中国中信金融资产
China CITIC Financial AMC

中國中信金融資產管理股份有限公司
China CITIC Financial Asset Management Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 2799)

2026 INTERIM RESULTS ANNOUNCEMENT

The board of directors of China CITIC Financial Asset Management Co., Ltd. (the "**Company**") announces the unaudited results of the Company and its subsidiaries for the six months ended June 30, 2026. This results announcement complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the preliminary announcements of interim results. The printed version of the 2026 interim report of the Company will be delivered to the holders of the H Shares of the Company who have requested a printed copy and will be available for viewing on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.famc.citic) in September 2026.

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1. Definitions

In this results announcement, unless the context otherwise requires, the following expressions have the following meanings:

AMC(s)	the five financial asset management companies established with the approval of the State Council, namely the Company, China Great Wall Asset Management Co., Ltd., China Orient Asset Management Co., Ltd., China Cinda Asset Management Co., Ltd. and China Galaxy Asset Management Co., Ltd.
Articles of Association	the Articles of Association of China CITIC Financial Asset Management Co., Ltd., as amended from time to time
Board or Board of Directors	the board of directors of the Company
CBIRC	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
China or PRC	the People's Republic of China
CITIC Group	CITIC Group Corporation
Company	China CITIC Financial Asset Management Co., Ltd.
Debt-to-Equity Swap(s) or DES	the practice of converting indebtedness owed by the obligors to equity
DES Assets	(1) the equity assets that converted from distressed indebtedness, which were acquired by the Company from medium and large state-owned enterprises prior to its restructuring, as a result of equity swaps of distressed debt assets according to national policy; (2) additional equities of the aforementioned enterprises that the Company subsequently acquired as part of asset packages it purchased; (3) additional investments by the Company in the aforementioned enterprises; (4) equities in satisfaction of debt the Company acquired through distressed asset management; (5) the small amount of equity the Company received as part of its share capital when it was established in 1999; and (6) the assets from the market-oriented DES business conducted by the Company
DES Companies	the companies and enterprises whose distressed debt held by the AMCs were swapped for equity
Director(s)	director(s) of the Company

Domestic Share(s)	ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi
Group, our Group or CITIC Financial AMC	China CITIC Financial Asset Management Co., Ltd. and its subsidiaries
H Share(s)	ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and listed on the Main Board of the Hong Kong Stock Exchange
HK$ or HK dollars	the lawful currency of Hong Kong (China)
Hong Kong (China) or HK (China)	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Huitong Asset	CITIC Financial AMC Huitong Asset Management Co., Ltd. (中信金資匯通資產管理有限公司)
IFRSs	the International Accounting Standards (IAS), the International Financial Reporting Standards, amendments and the related interpretations issued by the International Accounting Standards Board
Industrial Company	CITIC Financial AMC Industrial Investment & Development Co., Ltd. (中信金資實業投資發展有限公司)
International Company	China CITIC Financial AMC International Holdings Limited (中國中信金融資產國際控股有限公司)
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
MOF	the Ministry of Finance of the PRC (中華人民共和國財政部)
NDRC	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
NFRA	National Financial Regulatory Administration (國家金融監督管理總局)
Non-performing Loan(s) or NPL(s)	loan(s) classified as substandard, doubtful and loss under the five-category loan classification system (as applicable) adopted by financial institutions pursuant to applicable PRC guidelines

PBOC	the People's Bank of China (中國人民銀行), the central bank of the PRC
PRC GAAP	generally accepted accounting principles in the PRC
Prospectus	the prospectus published by the Company on October 16, 2015 for listing in Hong Kong
Reporting Period	the six months ended June 30, 2026
RMB or Renminbi	the lawful currency of the PRC
ROAA	return on average assets
ROAE	return on average equity attributable to equity holders
Rongde Asset	Rongde (Beijing) Asset Management Co., Ltd. (融德(北京)資產管理有限公司)
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
Share(s)	ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including Domestic Shares and H Shares
Shareholder(s)	holder(s) of the Share(s)
State Council	the State Council of the PRC (中華人民共和國國務院)
Treasury Shares	have the meaning ascribed thereto under the Listing Rules

2. Corporate Information

Official Chinese name	中國中信金融資產管理股份有限公司
Chinese abbreviation	中信金融資產
Official English name	China CITIC Financial Asset Management Co., Ltd.
English abbreviation	CITIC Financial AMC
Legal representative	Li Zimin
Authorized representatives	Li Zimin, Wang Yongjie
Secretary to the Board	Wang Yongjie
Joint company secretaries	Wang Yongjie, Ngai Wai Fung
Registered address	No. 8 Financial Street, Xicheng District, Beijing, China
Postal code of place of registration	100033
Website	www.famc.citic
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, China
Website of Hong Kong Stock Exchange for publishing the H Shares interim report	www.hkexnews.hk
Place for maintaining interim reports available for inspection	Board office of the Company
Stock exchange on which H Shares are listed	The Stock Exchange of Hong Kong Limited
Stock name	CITIC FAMC
Stock code	2799
H Share registrar and office address	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, China
Registration number of financial license	J0001H111000001

Social credit *c*ode	911100007109255774
Legal advisor as to PRC law and office address	King & Wood 18/F, East Tower, World Financial Centre Building, No. 1 Dongsanhuan Zhonglu, Chaoyang District, Beijing, China
Legal advisor as to Hong Kong (China) law and office address	King & Wood 13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong, China
International accounting firm and office address	BDO Limited 25th Floor, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong, China
Domestic accounting firm and office address	BDO China Shu Lun Pan Certified Public Accountants LLP 9/F, 17-20/F, Tower A, China Overseas International Center, Building 7, No. 5 Anding Road, Chaoyang District, Beijing, China

3. Financial Summary

The financial information contained in this results announcement was prepared in accordance with the IFRSs. Unless otherwise specified, it is consolidated data of the Group and presented in RMB.

	For the six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
	(in millions of RMB)	
Interest income	**5,770.6**	4,444.5
Fair value changes on distressed debt assets	**3,229.0**	309.5
Fair value changes on other financial assets and liabilities	**1,426.3**	1,406.2
Income from distressed debt assets	**1,658.0**	3,786.5
Gains from derecognition of financial assets measured at amortised cost	**424.7**	1,744.0
Gains from derecognition of debt instruments at fair value through other comprehensive income ("**FVTOCI**")	**139.3**	5.8
Commission and fee income	**145.4**	61.4
Dividend income	**1,575.6**	545.4
Other income and other net gains or losses	**525.6**	18,833.1
Including: Gains from investment in associates	**139.0**	21,317.9
Total income	**14,894.5**	31,136.4
Interest expense	**(13,010.8)**	(14,388.7)
Commission and fee expense	**(153.6)**	(89.6)
Operating expenses	**(1,745.8)**	(1,934.2)
Impairment losses under expected credit loss ("**ECL**") model	**(5,543.7)**	(16,856.7)
Impairment losses on other assets	**(202.7)**	(1,851.8)
Total expenses	**(20,656.6)**	(35,121.0)
Change in net assets attributable to other holders of consolidated structured entities	**203.8**	(54.8)
Share of results of associates and joint ventures	**11,056.9**	9,084.1
Profit before tax	**5,498.6**	5,044.7
Income tax credit	**1,029.0**	461.4
Profit for the period	**6,527.6**	5,506.1
Attributable to:		
Equity holders of the Company	**6,861.7**	6,167.6
Holders of perpetual debt capital instruments	**–**	38.5
Non-controlling interests	**(334.1)**	(700.0)

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
	(in millions of RMB)	
Assets		
Cash and balances with central bank	**0.1**	0.1
Deposits with financial institutions	**109,993.3**	74,532.7
Financial assets at fair value through profit or loss ("**FVTPL**")	**407,587.0**	387,281.8
Financial assets held under resale agreements	**3,389.6**	22.0
Contract assets	**4,497.0**	4,763.1
Debt instruments at FVTOCI	**3,680.4**	4,054.9
Equity instruments at FVTOCI	**6,415.6**	6,917.9
Inventories	**17,342.8**	17,087.4
Debt instruments at amortised cost	**206,939.2**	213,586.4
Interests in associates and joint ventures	**288,303.2**	279,447.7
Investment properties	**11,296.5**	10,652.8
Property and equipment	**2,195.3**	2,264.0
Right-of-use assets	**419.4**	661.6
Deferred tax assets	**25,772.6**	24,326.7
Goodwill	**18.2**	18.2
Other assets	**34,947.3**	31,406.6
Total assets	**1,122,797.5**	1,057,023.9
Liabilities		
Borrowings from the central bank	**4,160.4**	5,377.9
Placements from financial institutions	**2,037.0**	10,434.3
Financial assets sold under repurchase agreements	**1,512.7**	–
Borrowings	**849,376.8**	786,414.8
Financial liabilities at FVTPL	**2.6**	14.0
Tax payable	**469.1**	476.0
Contract liabilities	**716.6**	541.3
Lease liabilities	**99.6**	366.1
Deferred tax liabilities	**1,637.3**	1,686.1
Bonds and notes issued	**171,898.2**	163,063.7
Other liabilities	**34,359.7**	35,501.3
Total liabilities	**1,066,270.0**	1,003,875.5

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
	(in millions of RMB)	
Equity		
Share capital	**80,246.7**	80,246.7
Other equity instruments	**19,900.0**	19,900.0
Capital reserve	**14,050.5**	13,918.0
Surplus reserve	**8,564.2**	8,564.2
General risk reserve	**11,399.6**	11,399.6
Other reserves	**(6,728.5)**	(4,122.6)
Accumulated losses	**(61,477.2)**	(67,671.4)
Equity attributable to equity holders of the Company	**65,955.3**	62,234.5
Non-controlling interests	**(9,427.8)**	(9,086.1)
Total equity	**56,527.5**	53,148.4
Total equity and liabilities	**1,122,797.5**	1,057,023.9

	For the six months ended June 30, 2026 (Unaudited)	2025 (Unaudited)
Financial ratios		
Annualized ROAE(1)	**21.4%**	21.1%
Annualized ROAA(2)	**1.2%**	1.1%
Basic earnings per share attributable to ordinary Shareholders of the Company(3) (RMB)	**0.075**	0.066
Diluted earnings per share attributable to ordinary Shareholders of the Company(4) (RMB)	**0.075**	0.066

(1) Represents the percentage of the annualized profit attributable to Shareholders of the Company for the period to the average balance of equity attributable to Shareholders of the Company as at the beginning and the end of the period.

(2) Represents the percentage of annualized profit for the period (including profit attributable to non-controlling interests) to the average balance of total assets as at the beginning and the end of the period.

