,293)
Exchange adjustments	309,821	75,579	7,894	393,294
Disposals	(145,847)	(42,589)	–	(188,436)
Reclassification	(149,910)	(215,137)	–	(365,047)
As at 31 December 2025 and 1 January 2026	17,587,441	5,035,294	439,095	23,061,830
Purchased	352,274	–	–	352,274
Net unrealised gain/(loss) recognised in profit or loss	1,174,455	(1,062,964)	(337,364)	(225,873)
Exchange adjustments	782,700	117,825	12,445	912,970
Disposals	(10,278)	100,441	152,225	242,388
Reclassification	–	–	–	–
As at 30 June 2026	<u>19,886,592</u>	<u>4,190,596</u>	<u>266,401</u>	<u>24,343,589</u>

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 two types of investments to promote the development of the fund management business and to optimise its income structure. They are:

- **Financial investment portfolio:** The Group seeks value-enhanced investment returns via direct equity participations, fund investments and long-term equity interests;
- **Cornerstone investments:** The Group's stake in China Everbright Bank and Everbright Securities contributing relative stable earnings and dividend income.

The former segments of Key Investee Companies and Financial Investments were consolidated into the segment of Financial Investment Portfolio. The main reason for this change is the increasing importance of Financial Investments and the implementation of more stringent regular post-investment monitoring processes. The 2025 comparative segment information has been restated accordingly to conform the current period's presentation.

Business segments

For the six months ended 30 June 2026:

	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	Financial Investment Portfolio HK\$'000	Cornerstone Investments HK\$'000	Reportable segments total HK\$'000	
Income from contracts with customers	672	6,980	26,599	104,138	–	138,389	138,389
Net income/(loss) from investments	(658,461)	194,666	(118,587)	1,517,395	309,331	1,244,344	1,244,344
Loss from other sources	–	(283)	–	(5,955)	–	(6,238)	(6,238)
Total income/(loss)	<u>(657,789)</u>	<u>201,363</u>	<u>(91,988)</u>	<u>1,615,578</u>	<u>309,331</u>	<u>1,376,495</u>	<u>1,376,495</u>
Segment operating results	(892,277)	138,826	(100,522)	1,329,027	309,331	784,385	784,385
Unallocated head office and corporate expenses*							(2,688,266)
Share of profits less losses of associates	(77,865)	–	–	39,603	514,997	476,735	476,735
Share of profits less losses of joint ventures	<u>44,432</u>	<u>–</u>	<u>–</u>	<u>(89)</u>	<u>–</u>	<u>44,343</u>	<u>44,343</u>
(Loss)/profit before taxation	(925,710)	138,826	(100,522)	1,368,541	824,328	1,305,463	<u>(1,382,803)</u>
Less: Non-controlling interests	<u>(100,897)</u>	<u>(14,577)</u>	<u>62</u>	<u>12,560</u>	<u>–</u>	<u>(102,852)</u>	
Segment results	<u>(1,026,607)</u>	<u>124,249</u>	<u>(100,460)</u>	<u>1,381,101</u>	<u>824,328</u>	<u>1,202,611</u>	
Other segment information:							
Interest income	122,771	47,697	3,123	28,701	–	202,292	
Impairment losses recognised in the condensed consolidated statement of profit or loss	<u>189,471</u>	<u>–</u>	<u>–</u>	<u>186,125</u>	<u>–</u>	<u>375,596</u>	

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

For the six months ended 30 June 2025 (Restated):

	Fund Management Business			Principal Investments Business			Total HK\$'000
	Primary	Secondary	Fund of	Financial	Cornerstone	Reportable	
	Market	Market	Funds	Investment	Investments	segments total	
	Investments	Investments	Investments	Portfolio	Investments	segments total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Income from contracts 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)	1,233,706	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>1,399,230</u>	<u>322,503</u>	<u>1,893,743</u>	<u>1,893,743</u>
Segment operating results	(363,332)	170,546	(5,308)	1,254,390	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)	–	–	78,467	290,178	172,420	172,420
Share of profits less losses of joint ventures	<u>2,171</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)	1,332,830	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>(142,329)</u>	<u>–</u>	<u>(212,005)</u>	
Segment results	<u>(581,114)</u>	<u>124,583</u>	<u>(5,293)</u>	<u>1,190,501</u>	<u>612,681</u>	<u>1,341,358</u>	
Other segment information:							
Interest income	144,051	39,844	4,778	46,736	–	235,409	
Impairment losses recognised in the condensed consolidated statement of profit or loss	<u>254,782</u>	<u>–</u>	<u>–</u>	<u>11,001</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 Accounting Standards.

Other information

As at 30 June 2026:

	Fund Management Business			Principal Investments Business		Reportable segments total HK\$'000	Total HK\$'000
	Primary	Secondary	Fund of	Financial	Cornerstone		
	Market	Market	Funds	Investment	Investments		
	Investments HK\$'000	Investments HK\$'000	Investments HK\$'000	Portfolio HK\$'000	Investments HK\$'000		
Segment assets	13,800,469	3,927,187	6,306,102	25,383,510	5,233,201	54,650,469	54,650,469
Investments in associates	802,713	–	–	3,164,131	14,858,288	18,825,132	18,825,132
Investments in joint ventures	807,633	–	–	5,398	–	813,031	813,031
Unallocated head office and corporate assets							355,940
Total assets							74,644,572
Segment liabilities	2,675,507	1,709,034	4,349,137	2,083,529	–	10,817,207	10,817,207
Unallocated head office and corporate liabilities							28,337,736
Provision for taxation							457,346
Deferred tax liabilities							1,564,278
Total liabilities							41,176,567

As at 31 December 2025 (Restated):

	Fund Management Business			Principal Investments Business		Reportable segments total HK\$'000	Total HK\$'000
	Primary	Secondary	Fund of	Financial	Cornerstone		
	Market	Market	Funds	Investment	Investments		
	Investments HK\$'000	Investments HK\$'000	Investments HK\$'000	Portfolio HK\$'000	Investments HK\$'000		
Segment assets	15,244,329	3,956,877	6,134,873	23,366,612	6,077,097	54,779,788	54,779,788
Investments in associates	850,671	–	–	3,062,910	13,986,402	17,899,983	17,899,983
Investments in joint ventures	742,044	–	–	5,487	–	747,531	747,531
Unallocated head office and corporate assets							356,171
Total assets							73,783,473
Segment liabilities	2,708,527	1,488,190	4,288,575	2,124,713	–	10,610,005	10,610,005
Unallocated head office and corporate liabilities							29,262,495
Provision for taxation							576,464
Deferred tax liabilities							1,193,317
Total liabilities							41,642,281

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, interests 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 interests in associates and joint ventures, the geographical location is based on the locations of operations.

	For the six months ended 30 June 2026			For the six months ended 30 June 2025		
	Hong Kong, China and others	Chinese Mainland	Total	Hong Kong, China and others	Chinese Mainland	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue						
Income from contracts with customers	10,138	128,251	138,389	55,239	126,174	181,413
Net income/(loss) from investments	76,205	1,168,139	1,244,344	1,700,952	(6,698)	1,694,254
Income/(loss) from other sources	74,826	(81,064)	(6,238)	(92,505)	110,581	18,076
	<u>161,169</u>	<u>1,215,326</u>	<u>1,376,495</u>	<u>1,663,686</u>	<u>230,057</u>	<u>1,893,743</u>
	As at 30 June 2026			As at 31 December 2025		
	Hong Kong, China and others	Chinese Mainland	Total	Hong Kong, China and others	Chinese Mainland	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Specified non-current assets	<u>3,073,980</u>	<u>22,412,226</u>	<u>25,486,206</u>	<u>2,987,630</u>	<u>21,404,315</u>	<u>24,391,945</u>

28. MATERIAL 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, 11 November 2024 and 20 August 2026 (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 amounts 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 retribute 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. This case was heard on 12 March 2026 and 13 March 2026 at the Fifth Intermediate People's Court of Chongqing Municipality. On 18 August 2026, the Company received a civil judgment issued by the First Instance Court in case number (2024) Yu 05 Min Chu No. 177 (the "Judgment"). The Judgment ordered, among other things, as follows:

- (i) the Company shall, within 15 days of the Judgment taking effect, pay to the Plaintiff the outstanding equity transfer consideration of RMB1,367,185,634.75 (the "Judgment Sum"), together with default interest on the Judgment Sum at 5% per annum from 18 April 2019 until full payment; and
- (ii) all other claims of the Plaintiff (including claims against the other defendants) were dismissed.

Of the first-instance court fees of RMB9,418,965.74 and preservation fees of RMB5,000, RMB423,965.74 is to be borne by the Plaintiff and RMB9,000,000 is to be borne by the Company.

Each of the Company, the Plaintiff and the other defendants may submit a petition for appeal to appeal against the Judgment with the High People's Court of Chongqing Municipality within the statutory period following service of the Judgment. Having consulted with its legal advisers, the Company has decided to file an appeal with the High People's Court of Chongqing Municipality against the Judgment within the statutory appeal period, in order to protect the legitimate rights and interests of the Company and its shareholders. The relevant appeal procedures are proceeding in accordance with the law.

As at the date of this announcement, the Judgment remains subject to an appeal period and has not yet taken effect. The aggregate amount involved under the Judgment is approximately RMB1.878 billion, representing less than 10% of the Company's audited net assets of HK\$32.141 billion as at 31 December 2025.

As at 30 June 2026, the Group recognised a litigation provision of HK\$2.17 billion, which was charged to profit or loss during the reporting period. The amount and timing of any ultimate cash outflow remain uncertain and will depend principally on the outcome and timing of the appeal and any subsequent enforcement proceedings. The provision is not expected to materially and adversely affect the Group's daily operations or overall solvency. The Company will make further disclosures as and when appropriate regarding the progress of the Legal Proceedings, in compliance with applicable regulatory requirements.

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

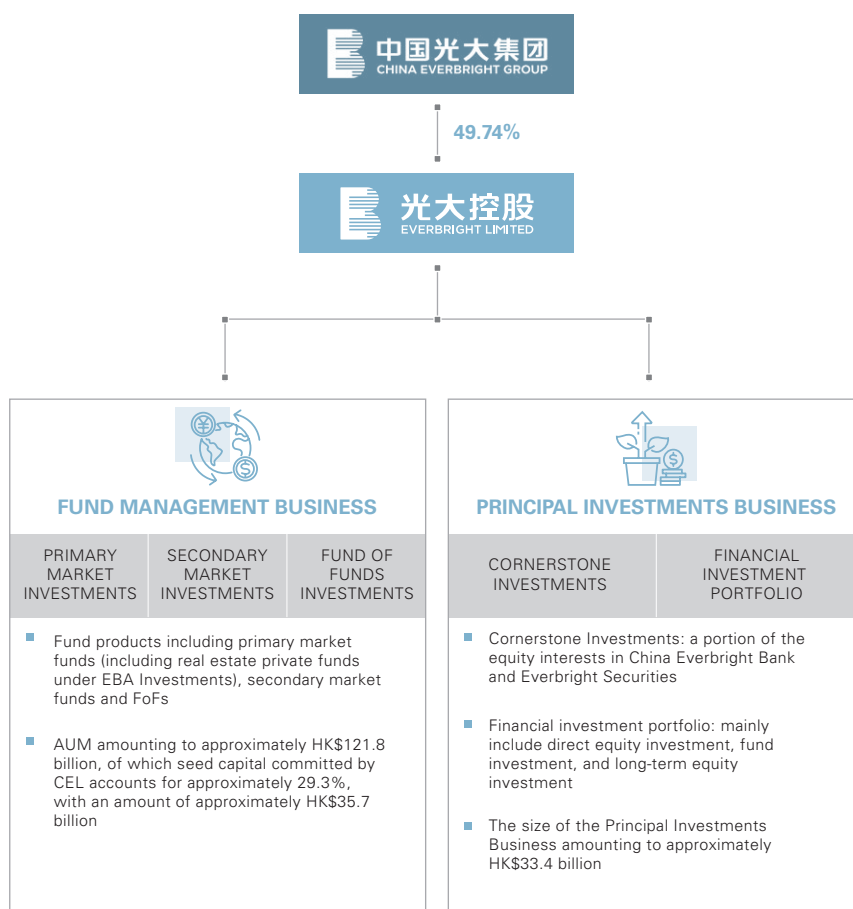
CEL is a leading cross-border asset management and private equity investment company in China, and a listed company in Hong Kong, China with management and investment of private funds as the core business. With more than 28 years of experience in cross-border asset management and private equity investment, 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 2026, total assets under management (“AUM”)¹ of CEL reached approximately HK\$121.8 billion, with 66 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 other investors. CEL fully capitalised its role as a cross-border investment platform to focus on sectors such as technological innovation, emerging pillar industries and prospective industries, foster new quality productivity and contribute to the development of the real economy.

For Principal Investments Business, as of 30 June 2026, the scale of the Principal Investments Business of CEL² amounted to approximately HK\$33.4 billion. In particular, 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. At the same time, the Company adheres to the principles of patient capital investment and long-termism, and constructs a diversified investment portfolio through its financial investment portfolio. Through: (i) direct equity investments, the Company aligns closely with national strategies and policy priorities by making financial investments in projects within key sectors to capture growth returns; (ii) fund investments, the Company captures attractive fund investment opportunities, connects with premium industry resources and deepens collaboration across internal and external ecosystems; and (iii) long-term equity investments, the Company remains committed to value incubation and in-depth empowerment, fostering high-quality enterprises with strategic significance and social value.