(3) Represents profit attributable to ordinary Shareholders of the Company for the period divided by the weighted average number of outstanding shares.

(4) Represents earnings per share calculated based on the basic earnings per share, after taking into account the effects of dilutive potential ordinary shares.

4. Management Discussion and Analysis

4.1 Economic, Financial and Regulatory Environment

In the first half of 2026, global economic growth remained resilient driven by rapid growth in artificial intelligence-related investments and other factors. The outbreak and recurring turmoil of the Middle East conflict resulted in rising international oil prices and posed the risk of a resurgence in inflation for major economies. The International Monetary Fund projected global economic growth of 3.0% for 2026, representing a decline of 0.5 percentage point from 2025. Faced with an increasingly complex and severe international landscape, China's economy withstood the pressure and remained within a reasonable range, with production and supply growing at a relatively fast pace, prices rising moderately, foreign trade showing strong momentum, new growth drivers expanding rapidly, and the resilience of the economy continuing to be demonstrated. In the first half of the year, China's GDP reached RMB69.6 trillion, representing a year-on-year increase of 4.7%.

In the first half of the year, China's financial sector comprehensively implemented the directives from the Central Economic Work Conference and the National Two Sessions, adhered to the deepening of the financial supply-side structural reforms, and stepped up support for key areas such as expanding domestic demand, technological innovation, and small, medium and micro enterprises. The PBOC maintained a moderately accommodative monetary policy, strengthened counter-cyclical and cross-cyclical adjustments, and comprehensively utilized various monetary policy tools to create a suitable monetary and financial environment for sustained economic improvement and upgrading. The NFRA applied high-caliber Party building to guide the high-quality development of financial regulation, steadily advanced efforts to prevent and defuse financial risks, effectively and orderly resolved risks at local small and medium-sized financial institutions, and resolutely upheld the bottom line of preventing "sudden financial blowups". AMCs have adhered to the development mission of "practicing national strategies, serving the real economy and resolving financial risks". By focusing on enhancing the core competitiveness of their principal businesses and deepening reform and innovation as drivers of development, AMCs have promoted the healthy, sustainable and high-quality development of the industry, playing a vital supporting role in building China into a financially strong nation.

In the first half of 2026, relevant authorities have rolled out a series of policies to further guided AMCs toward high-quality development, enabling them to better fulfill their roles in asset revitalization, financial rescue and counter-cyclical adjustment. In terms of serving the state-owned capital and state-owned enterprise reforms, the SASAC issued the "Plan for Further Deepening the Reform of State-Owned Assets and Enterprises (2026-2029)" (《關於進一步深化國資國企改革的方案(2026—2029年)》), which, while maintaining the overall direction of "deepening and upgrading", places particular emphasis on key tasks such as optimizing the layout by focusing on core responsibilities and primary businesses, as well as advancing specialized integration and strategic restructuring. This plan provides significant structural opportunities for AMCs to serve the reform of central and state-owned enterprises. In terms of promoting high-quality development of the real economy, the NDRC, the National Energy Administration and other departments have successively issued the "15th Five-Year Plan for New Energy System Construction" (《新型能源體系建設「十五五」規劃》) and the "Three-Year Action Plan for Energy Conservation and Carbon Reduction in Key Industries" (《重點行業節能降碳改造攻堅三年行動計劃》). These documents specify that a clean, low-carbon, safe and efficient new energy system will be preliminarily established by 2030, and require technological upgrades to outdated production capacity in key industries, thereby creating development opportunities for AMCs to provide relief and revitalization services in the context of green finance. In terms of preventing and defusing risks in key areas, the Government Work Report delivered at the National Two Sessions continues to emphasize the prudent handling of risks in three major sectors, namely real estate, local government debt and small and medium-sized local financial institutions. It further focuses on the structural shortcomings of small and medium-sized financial institutions, i.e. being small, scattered and weak, and proposes to bolster resources for risk resolution and adopt multiple initiatives to dispose of distressed assets, and promote the reduction, quality improvement and transformative development of small and medium-sized financial institutions, thereby providing clear business guidance for AMCs to better serve the reform and risk resolution of small and medium-sized financial institutions.

4.2 Analysis of Financial Statements

4.2.1 Operating Results of the Group

In the first half of 2026, the Group realized total income[1] of RMB25,951 million, representing a year-on-year increase of 36.6% after excluding one-off influencing factors[2], and net profit of RMB6,528 million, representing a year-on-year increase of 18.6%. Net profit attributable to the shareholders of the Company was RMB6,862 million, representing a year-on-year increase of 11.3%. The Group's annualized ROAE was 21.4%, representing a year-on-year increase of 0.3 percentage points, the annualized ROAA was 1.2%, representing a year-on-year increase of 0.1 percentage points, and basic earnings per share was RMB0.075. Profitability continued to improve.

1 Comprises total income and share of results of associates and joint ventures.

2 For both periods, income from investments in associates included in other income and net profit or loss has been excluded.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Interest income	**5,770.6**	4,444.5	1,326.1	29.8%
Fair value changes on distressed debt assets	**3,229.0**	309.5	2,919.5	943.3%
Fair value changes on other financial assets and liabilities	**1,426.3**	1,406.2	20.1	1.4%
Income from distressed debt assets	**1,658.0**	3,786.5	(2,128.5)	(56.2%)
Gains from derecognition of financial assets measured at amortised cost	**424.7**	1,744.0	(1,319.3)	(75.6%)
Gains from derecognition of debt instruments at FVTOCI	**139.3**	5.8	133.5	2,301.7%
Commission and fee income	**145.4**	61.4	84.0	136.8%
Dividend income	**1,575.6**	545.4	1,030.2	188.9%
Other income and other net gains or losses	**525.6**	18,833.1	(18,307.5)	(97.2%)
Including: Gains from investment in associates	**139.0**	21,317.9	(21,178.9)	(99.3%)
Total income	**14,894.5**	31,136.4	(16,241.9)	(52.2%)
Interest expense	**(13,010.8)**	(14,388.7)	1,377.9	(9.6%)
Commission and fee expense	**(153.6)**	(89.6)	(64.0)	71.4%
Operating expenses	**(1,745.8)**	(1,934.2)	188.4	(9.7%)
Impairment losses under ECL model	**(5,543.7)**	(16,856.7)	11,313.0	(67.1%)
Impairment losses on other assets	**(202.7)**	(1,851.8)	1,649.1	(89.1%)
Total expenses	**(20,656.6)**	(35,121.0)	14,464.4	(41.2%)
Change in net assets attributable to other holders of consolidated structured entities	**203.8**	(54.8)	258.6	471.9%
Share of results of associates and joint ventures	**11,056.9**	9,084.1	1,972.8	21.7%
Profit before tax	**5,498.6**	5,044.7	453.9	9.0%
Income tax credit	**1,029.0**	461.4	567.6	123.0%

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Profit for the period	**6,527.6**	5,506.1	1,021.5	18.6%
Attributable to:				
Equity holders of the Company	**6,861.7**	6,167.6	694.1	11.3%
Holders of perpetual debt capital instruments	**–**	38.5	(38.5)	(100.0%)
Non-controlling interests	**(334.1)**	(700.0)	365.9	52.3%

4.2.1.1 Total income

In the first half of 2026, the Group's total income was RMB14,894.5 million, representing a year-on-year increase of 50.3% after excluding one-off influencing factors.

The financial assets generated from various businesses of the Group are classified in accordance with accounting standards based on business models and the characteristics of contractual cash flows. In particular, the financial assets generated from relief and revitalization business are mainly presented under the detailed items including debt instruments, funds and trust products within the items of debt instruments measured at amortised cost, financial assets at FVTPL and debt instruments at FVTOCI, and the corresponding income is mainly presented under income items such as interest income, fair value changes on other financial assets and liabilities, and dividend income; the financial assets generated from acquisition-and-disposal business are mainly presented under the detailed items of distressed debt assets in financial assets at FVTPL, and the corresponding income is mainly presented under fair value changes on distressed debt assets; the financial assets generated from acquisition-and-restructuring business are mainly presented under the detailed items of distressed debt assets in debt instruments measured at amortised cost and debt instruments at FVTOCI, and the corresponding income is mainly presented under income from distressed debt assets.

4.2.1.1.1 Interest income

The table below sets forth the components of the Group's interest income for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Debt instruments at amortised cost other than distressed debt assets	**4,916.9**	3,551.9	1,365.0	38.4%
Deposits with financial institutions	**575.1**	525.6	49.5	9.4%
Debt instruments at FVTOCI other than distressed debt assets	**30.0**	38.8	(8.8)	(22.7%)
Others	**248.6**	328.2	(79.6)	(24.3%)
Total	**5,770.6**	4,444.5	1,326.1	29.8%

In the first half of 2026, the Group focused on primary responsibilities and businesses, fully leveraged the role and value of AMCs in serving the real economy and maintaining regional financial stability, stepped up efforts to extend financing under the relief and revitalization business, and implemented a number of demonstrative projects for the revitalization of existing assets and relief of real-economy enterprises, leading to continued growth in the scale of interest-earning assets. In the first half of the year, the Group achieved interest income of RMB5,770.6 million, representing a year-on-year increase of 29.8%. Of which, the interest income from the Company's relief and revitalization business was RMB3,855.6 million, representing a year-on-year increase of 26.9%.

4.2.1.1.2 Fair value changes on distressed debt assets

The Group's fair value changes on distressed debt assets mainly derive from the acquisition-and-disposal business. In the first half of 2026, the acquisition-and-disposal business of the Group clarified the general principle of "quality and efficiency improvement, refinement, standardisation and professionalism", comprehensively deployed the marketing system, intensified asset referral, and refined disposal strategies. Driven by the improvement in asset quality and the enhancement in disposal benefits, the Group achieved fair value changes on distressed debt assets of RMB3,229.0 million in the first half of the year, representing a year-on-year increase of RMB2,919.5 million. Among them, the net gains after deducting the carrying amount of the corresponding assets recovered for the period were RMB2,195.4 million, representing a year-on-year increase of RMB735.7 million, and the net valuation change of existing projects for the period was RMB1,033.6 million, compared with RMB-1,150.2 million for the same period of the previous year.