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

² The scale of the Principal Investments Business refers to the carrying amount of investment projects, excluding investment properties



REVIEW AND ANALYSIS

Macro-economic and Industry Review

In the first half of 2026, the global macroeconomic environment was characterised by both risks and opportunities. Due to factors such as geopolitical conflicts in the Middle East, rising energy prices, and heightened geopolitical tensions, persistent inflation and trade frictions continued to exacerbate uncertainty in the global economy. At the same time, technological innovation has become a core driver of economic development, with the artificial intelligence (“AI”) cycle entering an upward phase. Significant capital expenditure in upstream industries and expansion of downstream applications injected vital new momentum into the global economy. During the same period, Chinese Mainland’s economy maintained overall stability while continuing to advance towards higher-quality and innovation-driven development, demonstrating exceptional resilience and internal vitality. In the first half of the year, China’s Gross Domestic Product (“GDP”) grew by 4.7% year-on-year. New growth drivers, represented by high-end manufacturing, the digital economy, and modern services, contributed more than 40% of economic growth, resulting in both effective qualitative improvement and reasonable quantitative growth of the economy.

In the first half of 2026, Renminbi (“RMB”) demonstrated resilience among the world’s major currencies, holding steady against a basket of currencies and appreciating approximately 3.5% against the US dollar (“USD”). In contrast, the Hong Kong dollar (“HK\$”), pegged to the USD, depreciated against the RMB. In the first half of 2026, the A-shares market continued its volatile upward trend, with a structural rally fully unfolding. The SSE Science and Technology Innovation Board 50 Index delivered the strongest performance, rising 64.25% during this half year and setting a new historical high. The ChiNext Index surged 35.58%, breaking through 4,000 points for the first time to set a new historical high. The Shanghai Composite Index delivered a relatively modest performance, recording a cumulative increase of 3.16% in the first half of the year. Among them, technology growth sectors represented by AI computing power and semiconductors led the gains, while dividend and consumer sectors underperformed. Performance of individual stocks showed extreme divergence. The Hong Kong stock market exhibited a divergence between the primary and secondary markets. The Hang Seng Index fell by 10.73% in the first half of the year, marking its weakest half-year performance since the second half of 2021, while the Hang Seng TECH Index declined by 18.92%. However, the IPO market remained robust. In the first half of the year, 87 companies were newly listed on the Hong Kong Stock Exchange, raising approximately HK\$210.2 billion of new funds, nearly double that of the same period last year. It ranked second globally in terms of fundraising volume. Among these newly listed companies, 24 were “A+H” listings, accounting for more than half of the total funds raised.

In the first half of 2026, Chinese Mainland’s equity investment industry accelerated its transition towards value-oriented investment and high-quality development. While comprehensively solidifying its compliance foundations, the industry focused on leveraging the role of patient capital, actively transforming itself into a key force supporting technological innovation and cultivating new quality productive forces. The entire value chain, covering fundraising, investment, management, and exit, demonstrated clear signs of recovery. According to Zero2IPO data, fundraising activity stabilised and rebounded, with newly raised capital in the first half of the year increasing by 49.6% year-on-year. Capital contributions from state-owned capital platforms accounted for over 70% of the total, continuing to serve as a stabilising force. Investment activity also recovered, with the number of deals and total investment value rising by 14.7% and 31.9% year-on-year, respectively. Capital was heavily concentrated in hard technology sectors, with the AI sector attracting nearly half of the total funding, while the average investment size per deal increased significantly. Exit channels continued to broaden, with the number of exit transactions rising by 8.3% year-on-year in the first half of the year, resulting in a diversified landscape characterised by IPOs as the primary route, accelerating M&A activity, the supplementary role of S-funds, and final liquidations.

Review of Business Highlights in the First Half of 2026

In the first half of 2026, driven by the strong momentum of the global AI wave, the entire technology industry chain underwent a systemic revaluation, with the hardware sector recording significant gains. As a cross-border asset management company with extensive experience in the Chinese market, CEL has provided comprehensive support for the transformation and upgrading of China's AI industry. Thanks to its forward-looking strategic layout, the Company's early investments in emerging industries benefited from a revaluation during the current market cycle. During the reporting period, SJ Semiconductor, Tianhai Electronics, and CAXA were successfully listed, generating substantial investment returns for the Company and demonstrating the foresight of the Company's investment strategy and the long-term value of its cross-border asset management.

While the Company has made positive progress in its operations, it also continued to face objective challenges. As a result of an unfavorable judgment in a litigation case, the Company made a full provision for the litigation matter in accordance with the applicable accounting standards. Affected by the profound adjustment in Chinese Mainland's real estate sector, particularly the prolonged downturn in the commercial real estate market, performance of the Company's existing real estate-related assets remained under pressure, with significant impairment risks persisting. To further optimise the utilisation of existing assets, the Group facilitated the submission by its subsidiary, EBA Investments, of an application for the issuance of a publicly offered commercial real estate investment trust ("REIT"), which subsequently obtained registration approval from the China Securities Regulatory Commission.

During the reporting period, the Company seized the opportunity presented by recovery in the private equity market and active capital market, making coordinated efforts across the entire chain of "fundraising, investment, management, and exit". By further strengthening its position in key sectors, the Company precisely identified investment opportunities and effectively unlocked asset value. The key business achievements are as follows:

Streamlining fundraising, investment, management and exit processes to drive a virtuous cycle for funds

- The Company made solid progress in securing the payment of committed capital for its existing funds and has initiated several onshore and offshore funds with good progress. The pace of project pipeline development and execution remained robust.

- The Company adhered to a long-term value investment philosophy and advanced its investment deployment in an orderly manner. During the reporting period, the fund management business made approximately HK\$431 million in new investments, representing a year-on-year increase of approximately 63%. Focusing on key technology sectors, including semiconductors, AI and biopharmaceuticals, the Company has incubated and supported a number of enterprises, including Transcputing, a developer of edge AI foundation models, Bangtec Huachuang, a domestic high-end membrane materials enterprise focused on import substitution, Sundoc, an enterprise engaged in the research, development and commercialisation of complex injectable drugs, and Jiuchuan Intelligent, a leading provider of high-end inspection equipment for printed circuit boards.
- Maintaining strategic focus and accelerating the pace of exits, the Company realised a total exit value of approximately HK\$3,555 million from its managed funds and principal investments during the reporting period, representing a year-on-year increase of approximately 76%, thereby completing the value realisation cycle of its investments. The Company completed full or partial exits from projects including BOE HC SemiTek, Phancy Group, and iSoftStone. Meanwhile, multiple funds-of-funds (“FoFs”) achieved DPI distributions through exits from underlying sub-fund projects, enabling steady capital recovery. The fund management business realised total exit proceeds of approximately HK\$1,740 million, with a Multiple on Invested Capital (MOIC) of approximately 2.21x.
- During the reporting period, the Company’s financial investments in hard technology sectors, including semiconductors, entered a focus period of realisation that brought about revaluation of investment values. Notably, the portfolio company SJ Semiconductor successfully listed on the STAR Market during the reporting period. During the same period, CXMT Corporation successfully passed the listing review for its IPO on the STAR Market, and was officially listed on July 27, following the end of the reporting period.
- During the reporting period, the Principal Investments Business recorded a profit of HK\$2,205 million, representing a year-on-year increase of 22.3%. As at the end of the reporting period, the scale of Principal Investments Business reached HK\$33.4 billion, corresponding to an asset appreciation of approximately HK\$2.4 billion.