4.2.1.1.3 Fair value changes on other financial assets and liabilities

The table below sets forth the components of the fair value changes on other financial assets and liabilities of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Equity investments				
— Listed	**(6,267.4)**	2,019.4	(8,286.8)	(410.4%)
— Unlisted	**2,144.4**	(583.6)	2,728.0	467.4%
Funds	**3,773.0**	(402.2)	4,175.2	1,038.1%
Trust products	**639.5**	216.3	423.2	195.7%
Convertible bonds	**511.8**	(245.0)	756.8	308.9%
Debt instruments	**434.9**	388.2	46.7	12.0%
Derivatives	**54.4**	(41.7)	96.1	230.5%
Other investments and financial liabilities	**135.7**	54.8	80.9	147.6%
Total	**1,426.3**	1,406.2	20.1	1.4%

The fair value changes on other financial assets and liabilities of the Group mainly comprise, apart from distressed debt assets at fair value, the realized gains from disposal and settlement of other financial assets and financial liabilities at fair value, unrealized fair value changes, and any interest income arising from such assets.

In the first half of 2026, the fair value changes on other financial assets and liabilities of the Group were RMB1,426.3 million, representing a year-on-year increase of 1.4%. Affected by short-term fluctuations in the capital markets, the fair value changes on the Group's listed equity investment decreased. Except for listed equity investment, the gains from fair value changes on other financial assets of the Group increased, in particular, the income from the relief and revitalization business of the Company was RMB6,213.7 million, representing a year-on-year increase of RMB5,278.7 million.

4.2.1.1.4 Income from distressed debt assets

The income from distressed debt assets is the interest income generated from the existing acquisition-and-restructuring business of the Group. In the first half of 2026, the Group proactively adjusted the asset structure, made no additional investment in acquisition-and-restructuring business, and continuously reduced the asset scale of acquisition-and-restructuring business. The income from distressed debt assets was RMB1,658.0 million.

4.2.1.1.5 Dividend income

In the first half of 2026, the Group achieved dividend income of RMB1,575.6 million, representing a year-on-year increase of RMB1,030.2 million. Of which, the dividend income from the relief and revitalization business of the Company was RMB457.0 million, representing a year-on-year increase of RMB202.1 million.

4.2.1.1.6 Other income and other net gains or losses

The table below sets forth the components of other income and other net gains or losses of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Revenue from real estate development	**156.2**	282.5	(126.3)	(44.7%)
Gains on investment in associates	**139.0**	21,317.9	(21,178.9)	(99.3%)
Income arising from operating leases	**132.2**	104.5	27.7	26.5%
Net losses on disposals of subsidiaries, associates and joint ventures	**–**	(2,736.3)	2,736.3	100.0%
Net foreign exchange losses	**(156.6)**	(277.0)	120.4	43.5%
Others	**254.8**	141.5	113.3	80.1%
Total	**525.6**	18,833.1	(18,307.5)	(97.2%)

In the first half of 2026, the Group's other income and other net gains or losses amounted to RMB525.6 million, mainly due to the revenue from real estate development, gains on investment in associates, and income arising from operating leases.

4.2.1.2 Total expenses

In the first half of 2026, the Group's total expenses amounted to RMB20,656.6 million, representing a year-on-year decrease of 41.2%.

4.2.1.2.1 Interest expenses

The table below sets forth the major components of the interest expenses of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Borrowings	**(9,770.3)**	(11,010.0)	1,239.7	(11.3%)
Bonds and notes issued	**(3,110.7)**	(3,159.9)	49.2	(1.6%)
Placements from financial institutions	**(74.9)**	(139.6)	64.7	(46.3%)
Borrowings from the central bank	**(30.2)**	(47.6)	17.4	(36.6%)
Financial assets sold under repurchase agreements	**(20.8)**	(21.6)	0.8	(3.7%)
Lease liabilities	**(1.9)**	(9.1)	7.2	(79.1%)
Other liabilities	**(2.0)**	(0.9)	(1.1)	122.2%
Total	**(13,010.8)**	(14,388.7)	1,377.9	(9.6%)

In the first half of 2026, the Group actively expanded financing sources, continuously increased the scale of credit lines, continuously enriched financing varieties, and achieved remarkable results in adjusting the structure and reducing costs. As of the end of June 2026, the average interest rate of existing financing of the Group further decreased by 16 bp as compared with the beginning of the year. In the first half of the year, the interest expenses of the Group were RMB13,010.8 million, representing a year-on-year decrease of RMB1,377.9 million or 9.6%.

4.2.1.2.2 Operating expenses

The table below sets forth the components of the operating expenses of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Wages or salaries, bonuses, allowances and subsidies	**(348.4)**	(342.4)	(6.0)	1.8%
Defined contribution plans	**(80.3)**	(76.0)	(4.3)	5.7%
Housing funds and social security contributions	**(112.8)**	(110.2)	(2.6)	2.4%
Other staff expenses	**(69.7)**	(63.1)	(6.6)	10.5%
Tax and surcharges	**(238.0)**	(199.9)	(38.1)	19.1%
Others	**(896.6)**	(1,142.6)	246.0	(21.5%)
Including:				
Cost of properties development and sales	**(106.4)**	(256.1)	149.7	(58.5%)
Depreciation of property and equipment	**(84.5)**	(89.9)	5.4	(6.0%)
Depreciation of right-of-use assets	**(38.0)**	(70.1)	32.1	(45.8%)
Property management expenses	**(24.6)**	(35.8)	11.2	(31.3%)
Amortisation	**(16.8)**	(20.8)	4.0	(19.2%)
Rental for short-term leases	**(15.2)**	(12.7)	(2.5)	19.7%
Total	**(1,745.8)**	(1,934.2)	188.4	(9.7%)

In the first half of 2026, the operating expenses of the Group amounted to RMB1,745.8 million, representing a year-on-year decrease of 9.7%.

4.2.1.2.3 Impairment losses under ECL model

The table below sets forth the major components of impairment losses under ECL model of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Debt instruments at amortised cost	**(5,737.2)**	(14,267.5)	8,530.3	(59.8%)
Debt instruments at FVTOCI	**308.8**	(1,811.6)	2,120.4	(117.0%)
Other financial assets	**(115.3)**	(777.6)	662.3	(85.2%)
Total	**(5,543.7)**	(16,856.7)	11,313.0	(67.1%)

The Group actively advanced the iterative upgrade of the comprehensive risk management system, continuously strengthened the credit risk management, and improved the asset quality. In the first half of 2026, the cost of credit risk of the Group decreased significantly, and recognised impairment losses under ECL model of RMB5,543.7 million, representing a year-on-year decrease of 67.1%.

4.2.1.2.4 Impairment losses on other assets

The table below sets forth the components of impairment losses on other assets of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Foreclosed assets	**(134.3)**	(100.3)	(34.0)	33.9%
Inventories	**(19.2)**	(1,223.4)	1,204.2	(98.4%)
Interests in associates and joint ventures	**–**	(519.5)	519.5	(100.0%)
Others	**(49.2)**	(8.6)	(40.6)	472.1%
Total	**(202.7)**	(1,851.8)	1,649.1	(89.1%)

In the first half of 2026, the Group made provisions for impairment losses on other assets amounting to RMB202.7 million.

4.2.1.3 Income tax credit

The table below sets forth the components of the income tax credit of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Current income tax				
Enterprise income tax	**(433.3)**	(148.6)	(284.7)	(191.6%)
Land appreciation tax	**(7.3)**	(9.8)	2.5	25.5%
Deferred income tax	**1,469.6**	619.8	849.8	137.1%
Total	**1,029.0**	461.4	567.6	123.0%

In the first half of 2026, the income tax credit of the Group was RMB1,029.0 million.

4.2.1.4 Segment operating results

As at June 30, 2026, the Group's business segments are comprised of (1) the distressed asset management segment; and (2) the asset management and investment segment.

(1) Distressed asset management segment: mainly includes acquisition-and-disposal business, relief and revitalization business, debt-to-equity swap and special situations equity business, and acquisition-and-restructuring business of the Company, as well as distressed asset-related businesses conducted by our subsidiaries;

(2) Asset management and investment segment: mainly includes international business and other businesses.

The table below sets forth the total income of each of the Group's business segments for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Distressed asset management segment	**26,738.2**	39,491.6	(12,753.4)	(32.3%)
Asset management and investment segment	**61.0**	1,993.7	(1,932.7)	(96.9%)
Inter-segment elimination	**(847.8)**	(1,264.8)	417.0	(33.0%)
Total	**25,951.4**	40,220.5	(14,269.1)	(35.5%)

Note: Total segment income comprises total income and the share of results of associates and joint ventures attributable to that segment. The same applies hereinafter.

The table below sets forth the profit/(loss) before tax of each of the Group's business segments for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Distressed asset management segment	**10,537.0**	12,140.9	(1,603.9)	(13.2%)
Asset management and investment segment	**(4,594.2)**	(6,654.0)	2,059.8	31.0%
Inter-segment elimination	**(444.2)**	(442.2)	(2.0)	(0.5%)
Total	**5,498.6**	5,044.7	453.9	9.0%

The table below sets forth the total assets of each of the Group's business segments as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Distressed asset management segment	**982,135.5**	914,419.8	67,715.7	7.4%
Asset management and investment segment	**145,698.0**	148,932.0	(3,234.0)	(2.2%)
Inter-segment elimination	**(30,808.6)**	(30,654.6)	(154.0)	0.5%
Total	**1,097,024.9**	1,032,697.2	64,327.7	6.2%

Note: The total assets of each business segment exclude deferred tax assets. The same applies hereinafter.

The distressed asset management segment is the main source of the Group's income and profit. In the first half of 2026, the total income of this segment was RMB26,738.2 million, representing a year-on-year increase of 46.4% after excluding one-off influencing factors. As at June 30, 2026, the total assets of this segment were RMB982,135.5 million, representing an increase of 7.4% compared with the end of the prior year.

In the first half of 2026, the total income of the asset management and investment segment was RMB61.0 million. As at June 30, 2026, the total assets of this segment were RMB145,698.0 million.