Optimising management of Principal Investments and exploring opportunities of high-quality project investment

Adhering to strategic guidance to enhance the quality and efficiency of operations

- During the reporting period, the Company continued to optimise its financing structure, successfully issuing two tranches of Panda Medium-Term Notes totalling RMB3.0 billion. This effectively reduced financing costs, with the average cost dropping by 40 basis points to 2.74% compared to the same period last year. Thanks to optimisation of its debt structure, the Company's interest expenses decreased by 19% year-on-year. As at the end of the reporting period, the Company's interest-bearing leverage ratio was 73.3%, a decrease of approximately 18.9 percentage points from the end of 2025, maintaining a solid financial structure. At the same time, through enhanced cost management, operating costs were reduced, while overall expenditures in the first half of the year declined by 5% year-on-year, highlighting continued progress in cost control.
- During the reporting period, adhering to the overarching principle of seeking progress while maintaining stability, and promoting stability through progress, the Company continued to advance the formulation of its "15th Five-Year" strategic plan in line with the evolving trends of the private equity market. Closely aligned with national strategic priorities and industry policy directions, the Company leveraged its unique strengths, including a cross-border asset management platform, operational synergies, and state-owned capital to strategically position itself in key sectors and strategic regions, with a view to implementing a medium- to long-term development strategy aimed at enhancing intrinsic value and strengthening its core competitiveness.
- In the first half of 2026, CEL continued to strengthen its ESG management. In terms of environment, the Company upgraded its greenhouse gas accounting system and, for the first time, adopted the PCAF methodology to measure the carbon emissions of its investment portfolio, thereby laying the data foundation for its emissions reduction pathway. In terms of social responsibility, the Company placed great emphasis on talent development and training, organising 25 training programmes with a total participation of 2,230 attendees. At the same time, the Company continued to enhance employee well-being by regularly organising distinctive cultural activities and family days, fostering an atmosphere of unity and shared progress. The Company continued to deepen its commitment to the "Bright Campus" public welfare project, supported youth development programmes such as "Strive and Rise Programme", actively carried out community service and food assistance initiatives benefiting grassroots communities in Hong Kong, China. The Company also made financial donations and provided consumption assistance to designated support areas in Chinese Mainland, actively contributing to the national rural revitalisation strategy. In terms of corporate governance, the Company adopted a new set of articles of association and enhanced its internal control framework. On the investment front, the Company continued to focus on hard technology and green industries, putting into practice its commitment to serving the nation through finance while advancing sustainable development.

A summary of the Group's Panda Bond issuance in the first half of 2026 is as follows:

Bond abbreviation	Note tenor	Date of issuance	Size of issuance	Use of proceeds
26 Everbright Limited MTN001	2+N	2026/1/29	RMB1 billion	Repayment of offshore bank loans
26 Everbright Limited MTN002	2+N	2026/3/13	RMB2 billion	Repayment of offshore bank loans

Financial Performance Analysis of the First Half of 2026 Income

Key income items (<i>in HK\$ hundred million</i>)	2026 1H	2025 1H	Change
Income from contracts with customers, mainly including:	1.38	1.81	(23.8%)
— Management fee income	0.16	0.53	(69.8%)
— Performance fee and consultancy fee income	0.18	0.13	38.5%
Income/(loss) from investments, mainly including:	12.44	16.94	(26.6%)
— Primary Market Funds	(5.73)	(0.87)	> 100%
In which: real estate business	(2.76)	(2.14)	29.0%
— Secondary Market Funds	1.95	2.42	(19.4%)
— FoFs	(2.05)	(0.17)	> 100%
— Principal Investments	18.27	15.56	17.4%
In which: real estate business	0.53	(1.21)	N/A
Income from other sources	(0.05)	0.19	N/A
Share of profits less losses of associates	4.77	1.72	>100%
Share of profits less losses of joint ventures	0.44	0.02	>100%
Total amount of income³	18.98	20.68	(8.2%)

³ The calculation method for total amount of income is: income from contracts with customers + income/(loss) from investments + income 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

During the reporting period, total amount of income of the Group was HK\$1,898 million, representing a year-on-year decrease of HK\$170 million as compared to HK\$2,068 million in the same period last year. Among them, income from contracts with customers decreased by HK\$43 million as compared to the same period last year, and income from investment decreased from HK\$1,694 million last year to HK\$1,244 million.

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

- (1) In the first half of 2026, the Group recorded revenue from contracts with customers of HK\$138 million, representing a decrease of HK\$43 million as compared with the same period last year. In particular, management fee income amounted to HK\$16 million, representing a decrease of HK\$37 million as compared with the same period last year, mainly due to some funds entering their exit/extension periods, and management fees no longer being charged.
- (2) In the first half of 2026, the Group recorded an income from investments of HK\$1,244 million, representing a decrease of HK\$450 million as compared with the same period last year. The decrease was primarily attributable to the structural market conditions in the capital markets during the reporting period, which resulted in slower growth in investment income from certain investment projects, particularly in traditional technology and consumer sectors, where the performance of certain investee companies fell short of expectations.
- (3) During the reporting period, the Group's share of profits of associates was HK\$477 million, representing an increase of HK\$305 million as compared with the same period last year. In particular, the share of profits from Everbright Securities increased by HK\$225 million as compared with the same period last year; the share of profits from CALC decreased by HK\$39 million as compared with the same period last year; and the share of loss from Everbright Jiabao decreased by HK\$139 million as compared with the same period last year.

Earned Management Fee Income⁴

<i>(in HK\$ hundred million)</i>	As presented in the financial report	Elimination of management fee income from consolidated funds (a)	Management fee income received by associates/ joint ventures (b)	Other accounting adjustments (c)	Earned Management Fee Income
First half of 2026	0.16	0.79	0.86	0.01	1.82
First half of 2025	0.53	0.88	0.79	(0.04)	2.16

For the purpose of resource allocation and business performance evaluation, the management of the Group adopts Earned Management Fee Income as an additional financial measurement indicator. Earned Management Fee Income refers to the management fee income received by the Group as the fund manager in accordance with relevant agreements of fund management.

During the reporting period, management fee income as presented in the financial report was HK\$16 million. After making adjustments⁵ between the Earned Management Fee Income recognised by the Group for the reporting period and the management fee income presented in accordance with the Hong Kong Financial Reporting Standards (totaling HK\$166 million), Earned Management Fee Income of the Group was HK\$182 million, representing a year-on-year decrease of 15.7%. The decrease in management fee income was mainly due to combined factors, including newly established fund still in fundraising stage and the cessation of management fee income from those funds entering their exit period.