4.2.2 Financial Position of the Group

The table below sets forth the major items of consolidated statement of financial position of the Group as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Cash and balances with central bank	**0.1**	0.1	–	–
Deposits with financial institutions	**109,993.3**	74,532.7	35,460.6	47.6%
Financial assets at FVTPL	**407,587.0**	387,281.8	20,305.2	5.2%
Financial assets held under resale agreements	**3,389.6**	22.0	3,367.6	15,307.3%
Contract assets	**4,497.0**	4,763.1	(266.1)	(5.6%)
Debt instruments at FVTOCI	**3,680.4**	4,054.9	(374.5)	(9.2%)
Equity instruments at FVTOCI	**6,415.6**	6,917.9	(502.3)	(7.3%)
Inventories	**17,342.8**	17,087.4	255.4	1.5%
Debt instruments at amortised cost	**206,939.2**	213,586.4	(6,647.2)	(3.1%)
Interests in associates and joint ventures	**288,303.2**	279,447.7	8,855.5	3.2%
Investment properties	**11,296.5**	10,652.8	643.7	6.0%
Property and equipment	**2,195.3**	2,264.0	(68.7)	(3.0%)
Right-of-use assets	**419.4**	661.6	(242.2)	(36.6%)
Deferred tax assets	**25,772.6**	24,326.7	1,445.9	5.9%
Goodwill	**18.2**	18.2	–	–
Other assets	**34,947.3**	31,406.6	3,540.7	11.3%
Total assets	**1,122,797.5**	1,057,023.9	65,773.6	6.2%

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Borrowings from the central bank	**4,160.4**	5,377.9	(1,217.5)	(22.6%)
Placements from financial institutions	**2,037.0**	10,434.3	(8,397.3)	(80.5%)
Financial assets sold under repurchase agreements	**1,512.7**	–	1,512.7	100.0%
Borrowings	**849,376.8**	786,414.8	62,962.0	8.0%
Financial liabilities at FVTPL	**2.6**	14.0	(11.4)	(81.4%)
Tax payable	**469.1**	476.0	(6.9)	(1.4%)
Contract liabilities	**716.6**	541.3	175.3	32.4%
Lease liabilities	**99.6**	366.1	(266.5)	(72.8%)
Deferred tax liabilities	**1,637.3**	1,686.1	(48.8)	(2.9%)
Bonds and notes issued	**171,898.2**	163,063.7	8,834.5	5.4%
Other liabilities	**34,359.7**	35,501.3	(1,141.6)	(3.2%)
Total liabilities	**1,066,270.0**	1,003,875.5	62,394.5	6.2%
Share capital	**80,246.7**	80,246.7	–	–
Other equity instruments	**19,900.0**	19,900.0	–	–
Capital reserve	**14,050.5**	13,918.0	132.5	1.0%
Surplus reserve	**8,564.2**	8,564.2	–	–
General risk reserve	**11,399.6**	11,399.6	–	–
Other reserves	**(6,728.5)**	(4,122.6)	(2,605.9)	(63.2%)
Accumulated losses	**(61,477.2)**	(67,671.4)	6,194.2	9.2%
Equity attributable to equity holders of the Company	**65,955.3**	62,234.5	3,720.8	6.0%
Non-controlling interests	**(9,427.8)**	(9,086.1)	(341.7)	(3.8%)
Total equity	**56,527.5**	53,148.4	3,379.1	6.4%
Total equity and liabilities	**1,122,797.5**	1,057,023.9	65,773.6	6.2%

4.2.2.1 Assets

As at June 30, 2026, the total assets of the Group amounted to RMB1,122,797.5 million, representing an increase of 6.2% compared with the end of the prior year, which mainly consisted of: (1) deposits with financial institutions; (2) financial assets at FVTPL; (3) debt instruments at amortised cost; and (4) interests in associates and joint ventures.

4.2.2.1.1 Deposits with financial institutions

As at June 30, 2026, the Group's deposits with financial institutions amounted to RMB109,993.3 million, representing an increase of 47.6% compared with the end of the prior year.

4.2.2.1.2 Financial assets at FVTPL

The Group's financial assets that fail to meet the classification standards for debt instruments at amortised cost or debt instruments at FVTOCI or equity instruments at FVTOCI shall be classified as financial assets at FVTPL.

The table below sets forth the major components of the Group's financial assets at FVTPL as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Distressed debt assets				
— Acquisition-and-disposal	**197,455.4**	188,218.9	9,236.5	4.9%
— Acquisition-and-restructuring	**348.2**	391.3	(43.1)	(11.0%)
Equity instruments				
— Listed	**42,124.7**	60,963.3	(18,838.6)	(30.9%)
— Unlisted	**72,890.5**	72,448.1	442.4	0.6%
Funds	**59,532.3**	37,757.7	21,774.6	57.7%
Trust products	**22,287.9**	15,864.3	6,423.6	40.5%
Debt securities	**2,740.8**	3,099.8	(359.0)	(11.6%)
Convertible bonds	**977.7**	911.8	65.9	7.2%
Asset management plans	**289.0**	357.9	(68.9)	(19.3%)
Wealth management products	**127.9**	148.2	(20.3)	(13.7%)
Derivative financial instruments	**117.6**	95.9	21.7	22.6%
Other debt assets	**8,695.0**	7,024.6	1,670.4	23.8%
Total	**407,587.0**	387,281.8	20,305.2	5.2%

As at June 30, 2026, the financial assets at FVTPL of the Group amounted to RMB407,587.0 million, representing an increase of 5.2% compared with the end of the prior year.

As at June 30, 2026, the Group's acquisition-and-disposal distressed debt assets at FVTPL amounted to RMB197,455.4 million, representing an increase of 4.9% compared with the end of the prior year, mainly due to the fact that the Group upheld the functional positioning, made more efforts in effective investment in main businesses, and maintained an industry-leading market share in the acquisition of asset portfolios.

As at June 30, 2026, the Group's listed equity instruments at FVTPL amounted to RMB42,124.7 million, representing a decrease of 30.9% compared with the end of the prior year, mainly due to the reduction in holdings of certain shares of listed companies by the asset management plans consolidated by the Group, coupled with the impact of capital market volatility, which resulted in a temporary decline in the carrying amount of the assets.

As at June 30, 2026, the scale of the Group's assets including funds, trust products and unlisted equity instruments at FVTPL increased compared with the end of the prior year, mainly due to the fact that the Group focused on main responsibilities and businesses, fully leveraged AMCs' functional value in serving the real economy and maintaining regional financial stability, and made full use of policy toolkit to intensify the deployment of relief and revitalization business through multiple means.

4.2.2.1.3 Debt instruments at amortised cost

Debt instruments at amortised cost are debt instruments held by the Group that meet the following conditions: (1) the debt instruments are held within a business model whose objective is to collect contractual cash flows; and (2) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The table below sets forth the components of debt instruments at amortised cost of the Group as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Distressed debt assets				
Loans acquired from financial institutions	**13,084.6**	16,536.8	(3,452.2)	(20.9%)
Distressed debts acquired from non-financial institutions	**70,466.2**	81,893.3	(11,427.1)	(14.0%)
Subtotal	**83,550.8**	98,430.1	(14,879.3)	(15.1%)
Less: Allowance for ECL				
— 12-month ECL	**(79.2)**	(165.2)	86.0	(52.1%)
— Lifetime ECL	**(31,318.3)**	(34,024.1)	2,705.8	(8.0%)
Subtotal	**(31,397.5)**	(34,189.3)	2,791.8	(8.2%)
Carrying amount of distressed debt assets	**52,153.3**	64,240.8	(12,087.5)	(18.8%)
Other debt assets				
Debt instruments	**97,113.6**	94,824.0	2,289.6	2.4%
Trust products	**68,364.5**	61,051.0	7,313.5	12.0%
Entrusted loans	**22,705.9**	24,731.4	(2,025.5)	(8.2%)
Debt securities	**4,490.2**	4,465.2	25.0	0.6%
Asset management plans	**1,736.2**	3,795.1	(2,058.9)	(54.3%)
Others	**12,660.4**	14,667.1	(2,006.7)	(13.7%)
Subtotal	**207,070.8**	203,533.8	3,537.0	1.7%
Less: Allowance for ECL				
— 12-month ECL	**(1,174.8)**	(786.7)	(388.1)	49.3%
— Lifetime ECL	**(51,110.1)**	(53,401.5)	2,291.4	(4.3%)
Subtotal	**(52,284.9)**	(54,188.2)	1,903.3	(3.5%)
Carrying amount of other debt assets	**154,785.9**	149,345.6	5,440.3	3.6%
Total	**206,939.2**	213,586.4	(6,647.2)	(3.1%)

As at June 30, 2026, the Group's debt instruments at amortised cost amounted to RMB206,939.2 million, representing a decrease of 3.1% compared with the end of the prior year.

The distressed debt assets at amortised cost were acquisition-and-restructuring distressed debt assets. As at June 30, 2026, the carrying amount of the Group's distressed debt assets at amortised cost was RMB52,153.3 million, representing a decrease of 18.8% compared with the end of the prior year, mainly due to the Group's proactive adjustment of asset structure.

Except for distressed debt assets, other debt assets at amortised cost are debt assets generated from the Group's business activities such as relief and revitalization and fixed-income investments, including debt instruments, trust products and entrusted loans. As at June 30, 2026, the carrying amount of the Group's other debt assets at amortised cost was RMB154,785.9 million, representing an increase of 3.6% compared with the end of the prior year.

4.2.2.1.4 Interests in associates and joint ventures

The table below sets forth the major components of the interests of the Group in associates and joint ventures as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage
	(in millions of RMB, except for percentages)			
Interests in associates				
Cost of investments in associates	**273,932.9**	270,426.3	3,506.6	1.3%
Share of post-acquisition profits or losses and other comprehensive income, net of dividends received	**15,309.4**	10,001.9	5,307.5	53.1%
Less: Allowance for impairment losses	**(2,136.5)**	(2,213.6)	77.1	(3.5%)
Subtotal	**287,105.8**	278,214.6	8,891.2	3.2%
Interests in joint ventures				
Cost of investments in joint ventures	**2,777.3**	2,777.3	–	–
Share of post-acquisition profits or losses and other comprehensive income, net of dividends received	**(399.9)**	(364.2)	(35.7)	9.8%
Less: Allowance for impairment losses	**(1,180.0)**	(1,180.0)	–	–
Subtotal	**1,197.4**	1,233.1	(35.7)	(2.9%)
Total	**288,303.2**	279,447.7	8,855.5	3.2%

As at June 30, 2026, the interests in associates and joint ventures of the Group amounted to RMB288,303.2 million, representing an increase of 3.2% compared with the end of the prior year.

4.2.2.2 Liabilities

As at June 30, 2026, the total liabilities of the Group amounted to RMB1,066,270.0 million, representing an increase of 6.2% compared with the end of the prior year, the main components of which include: (1) borrowings, including those from banks and other financial institutions; and (2) bonds and notes issued.

4.2.2.2.1 Borrowings

As at June 30, 2026, the balance of the Group's borrowings amounted to RMB849,376.8 million, representing an increase of 8.0% compared with the end of the prior year. The financing size maintained stable and the liability structure was further optimized. As at June 30, 2026, the proportion of balance of the Group's long-term borrowings was 66.1%, representing an increase of 22.9% as compared with the balance at the beginning of the year, and the proportion increased by 8.0 percentage points.