⁴ The Earned Management Fee Income is a measure used by the management of the Group for monitoring business performance and financial position. It may not be comparable to similar measures presented by other companies

⁵ The three adjustments between the Earned Management Fee Income recognised by the Group for the current reporting period and the management fee income presented in accordance with the Hong Kong Financial Reporting Standards include (a) elimination of management fee income from consolidated funds: where the Group acts as both the fund manager and the major limited partner, the management fee paid by the fund and the management fee income received by the fund manager is eliminated on consolidation into the Group's consolidated financial statements; (b) management fee income received by associates/joint ventures: comprising (i) management fees received by a joint venture established with a third party, through which the Group acts as joint fund manager, presented as the Group's share of profits from that joint venture, and (ii) the management fee income of EBA Investments, in which Everbright Jiabao (an associate of the Group) holds a 51% interest and is accordingly consolidated within Everbright Jiabao, while the Group holds the remaining 49% interest through another subsidiary, accounted for as financial assets, such that EBA Investments' management fee income is reflected in the Group's share of profits of associates; and (c) other accounting adjustments

Income from key business segments

Income from key business segments

(in HK\$ hundred million)

	2026 1H	2025 1H
— Loss from Fund Management Business	(5.82)	(0.22)
— Income from Principal Investments Business	24.80	20.90
Total amount of income	18.98	20.68

By business segments, loss from Fund Management Business of the Group during the reporting period was HK\$582 million, compared with a loss of HK\$22 million in the same period last year. The change was primarily attributable to structural market conditions observed in the capital markets during the reporting period, resulting in declines in the valuations or share prices of certain investment projects, coupled with the continued downturn in the Chinese Mainland's real estate market.

Meanwhile, income from the Group's Principal Investments Business during the reporting period was HK\$2,480 million, representing an increase of HK\$390 million from HK\$2,090 million in the same period last year. The main reasons for the changes include: (1) certain investment projects were listed during the period, resulting in a significant increase in the value of the listed shares compared to their cost; and (2) during the reporting period, the profit attributable to Everbright Securities increased by HK\$225 million compared to the same period last year, while the loss attributable to Everbright Jiabao decreased by HK\$139 million compared to the same period last year.

Profit and Loss

(Loss)/profit in Key Business Segments

(in HK\$ hundred million)

	2026 1H	2025 1H	Change
Loss from Fund Management Business	(10.03)	(4.62)	>100%
In which: real estate business	(5.39)	(5.60)	(3.8%)
Profit from Principal Investments Business:	22.05	18.03	22.3%
— Financial Investment Portfolio ⁶	13.81	11.90	16.1%
In which: real estate business	(3.11)	(5.24)	(40.6%)
— Cornerstone Investments	8.24	6.13	34.4%
Less: Unallocated corporate expenses, taxes, and income attributable to holders of perpetual capital securities	(32.62)	(9.42)	>100%
Net (loss)/profit attributable to shareholders of the Company	(20.60)	3.99	N/A

⁶ During the reporting period, Key Investee Companies and financial investments were consolidated into the Financial Investment Portfolio. For details, please refer to Note 27 of the financial statements.

During the reporting period, net loss attributable to shareholders of the Company amounted to HK\$2,060 million, compared to net profit of HK\$399 million last year, which was primarily attributable to the combined effects of the following reasons:

- (1) Loss from Fund Management Business was HK\$1,003 million, mainly due to lower valuations and a decrease in overall investment income resulting from the underperformance of certain investment projects in this segment.
- (2) Principal Investments Business recorded a profit of HK\$2,205 million for the reporting period, representing an increase of HK\$402 million compared to the same period last year, mainly attributable to the listing of certain investment projects during the period, which led to substantial appreciation in the value of the listed shares relative to their cost.
- (3) Certain projects experienced a deterioration in repayment capacity, resulting in an increase in the provision for impairment of advances to customers⁷. During the reporting period, the provision for impairment of advances to customers increased to HK\$376 million from HK\$266 million in the same period last year.
- (4) Unallocated corporate expenses increased compared to the same period last year, primarily due to the Company's recognition of a full provision of approximately HK\$2.17 billion for the litigation matter in accordance with the applicable accounting standards, following an unfavorable judgment in a litigation case. In addition, income tax expense for the first half of the year increased to HK\$489 million from HK\$306 million in the same period last year, primarily due to income tax provisions made in respect of unrealized investment gains from certain investment projects.

Dividends

Per share (HK\$)	2026 1H	2025 1H	Change
(Loss)/earnings per share	(1.22)	0.24	N/A
Interim dividend per share	<u>0.04</u>	<u>0.05</u>	<u>(20%)</u>

Net loss attributable to shareholders of the Company for the period was HK\$2,060 million. Following the practice of sharing operating results with shareholders, the Board has declared an interim dividend of HK\$0.04 per share for 2026 (2025 interim dividend: HK\$0.05 per share).

⁷ For details of advances to customer, please refer to Note 13 to the financial statements.

Key Financial Ratios

Key financial data ⁸	30 June 2026	31 December 2025	Change
Gearing ratio ⁹	79.0%	92.2%	-13.2 ppt
Net gearing ratio ¹⁰	74.4%	86.2%	-11.8 ppt
Debt-to-asset ratio ¹¹	55.2%	56.4%	-1.2 ppt
Current ratio ¹²	104.3%	140.0%	-35.7 ppt

The Group implemented refined cost control to boost operational efficiency through refined cost management. Operating costs in the first half of 2026¹³ amounted to HK\$348 million, representing a year-on-year decrease of 5.2%. This reduction highlights the positive impact of the Group's efforts in cost control and efficiency improvement.

During the reporting period, the Group successfully issued perpetual medium-term notes, with total equity increasing from HK\$32.1 billion at the end of last year to HK\$33.5 billion at the end of the reporting period, which had a positive impact on the gearing ratio. As at the end of June 2026, the Group's gearing ratio was 79.0%, a decrease of 13.2 ppt as compared to the end of 2025. As at the end of June 2026, the Group's available cash reserves amounted to HK\$1,563 million (as at the end of 2025: HK\$1,933 million). Excluding the impact of available cash, the net gearing ratio was 74.4%, representing a decrease of 11.8 ppt as compared to the end of 2025.

As at the end of June 2026, the Group had cash and cash equivalents of approximately HK\$7,646 million, with available and unutilised bank facilities of approximately HK\$13.5 billion, maintaining sufficient liquidity and a strong financial position.