4.2.2.2.2 Bonds and notes issued

As at June 30, 2026, the balance of the Group's bonds and notes issued amounted to RMB171,898.2 million, representing an increase of 5.4% compared with the end of the prior year. In the first half of 2026, the Company successfully issued a cumulative total of RMB25 billion of Yunfan Series Asset-backed Securities ("**ABS**"), with issuance rates repeatedly hitting new lows. The Company issued green financing products in the public market for the first time, marking the first 3-year ABS issued by a financial asset management company in the industry in nearly five years, with an issuance rate of 1.8%.

4.2.3 Contingent Liabilities

Due to the nature of business, the Group is involved in certain legal proceedings in normal business operations, including litigation and arbitration. In light of the legal opinions, the Group will make provisions for the probable losses arising from such claims in a timely manner where the outcome of the litigation can be reasonably estimated. The Group will not make provisions for pending litigation where the outcome of the litigation cannot be reasonably estimated, or where it's considered that the probability of incurring legal liability is remote or where any legal liability incurred will not have a material adverse effect on its financial condition or operating results.

As at June 30, 2026, the total claim amount of pending litigations to which the Group is a defendant was RMB1,349 million (as at December 31, 2025: RMB1,536 million). The Group made provisions for estimated liabilities of RMB146 million (as at December 31, 2025: RMB285 million) based on court judgments and lawyer's opinions. The Board of the Company is of the view that the final result of these legal proceedings will not have a material impact on the financial position or operations of the Group.

4.2.4 Difference between Financial Statements Prepared under the PRC GAAP and IFRSs

There are no differences in net profit and total shareholders' equity for the Reporting Period between the consolidated financial statements prepared by the Group under the PRC GAAP and IFRSs.

4.3 Business Overview

The Group's business segments are comprised of: (1) distressed asset management segment; and (2) asset management and investment segment.

The following table sets forth the total income and profit/(loss) before tax for each of business segments for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	Amount	**Percentage**	Amount	Percentage
	(in millions of RMB, except for percentages)			
Total income				
Distressed asset management segment	**26,738.2**	**103.1%**	39,491.6	98.1%
Asset management and investment segment	**61.0**	**0.2%**	1,993.7	5.0%
Inter-segment elimination	**(847.8)**	**(3.3%)**	(1,264.8)	(3.1%)
Total	**25,951.4**	**100.0%**	40,220.5	100.0%
Profit/(loss) before tax				
Distressed asset management segment	**10,537.0**	**191.7%**	12,140.9	240.7%
Asset management and investment segment	**(4,594.2)**	**(83.6%)**	(6,654.0)	(131.9%)
Inter-segment elimination	**(444.2)**	**(8.1%)**	(442.2)	(8.8%)
Total	**5,498.6**	**100.0%**	5,044.7	100.0%

4.3.1 Distressed Asset Management

The Group's distressed asset management business is mainly comprised of: (1) acquisition-and-disposal business of the Company; (2) relief and revitalization business of the Company; (3) debt-to-equity swap and special situations equity business of the Company; (4) acquisition-and-restructuring business of the Company; and (5) distressed asset-related businesses conducted by subsidiaries.

In the first half of 2026, based on its functional positioning as a financial asset management company, the Group actively served national strategies, effectively served the real economy, strengthened the construction of core business capabilities, and promoted the transformation and development of the main business of distressed assets through two supporting systems of the "high-quality research system and professional marketing system". As at June 30, 2026, the total assets of the distressed asset management segment of the Group amounted to RMB982,135.5 million, representing an increase of 7.4% as compared with the end of the prior year; In the first half of 2026, the total income amounted to RMB26,738.2 million, representing a year-on-year increase of 46.4% after excluding one-off influencing factors.

The table below sets forth the key financial data of the distressed asset management business of the Group for the periods and as at the dates indicated.

	For the six months ended June 30,	
	2026	2025
	(in millions of RMB)	
1. Acquisition-and-disposal business of the Company		
Additional acquisition costs for the period	**22,946.5**	23,536.7
Income for the period[(1)]	**2,624.6**	429.6
2. Relief and revitalization business of the Company		
New investments for the period	**40,235.6**	38,924.5
Income for the period[(2)]	**10,526.3**	4,227.3
3. Debt-to-equity swap and special situations equity business of the Company		
Income for the period	**9,653.8**	28,153.6
4. Acquisition-and-restructuring business of the Company		
Additional acquisition costs for the period	**–**	–
Income for the period	**1,643.3**	3,464.7

	As at June 30, 2026	As at December 31, 2025
	(in millions of RMB)	
1. Acquisition-and-disposal business of the Company		
Balance of assets at the end of the period	**198,351.1**	189,762.8
2. Relief and revitalization business of the Company		
Balance of assets at the end of the period(3)	**202,088.8**	178,893.9
3. Debt-to-equity swap and special situations equity business of the Company		
Balance of assets at the end of the period	**274,895.3**	265,231.8
4. Acquisition-and-restructuring business of the Company		
Carrying amount of assets at the end of the period	**54,337.4**	63,129.0

(1) Income for the period equals the income attributable to the acquisition-and-disposal business presented under the fair value changes on distressed debt assets of the Company as shown in the consolidated financial statements.

(2) Income for the period equals the sum of income attributable to the relief and revitalization business of the Company under items such as interest income, fair value changes on other financial assets and liabilities, and dividend income as shown in the consolidated financial statements.

(3) Balance of assets at the end of the period equals the sum of the balance of assets attributable to the relief and revitalization business of the Company presented under financial assets at FVTPL, debt instruments at amortised cost and debt instruments at FVTOCI as shown in the consolidated financial statements.

4.3.1.1 Acquisition-and-disposal business of the Company

As a major participant in the primary market and an important participant and supplier in the secondary market for distressed assets, the Company acquires distressed assets from distressed asset market, primarily financial institutions, through public bidding or negotiated transfers. With the goal of disposing of and recovering the distressed assets, the Company flexibly adopts various disposal methods, including debt recovery, debt restructuring, debt-to-equity swap, leasing, transfer, entrusted disposal and asset securitization, based on the comprehensive assessment of the characteristics of distressed assets, status of debtors as well as collaterals and pledges. The Company's core competitiveness in the acquisition-and-disposal business lies in the pricing and professional disposal capabilities of the distressed assets accumulated through long-term market operations as a professional distressed asset management institution.

In the first half of 2026, the Company established the overall approach of "quality and efficiency improvement, refinement, standardisation and professionalism", and endeavoured to improve the quality and efficiency of the acquisition-and-disposal business. As for the acquisition side, the Company did not aim for market share, and adhered to the principle of "conducting due diligence on every package, bidding for every suitable package, and ensuring profitability for every package (逢包必調、適包必競、每包必盈)". In the first half of the year, the additional acquisition costs amounted to RMB22,946.5 million. As for the disposal side, the Company enriched the disposal means, regulated the disposal procedures, comprehensively promoted the disposal marketing system, and intensified efforts in asset promotion. In the first half of the year, the total assets disposed of amounted to RMB16,151.1 million, representing a year-on-year increase of 24.8%. The Company continuously improved the asset operation benefits, with both cash realised from disposal and gains from disposal achieving year-on-year growth. In the first half of the year, net gain or loss arising from the acquisition-and-disposal business amounted to RMB2,624.6 million, representing a year-on-year increase, primarily attributable to the continuous improvement in the quality of assets and the effective enhancement in disposal benefits. The net gains after deducting the carrying amount of the corresponding assets recovered for the period were RMB2,147.1 million, representing a year-on-year increase of RMB717.1 million, and the net valuation change of existing projects for the period was RMB477.5 million, compared with RMB-1,000.4 million in the same period last year.

The table below sets forth the overall operational performance of the acquisition-and-disposal business of the Company for the periods indicated.

	For the six months ended June 30,	
	2026	2025
	(in millions of RMB)	
Total assets acquired and disposed at the beginning of the period	**189,762.8**	181,298.3
Additional acquisition costs	**22,946.5**	23,536.7
Total assets disposed	**16,151.1**	12,940.9
Total assets acquired and disposed at the end of the period(1)	**198,351.1**	190,633.0
Net gain or loss on acquisition and disposal of assets(2)	**2,624.6**	429.6

(1) Total assets acquired and disposed at the end of the period represent the balance of the Company's acquisition-and-disposal assets presented under financial assets at FVTPL as shown in the consolidated financial statements.

(2) Net gain or loss on acquisition and disposal of assets represents the fair value changes on distressed debt assets attributable to the acquisition-and-disposal business of the Company as shown in the consolidated financial statements.

The Company continued to optimize its asset layout with acquisition-and-disposal business focusing on regions with active distressed asset markets. In the first half of 2026, the newly acquired distressed debt assets from the Yangtze River Delta, Pearl River Delta and Bohai Rim Region amounted to RMB18,385.0 million, accounting for 80.1%. As of June 30, 2026, the total amount of distressed debt assets of the Company from the above regions was RMB132,391.5 million, accounting for 66.7% and representing an increase of 2.7 percentage points from the end of the previous year.

The table below sets forth the breakdown of the balance of the Company's acquisition-and-disposal distressed debt assets by the geographic location of the sources of acquisitions as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	**Percentage**	Amount	Percentage
	(in millions of RMB, except for percentages)			
Yangtze River Delta(1)	**52,516.1**	**26.4%**	48,154.2	25.4%
Pearl River Delta(2)	**36,408.1**	**18.4%**	32,864.2	17.3%
Bohai Rim Region(3)	**43,467.3**	**21.9%**	40,423.8	21.3%
Central Region(4)	**18,075.3**	**9.1%**	18,292.2	9.6%
Western Region(5)	**38,025.7**	**19.2%**	39,225.8	20.7%
Northeastern Region(6)	**9,858.6**	**5.0%**	10,802.6	5.7%
Total	**198,351.1**	**100.0%**	189,762.8	100.0%

(1) Yangtze River Delta is comprised of Shanghai, Jiangsu and Zhejiang.

(2) Pearl River Delta is comprised of Guangdong and Fujian.

(3) Bohai Rim Region is comprised of Beijing, Tianjin, Hebei and Shandong.

(4) Central Region is comprised of Shanxi, Henan, Hubei, Hunan, Anhui, Jiangxi and Hainan.

(5) Western Region is comprised of Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang and Inner Mongolia.

(6) Northeastern Region is comprised of Liaoning, Heilongjiang and Jilin.

4.3.1.2 Relief and revitalization business of the Company

The Company is committed to leveraging its financial rescue and counter-cyclical adjustment functions to actively support national strategy and the real economy. In compliance with laws and regulations, the Company explores innovative business models to continuously enhance the relief and revitalization business capabilities, explores integrated relief means in combination with equities and debts by fully utilising bridge financing, investment in beneficial bonds, mezzanine investments, and temporary equity holdings and other approaches, to address the asset mismatches in time, price and value. The Company capitalizes on turnaround investment opportunities of distressed assets and countercyclical investment opportunities of high-quality assets, to assist enterprises in optimizing their asset and liability structures, and restoring production and operational capabilities as well as debt repayment capacity. The Company actively leverages the integrated industry-finance advantages of CITIC Group to empower and enhance the quality of investees, thereby fulfilling the functional positioning of serving the real economy.