⁸ 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

⁹ The gearing ratio is calculated as interest-bearing debt (including bank loans + notes payable + bonds payable)/total equity × 100%

¹⁰ The net gearing ratio is calculated as (interest-bearing debt — available cash)/total equity × 100%

¹¹ The debt-to-asset ratio is calculated as (total liabilities/total assets) × 100%

¹² The current ratio is calculated as (current assets/current liabilities) × 100%

¹³ Operating costs include staff costs, depreciation and amortisation expenses and other operating expenses

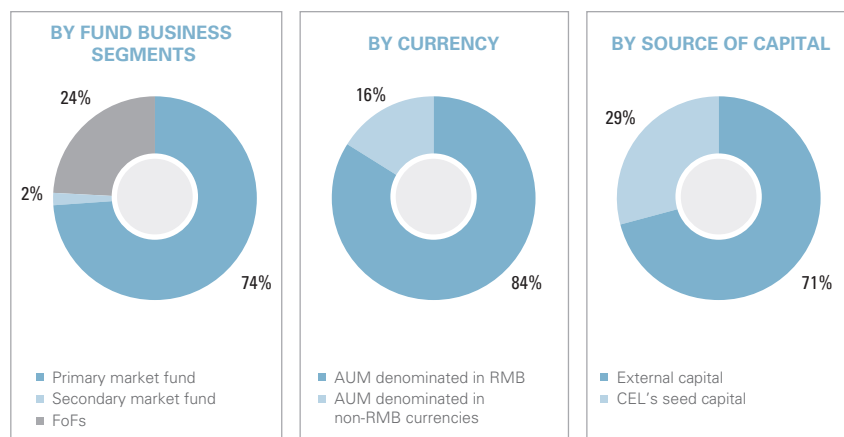
Business Performance Analysis of the First Half of 2026

Fund Management Business

As at 30 June 2026, the total AUM of CEL's funds amounted to approximately HK\$121.8 billion, representing an increase of approximately HK\$400 million as compared to the end of last year, primarily due to the appreciation of the Renminbi against the Hong Kong dollar.

CEL's funds have extensive sources of funding, with a majority of its external investors being institutional investors with a diversified mix 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\$102.1 billion and HK\$19.7 billion, accounting for 84% and 16% of the total amount respectively. In terms of nature of funds, the Company's Fund Management Business included 42 primary market funds (including one real estate investment fund), 14 secondary market funds and discretionary accounts, and 10 FoFs products.

During the reporting period, CEL captured key investment themes such as hard technologies and strengthened its support for the real economy. During the reporting period, the Fund Management Business made capital contributions of approximately HK\$431 million to 11 new investment projects. It also seized the opportunities to exit mature projects, achieving full or partial exits from 46 projects, resulting in a capital inflow of approximately HK\$3,175 million at the fund level.



Primary Market Funds

As at 30 June 2026, there were 42 primary market fund products (including one real estate investment fund) under the management of CEL, with an aggregate AUM equivalent to approximately HK\$90.0 billion and scope of investment covering various industries including semiconductors, industrial internet, biopharmaceuticals, high-end manufacturing, marine economy and real estate management. Meanwhile, CEL has been actively fostering New Quality Productive Forces and advancing its strategic transformation towards high-quality development, with focused deployment in strategic emerging industries and prospective industries, particularly those centred on breakthroughs in critical “bottleneck” core technologies. By currency, the worth of RMB-denominated funds was approximately HK\$72.6 billion and funds in other currencies was approximately HK\$17.4 billion, accounting for 81% and 19% of the total amount respectively. During the reporting period, CEL achieved considerable investment returns and cash flow recovery through diversified exit channels, including the disposal of shares in listed companies and equity transfers.

CEL has built a comprehensive platform for primary market equity funds. Leveraging a diversified fund structure and leading integrated capabilities, it has pursued cross-border deployment from a “China perspective”, with primary focus on next-generation information technology, semiconductors, high-end equipment manufacturing, biopharmaceuticals and healthcare, green and new energy, and new consumption and new infrastructure, maintaining a continuous presence in emerging industries and frontier sectors. CEL delivers full-lifecycle equity financing to enterprises, from start-up and growth through to maturity.

Secondary Market Funds

As at 30 June 2026, CEL’s secondary market business managed a total of 14 funds and discretionary accounts with AUM in terms of net worth of approximately HK\$2.7 billion, representing a decrease of HK\$1.8 billion compared to the same period last year, mainly due to the maturity of certain products and investor redemptions. By product type, fixed-income products accounted for 88%, while equity products represented 12% of AUM.

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 a diversified portfolio of 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 awarded the “Best Asian Ex Japan Multi-Strategy Hedge Fund (5-year)”, “Best Asian Ex-Japan Fixed Income Hedge Fund (10-year)”, “Best Asian Ex-Japan Fixed-Income Hedge Fund (5-year)” and “Best Asian Ex Japan Fixed-Income Hedge Fund (3-year)” under the 2026 I&M Professional Investment Award. It was also awarded the “Best Hedge Fund Manager” at the Paipai Global • 2026 Awards Ceremony (2026年排排網全球第二屆對沖基金管理人 — 卓越獎). Further, CEL’s secondary market team was awarded the “One-Year Golden Bull Overseas Private Fund Manager (Bond Strategy)” by China Securities Journal at the 9th Golden Bull Overseas Awards (中國證券報第九屆海外基金金牛獎“一年期金牛海外私募管理公司(債券策略)”) in recognising its investment capability and comprehensive strength.

Fund of Funds

CEL’s FoFs not only invest in external funds with proven track records and robust governance as well as funds launched and managed by the Company, but also coinvest or directly invest in equity projects. As at 30 June 2026, the FoFs team managed 10 FoFs with an AUM equivalent to approximately HK\$29.1 billion. During the reporting period, CEL continued to advance the implementation of investments under the Changxing CEL Funds, further advancing CEL’s industrial investment presence in the Yangtze River Delta. The Company’s FoFs business has established an investment matrix primarily targeting information technology, biopharmaceuticals, consumption and technology, 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 at 30 June 2026, there were 109 portfolio projects under the FoFs, including sub-funds and direct investments, with emphasis on semiconductor and large AI model sectors. CEL actively supported national strategies to advance breakthroughs in critical “bottleneck” technologies, while seizing the low valuation window in the biopharmaceutical sector and aligning with local reinvestment requirements to accelerate the implementation of projects.

Across the underlying projects of its sub-funds and direct investments, the FoFs had a total of 196 portfolio companies listed on stock exchanges. During the reporting period, 9 additional underlying projects completed listings, including Biren Technology and other key projects. In addition, Rokae Robotics from the direct investment portfolio has completed listing hearing during the period, while several other projects were in IPO filing. Having cultivated its presence in the FoF sector over many years, CEL continued to receive strong industry recognition, receiving multiple prestigious awards and further elevating its brand influence, underscoring its outstanding capabilities and leading position in the industry.

Real Estate Investment and Asset Management Business

As at 30 June 2026, CEL held a 29.17% equity interest in Everbright Jiabao, an A-share listed company (stock code: 600622.SH), as its largest shareholder. Everbright Jiabao managed 48 projects through the platform under EBA Investments, including 21 investment management projects with a managed fund scale of approximately RMB22.0 billion (equivalent to approximately HK\$25.3 billion) and AUM of approximately RMB46.5 billion (equivalent to approximately HK\$53.5 billion).

During the reporting period, Everbright Jiabao/EBA Investments coordinated efforts to stabilise operations, control risks, strengthen asset management, and support people's livelihoods. They intensified their focus on the commercial consumption sector, leveraging their proprietary "IMIX Parks" brand to build distinctive capabilities in commercial operations and livelihood services. As at the end of the reporting period, EBA Investments and its subsidiaries, through fund investments or entrusted management, managed 17 commercial consumption projects under the "IMIX Parks" brand across multiple municipalities and regional consumer hubs, energizing consumer activities with a diverse business portfolio and innovative experiences.