In the first half of 2026, the Company stepped up the replication and promotion of outstanding cases, with a more focused allocation of funds and a clearer definition of service scenarios, and major projects covering key areas such as the reform of local state-owned enterprises, the revitalization of underperforming assets, the mitigation of real estate risks, and the construction of key projects. In the first half of the year, the Company incurred new investment costs of RMB40,235.6 million, and achieved income of RMB10,526.3 million, representing a year-on-year increase of RMB6,299.0 million. As of June 30, 2026, the balance of the relief and revitalization business of the Company was RMB202,088.8 million, representing an increase of 13.0% from the end of last year.

The table below sets forth the overall operating performance of the relief and revitalization business of the Company for the periods indicated.

	For the six months ended June 30,	
	2026	2025
	(in millions of RMB)	
Total assets at the beginning of the period	**178,893.9**	126,170.9
New investments	**40,235.6**	38,924.5
Balance of assets at the end of the period[1]	**202,088.8**	151,257.7
Income of the relief and revitalization business[2]		
Realised income	**6,482.3**	3,945.6
Unrealised income	**4,044.0**	281.7
Total	**10,526.3**	4,227.3

(1) Balance of assets at the end of the period represents the total assets attributable to the relief and revitalization business of the Company presented under debt instruments at amortised cost, financial assets at FVTPL and debt instruments at FVTOCI, as shown in the consolidated financial statements.

(2) Income of the relief and revitalization business represents the total income attributable to the relief and revitalization business of the Company presented under interest income, fair value changes on other financial assets and liabilities and dividend income, as shown in the consolidated financial statements.

The relief and revitalization business of the Company primarily focuses on economically developed regions such as the Bohai Rim Region and the Yangtze River Delta. As of June 30, 2026, the balance of assets allocated to relief and revitalization projects in the Bohai Rim Region, Yangtze River Delta and Pearl River Delta regions was RMB120,996.0 million, accounting for 59.9%.

The table below sets forth the breakdown of the relief and revitalization business of the Company by region of relief entity as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	**Percentage**	Amount	Percentage
	(in millions of RMB, except for percentages)			
Yangtze River Delta[1]	**45,850.0**	**22.7%**	41,436.0	23.1%
Pearl River Delta[2]	**27,079.4**	**13.4%**	27,309.2	15.3%
Bohai Rim Region[3]	**48,066.6**	**23.8%**	46,466.0	26.0%
Central Region[4]	**35,653.5**	**17.6%**	26,945.5	15.1%
Western Region[5]	**42,127.5**	**20.9%**	33,435.5	18.7%
Northeastern Region[6]	**2,025.7**	**1.0%**	3,301.7	1.8%
Overseas	**1,286.1**	**0.6%**	–	–
Total	**202,088.8**	**100.0%**	178,893.9	100.0%

(1) Yangtze River Delta is comprised of Shanghai, Jiangsu and Zhejiang.

(2) Pearl River Delta is comprised of Guangdong and Fujian.

(3) Bohai Rim Region is comprised of Beijing, Tianjin, Hebei and Shandong.

(4) Central Region is comprised of Shanxi, Henan, Hubei, Hunan, Anhui, Jiangxi and Hainan.

(5) Western Region is comprised of Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang and Inner Mongolia.

(6) Northeastern Region is comprised of Liaoning, Heilongjiang and Jilin.

The table below sets forth the breakdown of the main industries covered by the relief and revitalization business of the Company as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	**Percentage**	Amount	Percentage
	(in millions of RMB, except for percentages)			
Real estate	**66,748.3**	**33.1%**	59,500.2	33.4%
Leasing and commercial services	**39,127.9**	**19.4%**	45,699.0	25.5%
Manufacturing	**24,093.0**	**11.9%**	19,117.0	10.7%
Water, environment and public utilities management	**12,558.6**	**6.2%**	5,274.7	2.8%
Construction	**13,006.7**	**6.4%**	9,751.3	5.5%
Mining	**14,443.7**	**7.1%**	5,852.5	3.3%
Transportation, logistics and postal services	**12,890.3**	**6.4%**	7,978.9	4.5%
Others	**19,220.3**	**9.5%**	25,720.3	14.3%
Total	**202,088.8**	**100.0%**	178,893.9	100.0%

4.3.1.3 Debt-to-equity swap and special situations equity business of the Company

The debt-to-equity swap and special situations equity business of the Company primarily includes: (1) the Company's policy-based debt-to-equity swaps and market-based debt-to-equity swaps; (2) the Company's special situations equity investments in targets which are significantly undervalued by the market or have potential for value appreciation. Apart from the above scope, the Group also has classified some equity investments into the asset management and investment segment based on factors such as the source of assets and investment purposes.

The Company remains firmly committed to integrating the debt-to-equity swap and special situations equity business into the service to national strategic landscape, advancing the "Five Priorities" on finance, and ensuring that the investment direction remains in sync with national strategy. In the first half of 2026, the Company's income from the debt-to-equity swap and special situations equity business was RMB9,653.8 million, representing a year-on-year increase of 39.2% after excluding one-off influencing factors.

The following table sets forth the main indicators of debt-to-equity swap and special situations equity business of the Company for the periods and as at the dates indicated.

	For the six months ended June 30,	
	2026	2025
	(in millions of RMB)	
Business income	**9,653.8**	28,153.6

	As at June 30, 2026	As at December 31, 2025
	(in millions of RMB)	
Total assets	**274,895.3**	265,231.8

4.3.1.4 Acquisition-and-restructuring business of the Company

In the first half of 2026, the Company continuously adjusted the asset structure and accelerated the disposal and recovery of existing acquisition-and-restructuring assets. The number of existing acquisition-and-restructuring projects decreased from 431 to 387, and the balance of assets decreased from RMB95,902.3 million at the beginning of 2026 to RMB84,240.6 million at the end of June 2026.

The table below sets out the overall operating performance of the acquisition-and-restructuring business of the Company for the periods and as at the dates indicated.

	For the six months ended June 30,	
	2026	2025
	(in millions of RMB)	
Additional acquisition costs	**–**	–
Income for the period(1)	**1,643.3**	3,464.7

	As at June 30, 2026	As at December 31, 2025
	(in millions of RMB)	
Distressed debt assets presented under debt instruments at amortised cost and debt instruments at FVTOCI		
Balance of acquisition-and-restructuring assets(2)	**83,892.4**	95,511.0
Allowance for impairment losses(3)	**(31,461.9)**	(34,545.0)
Net carrying amount of acquisition-and-restructuring assets(4)	**53,989.2**	62,737.7
Acquisition-and-restructuring distressed debt assets presented under financial assets at FVTPL		
Balance of acquisition-and-restructuring assets(5)	**348.2**	391.3

(1) The income for the period equals the sum of the Company's income from distressed debt assets and realised fair value changes on acquisition-and-restructuring distressed debt assets, as shown in the consolidated financial statements.

(2) Balance of acquisition-and-restructuring assets equals the sum of the Company's balance of distressed debt assets presented under debt instruments at amortised cost and at FVTOCI, as shown in the consolidated financial statements.

(3) Allowance for impairment losses equals the Company's allowance for impairment losses for distressed debt assets presented under debt instruments at amortised cost and at FVTOCI, as shown in the consolidated financial statements, of which, allowance for impairment losses for the distressed debt assets presented under debt instruments at FVTOCI is presented as a part of the investment revaluation reserve.

(4) Net carrying amount of acquisition-and-restructuring assets equals the sum of the Company's net amount of distressed debt assets presented under debt instruments at amortised costs and balance of distressed debt assets presented under debt instruments at FVTOCI.

(5) Balance of acquisition-and-restructuring assets equals the Company's balance of acquisition-and-restructuring distressed debt assets presented under financial assets at FVTPL, as shown in the consolidated financial statements.

4.3.1.5 Distressed asset related business conducted by our subsidiaries

Subsidiaries, including Industrial Company and Rongde Asset, engage in real estate development, asset disposal and other businesses centered on the main business of distressed assets operations. In the first half of 2026, Industrial Company's income was RMB278.0 million, and Rongde Asset's income was RMB254.4 million.

4.3.2 Asset Management and Investment Business

In the first half of 2026, the total income from the asset management and investment segment was RMB61.0 million, the year-on-year decrease in income was mainly due to the decrease in market capitalisation of stocks attributable to this segment, affected by short-term capital market fluctuations.

In the first half of 2026, the total income of International Company was RMB4,966.8 million. As at June 30, 2026, the total assets of International Company were RMB180,291.8 million.

4.3.3 Business Synergy

In the first half of 2026, leveraging the strengths of CITIC Group as a comprehensive multinational enterprise platform that integrates industry and finance and features a diversified business portfolio, the Company focused on its principal business positioning, deepened synergistic cooperation with affiliated companies within the Group in the areas of "industry-finance" and "finance-finance", continuously optimizing synergy mechanisms, innovating synergy models, and expanding the scope of collaboration to drive new breakthroughs in synergy-driven business. Firstly, the Company put into practice the "One Client, One CITIC" customer-centric philosophy, leveraged the Company's differentiated advantages, and engaged in deep synergy and collaboration with affiliated companies within the Group to build the "CITIC United Fleet", so as to tailor comprehensive financial service solutions for clients and provide financial support covering their entire lifecycle. Secondly, the Company actively fulfilled the countercyclical rescue function, innovated collaborative business models in areas such as relief and risk mitigation, revitalization of existing assets and cross-border debt restructuring, implemented a batch of exemplary collaborative projects to create synergistic value, promote the CITIC brand, and foster high-quality development of the real economy.

4.3.4 Human Resources Management

Human resources management

In the first half of 2026, the Group closely focused on the overall strategic direction of business development, vigorously implemented a strategy of strengthening the enterprise through talents (人才強企), and continuously strengthened the construction of a high-quality and professional talent team. The Group strived to create a benchmark for talent pool, continuously optimized the team structure, and established an open, transparent, scientifically sound, and positive incentive and restraint mechanism. The Group strengthened employee training and development, enhanced employee capacity building, and focused on improving the performance capabilities and professional qualities of our cadres and staff. We cared for and supported our staff, actively responded to their concerns, protected their interests, encouraged them to take on responsibilities, and constantly enhanced the cohesion and combat effectiveness of our team, contributing organizational strength to build the Company into an industry benchmark in the distressed asset industry.