During the reporting period, Everbright Jiabao/EBA Investments capitalised on the opportunities presented by the development of China's multi-tiered Real Estate Investment Trusts (REITs) market. By assembling asset portfolios comprising managed commercial and consumption projects, they participated in the pilot application for commercial real estate REITs. Consequently, the relevant products were selected as one of the first ten commercial real estate REIT pilot projects approved for registration by the China Securities Regulatory Commission. In addition, EBA Investments continued to expand its entrusted construction and management business under the "安石建管" brand, initiating and reserving multiple new projects during the reporting period. Leveraging its strong project execution and market reputation, EBA Investments ranked 1st for the twelfth consecutive year in the "Top 10 Comprehensive Capability of China Real Estate Funds", published by Beijing China Index Academy and other organisations.

Principal Investments Business

The Company strives to achieve the following 2 objectives through its principal investments: (1) Cornerstone Investments: holding a portion of the equity interest in China Everbright Bank and Everbright Securities to obtain stable dividends and investment returns; and (2) Financial Investment Portfolio: generating investment value returns through direct equity investment, fund investment, and long-term equity investment.

As at the end of June 2026, the Principal Investments Business¹⁴ managed a total of 54 investment projects, with a total business scale of approximately HK\$33.4 billion. Among them, the fair value of the Cornerstone Investments in China Everbright Bank was HK\$5.2 billion, and the carrying amount of Everbright Securities accounted for as an associate was HK\$14.9 billion.

Principal Investments Business <i>(in HK\$ hundred million)</i>	30 June 2026	31 December 2025
— Cornerstone Investments	201	200
— Financial Investment Portfolio	133	110
Total	334	310

Cornerstone Investments

As at 30 June 2026, 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 these two investments were regarded as significant investments of the Group. These two Cornerstone Investments held by the Group accounted for in aggregate 60.0% 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 2026, 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\$14.9 billion, accounting for 44.4% and 19.9% of the Group's net assets and total assets respectively. Based on the closing price of RMB14.43 per share as at 30 June 2026, the fair value of the shares in Everbright Securities held by the Group was HK\$15.9 billion. During the reporting period, the Group's share of profit from an investment in associate attributable to Everbright Securities was HK\$515 million, representing a year-on-year increase of 77.5%.

¹⁴ Investment properties are not included.

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 2026, the Group held 1.57 billion A-shares in China Everbright Bank, representing 2.66% of its total share capital, 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 RMB2.89 per share as at 30 June 2026, the carrying amount and fair value of the shares in China Everbright Bank held by the Group amounted to HK\$5.2 billion, accounting for 15.6% and 7.0% of the Group's net assets and total assets respectively. During the reporting period, the Group's income from China Everbright Bank was HK\$309 million, representing a year-on-year decrease of 4.3%.

Financial Investment Portfolio

CEL has established a diversified investment portfolio through its financial investments. These mainly include: (i) direct equity investments, it aligns closely with national strategies and policy priorities by making financial investments in projects within key sectors to capture growth returns; (ii) fund investments, it capitalises on investment opportunities in high-quality funds, connects with premium industry resources and deepens collaboration across internal and external ecosystems; and (iii) long-term equity investments, it remains committed to value incubation and in-depth empowerment, fostering high-quality enterprises in line with CEL's commitment to strategic value and livelihood support. As at 30 June 2026, the Company's financial investment portfolio amounted to HK\$14.8 billion, covering a broad range of sectors, including semiconductors, artificial intelligence and advanced manufacturing, the new economy, and green investments. The aggregate carrying value of the top ten investments amounted to HK\$9.9 billion, generating aggregate net investment gains of approximately HK\$1.6 billion.

A summary of the top ten projects in the financial investment portfolio as at the end of the reporting period, ranked by carrying value, is as follows:

	Project Short Name	Project Overview
1	SJ Semiconductor (688820.SH)	An enterprise engaged in wafer-level advanced packaging and testing enterprise for integrated circuits
2	Terminus Smart Technology Co., Ltd.	A provider of AIoT (AI Internet of Things) products
3	China Aircraft Leasing (01848.HK)	An independent aircraft lessor
4	CXMT Corporation (688825.SS)	An integrated enterprise specialising in the R&D, design, and manufacturing of DRAM (dynamic random access memory)

	Project Short Name	Project Overview
5	Equity Product A	A real estate equity investment project of Everbright Centre located in Wan Chai, Hong Kong, China
6	Circle (CRCL.N)	An internet fintech company
7	iSoftStone (301236.SZ)	A provider of full-stack intelligent products and services
8	Dekon Food and Agriculture (02419.HK)	An enterprise engaged in the breeding and farming swine and poultry
9	China Everbright Senior Healthcare Company Ltd.	A senior care and health enterprise deeply engaged in Chinese Mainland's domestic wellness industry
10	Fund Product B	Subscription to shares of fund products managed by IDG Capital

OUTLOOK

In 2026, the global economic recovery remained sluggish under the weight of compounding headwinds. Heightened by complex external factors, including geopolitical conflicts, energy shocks and monetary policy uncertainties across major economies, China's economic development continues to navigate a challenging environment. As the 15th Five-Year Plan gets fully underway, China's macroeconomic recovery exhibits a distinct "K-shaped divergence", characterised by robust growth in industrial production, exports and new quality productive forces, alongside a more gradual recovery in consumer spending and traditional investment activities. Looking ahead to the second half of 2026, macroeconomic policy is expected to maintain a steady stance, with the focus shifting from short-term countercyclical adjustments to cross-cyclical management. Fiscal and monetary policies will focus on enhanced coordination to ensure reasonable aggregate support while preserving flexibility for medium- to long-term structural adjustments and risk prevention. Key policy priorities will centre on "stabilising expectations, strengthening confidence" and "promoting domestic demand", thereby further consolidating the foundation for economic stabilisation and recovery through precise coordination between fiscal and monetary policies.

Looking ahead to the second half of 2026, against the backdrop of the implementation of policies such as the General Office of the State Council Document No. 54 [2026], the dual-layer, rigid regulatory framework for state-owned capital funds will comprehensively reshape industry operational rules, reorienting equity investment towards its core mandate of fostering new quality productive forces. China's equity investment market is expected to present structural opportunities. On the fundraising front, the capital landscape is expected to stabilise progressively, with state-owned capital continuing to assume a dominant role and long-term capital maintaining a steady

inflow. Investment themes will become increasingly focused, as AI-driven capital allocation extends upstream to the hardware segment, while future industries such as embodied robotics and commercial aerospace emerge as new growth drivers. On the exit front, exit channels will continue to mature, with mergers and acquisitions and S-fund transactions becoming mainstream exit routes alongside IPOs. Meanwhile, post-investment management will accelerate its transformation towards greater capitalisation, digitalisation and ecosystem integration.