Employees

As at June 30, 2026, the Group had a total of 4,665 employees. The Group's employees with a master's degree or above (inclusive) accounted for 55% of the Group's total workforce. The Group's employees held more than 50 types of professional qualifications, including certified public accountants, sponsor representatives, attorneys, financial risk managers, asset appraisers, tax accountants, and chartered financial analysts.

Remuneration policy

The Group's remuneration management is combined with the Company's strategies, business development and talent introduction. The Group continued to improve the business performance appraisal system based on business performance, strengthened the incentive and restraint mechanism oriented towards contributions to operational performance, and established and improved a remuneration management system that was competitive in the market, matched with performance, took into account internal fairness, and was in accordance with the principles of matching revenue and risks, and coordinating long-term and short-term incentives.

Education and training

The training work of the Group focused on the cadre education and training plan of CITIC Group and the talent development plan. The Group emphasized key tasks, strengthened resource coordination, improved training mechanism, closely integrated with the central development task of the Company, and focused on the Company's construction goals of "five major business capabilities" and "two major support systems". The Group strived to enhance the political and theoretical literacy of cadres and employees, solidified their practical skills in the entire business process, and effectively integrated training work into the overall operation and development of the Company, providing strong learning support and training guarantees for the Company's development and construction.

4.3.5 No Material Changes

Save as disclosed in this results announcement, there are no material events affecting the Company's performance that are required to be disclosed under Appendix D2 to the Listing Rules.

4.4 Risk Management

In the first half of 2026, the Group vigorously advanced the industry benchmarking strategy, focused on the "Four Doubles (四雙)" business objectives, and planned the Company's reform and development tasks from a high starting point. With respect to the risk management, the Group adhered to the overall concept of "effectively controlling risks, vigorously promoting development, proactively strengthening systems and methodically enhancing capabilities", continued to drive the iterative upgrading of the comprehensive risk management system, committed to strengthening asset quality control, enhanced consolidated and penetrative risk management, solidified the foundations of risk governance, policies, processes, systems and teams, deepened the publicity of risk management culture and awareness, and continuously improved the risk prevention and control capabilities.

4.4.1 Comprehensive Risk Management System

Our comprehensive risk management, aimed at fulfilling the overall operational objectives, involves the establishment of a risk governance structure with effective checks and balances, the fostering of excellent risk culture, the formation and implementation of unified risk management strategies, risk appetite, risk limits and risk management policies, and the adoption of a combined qualitative and quantitative method to effectively identify, measure, assess, monitor, report, control or mitigate various risks, in order to provide a secured process and method for achieving operational and strategic objectives.

In the first half of 2026, the Group continued to deepen the construction of the comprehensive risk management system. In combination with the Company's "15th Five-Year" development plan and the strategic positioning of "Consolidating the Benchmarking Foundation in the First Year", the Group studied and formulated the "15th Five-Year" risk strategy, deepened the "Five Ones" risk management initiative, further promoted the integration and extension of the system to business units, and enhanced the Group's overall risk management and control capabilities. Focusing on asset quality control objectives, the Group thoroughly implemented measures to prevent asset downgrades, further strengthened the development of the "five major business capabilities", optimized the authorization management mechanism, tightened business entry management, improved the quality and efficiency of review and approval processes, and enhanced risk monitoring, early warning mechanisms, and timely corrective actions, thereby continuously improving the ability to prevent and control risks throughout the entire business process.

4.4.2 Credit Risk Management

Credit risk refers to the loss due to the failure of debtors or counterparties to perform their contractual obligations or adverse changes in their credit status. Credit risk of the Group mainly involves the distressed debt acquisition-and-restructuring business, etc.

The Group continued to deepen the construction of its credit risk management system in accordance with regulatory requirements and the actual operation and development, improved the credit risk management system, mechanism construction and tools expansion, enhanced the quality of credit risk identification, monitoring, measurement, analysis and reporting, optimized the function of the credit risk management information system, and promoted continuous improvements in the quality and efficiency of credit risk management.

In the first half of 2026, the Group further optimized its credit risk management mechanisms, with asset quality continuously improving. The Group continuously strengthened full-process risk control covering pre-investment, during-investment and post-investment activities, strictly controlled the business entry criteria, refined review and approval mechanisms, fully implemented various requirements of post-investment management, enhanced management of projects nearing maturity or in default, and strengthened risk early warning and response measures, while also reinforcing capital supervision and collateral management. The Group continuously optimized the functionality of its credit risk management information system, refined risk measurement tools, deepened efforts for "preventing deterioration (防下遷)", strengthened monitoring and forward-looking analysis of the "two key ratios (兩率)", closely tracked changes in projects, and enhanced risk prevention and control in key sectors and major projects. In accordance with the requirements for high-quality risk resolution, the Group accelerated the disposal of underperforming assets and focused on improving the quality and efficiency of risk resolution.

4.4.3 Market Risk Management

Market risk refers to the risk of loss caused to the Group's business due to adverse changes in market prices, such as interest rates, exchange rates, and stock and commodity prices. The Group's market risk primarily relates to investment businesses, such as stocks and bonds, and changes in exchange rates.

In the first half of 2026, the Group continuously enhanced market risk management, improved the market risk management mechanism and processes, strengthened market risk monitoring and analysis, and enhanced early warning and management and control for major risks. The Group strictly complied with the regulatory requirements for stock investment management, disposal operations and public information disclosure. Through various means such as market value monitoring, entrusting professional institutions to carry out market-oriented management, and improving the mechanism for handling unexpected risks, the Group effectively managed market risks and promoted the preservation and enhancement of the value of state-owned assets. The Group regularly carried out the measurement, monitoring and analysis of interest rate risk, continuously optimized the management process and methodology, and enhanced the ability to cope with interest rate risk. The Group continued to strengthen its ability to manage foreign exchange risk, closely monitored the changes in foreign exchange risk exposure, effectively controlled the foreign exchange risk mainly by means of currency matching of assets and liabilities, and conduct risk hedging by appropriately utilizing foreign exchange risk management instruments.

4.4.4 Liquidity Risk Management

Liquidity risk refers to the risk of not being able to obtain sufficient funds in a timely manner or at a reasonable cost to pay due debts or other payment obligations, to meet asset growth or other business development needs. The Group's liquidity risk primarily arises from delayed payment from debtors, mismatch of asset and liability structure, difficulty in realizing assets, operating losses, insufficient liquidity reserve and inability to meet the needs of business development in terms of financing capacity.

In the first half of 2026, the Group grasped the guidance of monetary and regulatory policies, closely monitored the market liquidity situation, and diligently carried out risk monitoring and control, resulting in overall sufficient liquidity and basically controllable liquidity risk. The Group implemented a centralized and unified liquidity management mechanism, and continuously strengthened the proactiveness and foresight of liquidity management through indicator monitoring, early warning management, stress testing and contingency planning. Besides, the Group actively expanded its financing channels and constructed a diversified portfolio of financing, including interbank loans, bonds, asset-backed securities products, borrowings and refinancing, and effectively improved the debt structure by rationalizing the maturity profile of liabilities.

4.4.5 Operational Risk Management

Operational risk refers to the risk of loss arising from problems with internal processes, staff and IT systems as well as from external events, including legal risk but excluding strategic risk and reputational risk.

In the first half of 2026, the Group thoroughly implemented regulatory requirements, focusing on risk prevention and quality improvement, it reasonably established operational risk appetites and limits, strengthened process controls, conducted operational risk identification and assessment, and promoted the achievement of operational risk management objectives.

The Group attached great importance to building a comprehensive legal risk prevention and control system that covers the entire process, all systems, and all aspects. It continuously improved legal work systems, constantly optimized legal review processes, strengthened legal due diligence, contract management, and litigation case management, and enhanced legal risk prevention and control to comprehensively prevent and manage legal risks in business and management activities.

The Group continued to refine its information technology risk prevention mechanisms and enhance its capacity to mitigate such risks. In the first half of 2026, cybersecurity and information systems operated stably, with no cybersecurity incidents of "significant" or higher severity occurring. The Group advanced the development of an intelligent cybersecurity operations platform, a network risk asset monitoring and analysis system, and a system for detecting and analyzing unauthorized external network connections to enhance its ability to respond to and resolve security incidents. It promoted the governance of AI applications and formulated regulations for the development and operation of AI applications. The Group strengthened the guidance for its branches to elevate the overall level of security protection across the Group. It regularly conducted practical cybersecurity attack-and-defense drills to validate its security capabilities from multiple perspectives.

4.4.6 Reputation Risk Management

Reputation risk refers to the risk of negative evaluation of the Company by customers, the public, the media and other stakeholders as a result of the Company's operation and management and other behaviors or external events, which may affect the normal operation of the Company and damage the Company's brand value.

In the first half of 2026, the Group conducted the reputation risk management work in an orderly manner. In accordance with the principles of proactivity, prudence, full process and full coverage, the Group enhanced the sensitivity and proactivity of reputation risk management, strengthened positive publicity and guidance, identified potential reputation risks in a timely manner, and proactively took measures to prevent, control and resolve the reputation risks, maintained the overall stability of public opinion, and steadily enhanced our reputation and brand image.

4.4.7 Internal Audit

The Group has established an independent internal audit department. Under the leadership of the Company's Party Committee, the Board and its Audit Committee, the internal audit department effectively performs the duties of internal audit supervision. It conducts independent and objective supervision, evaluation and suggestions regarding financial revenues and expenditures, economic activities, internal control, risk management and the performance of economic responsibilities by relevant personnel, and reports to the Party Committee, the Board and its Audit Committee on significant issues identified in the audit.

In the first half of 2026, the Group's internal audit department focused on its strategic planning and, in line with its role as an economic oversight body, conducted various audit and oversight activities covering policy implementation, corporate governance, core business operations, financial management, risk management, and internal controls. Meanwhile, the department deepened reforms and innovation, enhanced the quality and efficiency of audits, and further advanced comprehensive audit coverage to support high-quality development through high-quality audits.

4.4.8 Anti-money Laundering Work

The Group conscientiously implemented anti-money laundering laws and regulations, conducted a comprehensive self-assessment of money laundering risks, and continuously improved its anti-money laundering and counter-terrorist financing management systems and working mechanisms to ensure the effective implementation of anti-money laundering and counter-terrorist financing laws, regulations, and relevant internal policies. The Group also continued to carry out anti-money laundering awareness and training, as well as optimized the functionality of its anti-money laundering systems, thereby continuously enhancing the quality and effectiveness of its anti-money laundering management.