Against this backdrop, CEL will leverage its state-owned enterprise background and cross-border platform advantages to build a professional capability framework spanning the full investment lifecycle of “fundraising, investment, management, exit and transfer”. It will actively raise patient capital and long-term capital, deepen industry empowerment with a strategic focus on hard technology, and establish diversified, market-oriented exit channels to enhance capital recovery efficiency. To address these challenges, CEL will continue to strengthen its comprehensive risk management framework, enhance its internal control and compliance management. It will also further improve its risk governance structure to align with the relevant industry characteristics, business scale, product portfolio and customer profile, and reinforce look-through risk management over its funds and investment projects. At the same time, CEL will further focus on its core responsibilities and principal business, leveraging its strengths in integrated finance and industry-finance synergy to drive business growth, while accelerating asset revitalisation through prudent operations and deep strategic cultivation. Looking ahead, CEL will continue to pursue a development path underpinned by compliance, long-term vision, industrial specialisation and professional excellence; to deepen its presence in strategic sectors including technological innovation, emerging pillar industries and future industries, remain anchored in long-term value creation, strengthen its core competitive advantages, reinforce its internal control and risk management framework, and leverage the strengths of patient capital to empower the real economy. By navigating market cycles with steady progress, the CEL will continue to enhance its overall capabilities and brand profile, and is committed to delivering long-term, sustainable returns to all shareholders.

FINANCIAL POSITION

As at 30 June 2026, the Group’s total assets amounted to HK\$74.645 billion (31 December 2025: HK\$73.783 billion) with net assets amounting to HK\$33.468 billion (31 December 2025: HK\$32.141 billion). Equity attributable to the Company’s shareholders was HK\$25.293 billion (31 December 2025: HK\$27.396 billion) and equity attributable to shareholders of the Company per share was HK\$15.01 (31 December 2025: HK\$16.26).

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 2026, the Group had cash and cash equivalents of HK\$7.646 billion (31 December 2025: HK\$8.504 billion). Currently, most of the Group's cash is denominated in Hong Kong dollars and Renminbi.

BORROWING

As at 30 June 2026, the Group's interest-bearing borrowings amounted to HK\$26.455 billion (31 December 2025: HK\$29.631 billion). The Group will review and ensure sufficient banking facilities to reserve resources to support its business development. As at 30 June 2026, the Group had banking facilities of HK\$21.153 billion (31 December 2025: HK\$22.421 billion), of which HK\$12.544 billion (31 December 2025: HK\$9.957 billion) had not been utilised. The banking facilities were of one to nine years terms. The Group had outstanding bank loans of HK\$8.609 billion (31 December 2025: HK\$12.470 billion), which decreased by HK\$3.861 billion compared with 31 December 2025, of which HK\$7.862 billion (31 December 2025: HK\$11.658 billion) was unsecured. The Group had issued corporate bonds with an outstanding principal amount of HK\$17.846 billion (31 December 2025: HK\$17.161 billion). The interest-bearing borrowings were denominated in Renminbi and Hong Kong dollars, representing 85% and 15% of the total interest-bearing borrowings, respectively. As at 30 June 2026, approximately 18% of the Group's total principal amount of borrowing were at floating rates and the remaining 82% 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 2026, restricted bank balances of HK\$42 million (31 December 2025: HK\$31 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\$2,440 million (31 December 2025: HK\$2,347 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 2026, assets deposited with the prime brokers included HK\$1,559.2 million (31 December 2025: HK\$1,352 million) and HK\$11.1 million (31 December 2025: HK\$159.2 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 2026, the Group's headquarters and wholly owned subsidiaries had 240 (31 December 2025: 240) 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.

SHARE OPTION SCHEME

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had adopted any share option scheme or share award scheme that requires disclosure under Chapter 17 of the Listing Rules. Accordingly, no share options or awarded shares were granted, exercised, cancelled or lapsed during the period, and there was no scheme mandate limit available for future grants.

MATERIAL 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, 11 November 2024 and 20 August 2026 (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 amounts of the Group's assets insignificant to its daily operations were preserved under the Legal Proceedings. Details are set out in note 28 of the Notes to the Financial Statements in this announcement.

CONTINGENT LIABILITIES

The Group had no material unrecognised contingent liabilities.

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. There are no significant changes in the risk management policies since the 2025 year end.

CURRENCY RISK EXPOSURE

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.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the reporting period.

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	City	Investment Type
Beijing Zhongguancun Project	Consumer infrastructure	Beijing	Convertible bonds
Chongqing Chaotianmen Project	Commercial complex	Chongqing	Fund interest investment
EBA Centre Project	Office and integrated commercial	Shanghai	Fund interest investment
Parkview Place	Office and integrated commercial	Beijing	Fund interest investment
EBA Centre Hongqiao Project	Commercial complex	Shanghai	Fund interest investment

EPF EBA CLOSED-END COMMERCIAL REAL ESTATE SECURITIES INVESTMENT FUND

Reference is made to the announcement of the Company dated 15 May 2026. On that date, Everbright (Jiangsu) Investment Co., Ltd. (光大控股(江蘇)投資有限公司), a wholly-owned subsidiary of the Company, and CEL Focus Multi-Strategy Fund, a non-wholly-owned subsidiary of the Company, entered into strategic investor placement agreements with Everbright PGIM Fund Management Co., Ltd. (光大保德信基金管理有限公司) as the fund manager, pursuant to which they agreed to subscribe, as strategic investors, for units of the EPF EBA Closed-end Commercial Real Estate Securities Investment Fund (“EPF-EBA REIT”). The aggregate number of units to be subscribed represents approximately 9.332% of the total number of units to be issued, with an aggregate subscription consideration of not more than RMB470 million. Such subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, EPF-EBA REIT has received approval for registration from the China Securities Regulatory Commission (CSRC Approval [2026] No. 1165) and a letter of no objection to listing issued by the Shanghai Stock Exchange. According to publicly disclosed information, the fund is a contractual closed-end fund with a fund contract term of 28 years and a total offering size of 1 billion units. The fund manager shall conduct the fund’s offering activities within six months from the date of issuance of the approval, and the offering period shall not exceed three months from the date of commencement of the sale of fund units. As at the date of this announcement, the EPF-EBA REIT has not yet been established. The final number of REIT fund units to be subscribed by the Company remains subject to the results of the book-building process, market conditions, and the announcement to be issued by the fund manager. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK\$0.04 per share for the six months ended 30 June 2026 (2025: HK\$0.05 per share) to those shareholders whose names appear on the register of members of the Company on Wednesday, 23 September 2026, being the record date for determining shareholders’ entitlement to the interim dividend. The interim dividend will be paid on Friday, 9 October 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 18 September 2026 to Wednesday, 23 September 2026, 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, 17 September 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED EQUITY SECURITIES

There was no purchase, sale or redemption of the Company's listed equity securities (including sale of treasury shares, if any) by the Company or any of its subsidiaries during the six months ended 30 June 2026.

As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions of the Corporate Governance Code 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 2026.

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 2026.

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 2026.

By Order of the Board
China Everbright Limited
Lin Chun
Chairman

Hong Kong, 27 August 2026

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

Executive Directors:

Mr. Lin Chun (*Chairman*)
Mr. Pan Jianyun
Mr. An Xuesong
Dr. Su Yang

Independent Non-executive Directors:

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