4.5 Capital Management

The Company earnestly implemented the spirit of the regulation, adhered to focusing on the core businesses and returning to the fundamentals. In accordance with relevant regulations such as the Capital Management Measures for Financial Asset Management Companies (Trial) (Yin Jian Fa [2017] No. 56) (《金融資產管理公司資本管理辦法(試行)》(銀監發[2017]56號)), the Company continued to strengthen the concept of capital constraints and dynamically optimized its comprehensive capital management system. In the first half of 2026, the Company closely aligned its operations with the nation's major strategic deployments regarding serving the real economy and preventing and defusing financial risks. By fully leveraging its functions in counter-cyclical adjustment and financial assistance, the Company maintained sound operating performance, continued to build a solid foundation for endogenous capital accumulation, steadily improved capital utilization efficiency, and further strengthened the foundation for high-quality development.

As at December 31, 2025 and June 30, 2026, the capital adequacy ratios of the Company were 16.52% and 15.71%, respectively.

As at December 31, 2025 and June 30, 2026, the leverage ratios[3] of the Company were 7.8:1 and 7.7:1, respectively.

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3 Calculated as per the standard set out in the Capital Management Measures for Financial Asset Management Companies (Trial) (Yin Jian Fa [2017] No. 56).

4.6 Development Outlook

Looking ahead to the second half of the year, the impact of the Middle East energy shocks and the transformation driven by AI technology on various countries will gradually become apparent, leading to divergent economic trends across all economies globally. Energy-exporting countries and economies deeply integrated into the AI value chain will demonstrate greater growth resilience, while those with high dependence on energy imports and limited technology adoption will face greater pressure. The persistent turbulence in the Middle East will exacerbate commodity price volatility, threaten the security of global supply chains, and push up global inflation expectations.

Faced with a complex and severe international environment, China has effectively implemented more proactive and effective macroeconomic policies, enabling the national economy to withstand pressures and remain within a reasonable range. In the second half of the year, China will adhere to the principle of seeking progress while maintaining stability and improving quality and efficiency. China will intensify countercyclical and cross-cyclical adjustments, continue to expand domestic demand and improve supply, optimize incremental growth and revitalize stock resources, focus on building a robust domestic market, accelerate the cultivation and expansion of new growth drivers, and redouble efforts to stabilize employment, enterprises, markets and expectations, thereby promoting effective qualitative improvement and reasonable quantitative growth of the economy. It is expected that in the second half of the year, the stable and long-term positive development trend of China's economy will remain unchanged.

Currently and for the foreseeable future, China's non-performing asset industry will embrace dual opportunities arising from sustained growth in market supply and the concentrated release of policy benefits, placing it in a critical strategic development window. In terms of non-performing asset supply, in recent years, China's banking system has faced persistent pressure from existing non-performing assets, with the total volume of non-performing loans remaining at a high level. Risks associated with non-standard trust products have continued to surface, and against the backdrop of supply-side structural reforms, risk resolution in certain industries has accelerated. As a result, the supply in the non-performing asset market has increased and its sources have become more diverse, creating vast business opportunities for non-performing asset management companies. In terms of macroeconomic opportunities, China's economy is currently undergoing a profound transformation, with deep-seated structural contradictions gradually coming to light. Growth momentum in consumption and investment remains insufficient, and the transition from old to new growth drivers is facing significant challenges. This environment is conducive to AMCs fulfilling their roles in financial rescue and countercyclical regulation, thereby better serving the real economy by revitalizing existing assets and expanding effective investments. In terms of industry transformation and reform, the National Financial Regulatory Administration has officially included the Measures for the Administration of Financial Asset Management Companies (《金融資產管理公司管理辦法》) in this year's preliminary drafting agenda. The top-level regulatory framework for the non-performing asset industry is expected to be refined more rapidly, further guiding AMCs to focus on their core responsibilities and main businesses, deepen reform and transformational development, and create a favorable external policy environment for achieving high-quality development.

In the second half of the year, the Company will thoroughly implement the decisions and plans of the Central Committee of the Communist Party of China and the State Council, centering on CITIC Group's "Three-Three-Five" Strategy, anchoring in the goal of building a benchmark in the non-performing assets industry, and steadfastly advance the "One-Three-Five" Strategy to full completion. Firstly, the Company will strengthen the leading role of Party building to safeguard high-quality development. Secondly, the Company will strengthen primary responsibilities and core businesses and enhance the core competitiveness of main businesses. Thirdly, the Company will concentrate efforts on tackling existing challenges and enhance the quality and efficiency of risk disposal. Fourthly, the Company will coordinate assets and liabilities and ensure effective asset and liability management. Fifthly, the Company will promote the standardization of non-standardized business operations and enhance basic management level. Sixthly, the Company will strengthen the talent team and consolidate the foundation for long-term development. The Company will ensure the high-quality completion of all objectives and tasks throughout the year, making new and greater contributions to CITIC Group's development into a world-class enterprise, and to building China into a financial powerhouse and advancing the great rejuvenation of the Chinese nation.

5. Changes in Share Capital and Information on Substantial Shareholders

5.1 Changes in Share Capital

As at June 30, 2026, the share capital of the Company was as follows:

Class of Shares	Number of Shares	Approximate percentage to the total issued share capital
Domestic Share(s)	44,884,417,767	55.93%
H Share(s)	35,362,261,280	44.07%
Total Shares	**80,246,679,047**	**100.00%**

5.2 Substantial Shareholders

5.2.1 Interests and Short Positions Held by the Substantial Shareholders and Other Parties

As at June 30, 2026, the Company received notices from the following persons about their disclosable interests or short positions held in the Company's Shares and underlying Shares pursuant to Divisions 2 and 3 of Part XV of the SFO, which were recorded in the register kept pursuant to Section 336 of the SFO as follows:

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (Share)	Approximate percentage to the same class of share capital of the Company (%)[1]	Approximate percentage to the total share capital of the Company (%)[2]
CITIC Group Corporation[3]	Domestic Shares	Beneficial owner	21,230,929,783 (L)	47.30 (L)	26.46 (L)
MOF[3]	Domestic Shares	Beneficial owner	7,493,684,063 (L)	16.70 (L)	9.34 (L)
	H Shares	Beneficial owner	12,376,355,544 (L)	35.00 (L)	15.42 (L)
China Life Insurance (Group)	Domestic Shares	Beneficial owner	1,650,000,000 (L)	3.68 (L)	2.06 (L)
Company[4]	H Shares	Beneficial owner	1,960,784,313 (L)	5.54 (L)	2.44 (L)
China Life Franklin Asset Management Co., Limited[4]	H Shares	Investment manager	1,960,784,313 (L)	5.54 (L)	2.44 (L)
China Insurance Rongxin Private Fund Co., Ltd.	Domestic Shares	Beneficial owner	14,509,803,921 (L)	32.33 (L)	18.08 (L)
China Cinda Asset Management Co., Ltd.	H Shares	Beneficial owner	3,921,568,627 (L)	11.09 (L)	4.89 (L)
National Council for Social Security Fund	H Shares	Beneficial owner	2,475,271,109 (L)	7.00 (L)	3.08 (L)

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (Share)	Approximate percentage to the same class of share capital of the Company (%)[1]	Approximate percentage to the total share capital of the Company (%)[2]
Central Huijin Investment Ltd.[5]	H Shares	Interest of controlled corporation	1,960,784,313 (L)	5.54 (L)	2.44 (L)
ICBC Financial Asset Investment Co., Ltd.[5]	H Shares	Beneficial owner	1,960,784,313 (L)	5.54 (L)	2.44 (L)

Note: (L) refers to long position

Notes:

(1) Calculated based on 44,884,417,767 Domestic Shares or 35,362,261,280 H Shares in issue of the Company as at June 30, 2026.

(2) Calculated based on a total of 80,246,679,047 Shares in issue of the Company as at June 30, 2026.

(3) According to the Corporate Substantial Shareholder Notice from CITIC Group filed with the Hong Kong Stock Exchange on March 10, 2023, CITIC Group directly holds 21,230,929,783 Domestic Shares of the Company and is a substantial Shareholder of the Company. The ultimate beneficial owner of CITIC Group is the MOF.

(4) According to the Corporate Substantial Shareholder Notice from China Life Franklin Asset Management Co., Limited filed with the Hong Kong Stock Exchange on February 15, 2023 and to the knowledge of the Company, China Life Franklin Asset Management Co., Limited was appointed as an investment manager to manage 1,960,784,313 H Shares of the Company held by China Life Insurance (Group) Company.

(5) According to the Corporate Substantial Shareholder Notices filed by Central Huijin Investment Ltd., Industrial and Commercial Bank of China Limited and ICBC Financial Asset Investment Co., Ltd. with relevant event date of November 24, 2022, ICBC Financial Asset Investment Co., Ltd. directly holds 1,960,784,313 H Shares of the Company. As ICBC Financial Asset Investment Co., Ltd. is the corporation directly or indirectly controlled by Central Huijin Investment Ltd. and Industrial and Commercial Bank of China Limited, therefore, for the purpose of the SFO, both Central Huijin Investment Ltd. and Industrial and Commercial Bank of China Limited are deemed to be interested in the long positions held by ICBC Financial Asset Investment Co., Ltd.

5.2.2 Substantial Shareholders

During the Reporting Period, details of the substantial Shareholders holding more than 5% of any class of Shares of the Company are as follows:

CITIC Group Corporation

As a company incorporated in the PRC with limited liability, CITIC Group is a large state-owned comprehensive multinational corporation operating in five business sectors: comprehensive financial service, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanization. The ultimate beneficial owner of CITIC Group is the MOF.

MOF

As a department under the State Council, the MOF is responsible for the administration at a macro level of such matters as fiscal revenue and expenditure and taxation policies of the PRC.

National Council for Social Security Fund

The National Council for Social Security Fund is a unit under the administration of the MOF. As an institution of investment operation, it is responsible for managing and operating the social security fund of the nation, holding and managing the transferred state-owned equity of central enterprises as entrusted by the State Council, having entrusted management of the investment and operation of basic pension insurance fund as approved by the State Council, and taking main responsibility for the security, value preservation and increment of the fund.

China Insurance Rongxin Private Fund Co., Ltd.

China Insurance Rongxin Private Fund Co., Ltd. ("**China Insurance Rongxin Fund**") is a fund company established by China Insurance Investment (Beijing) Co., Ltd. (as the fund manager). The shareholders of China Insurance Rongxin Fund include China Insurance Investment Co., Ltd. and other 17 insurance institutions operating in equity investment with private equity funds, investment management, asset management and other activities. China Insurance Investment (Beijing) Co., Ltd. is a wholly-owned subsidiary of China Insurance Investment Co., Ltd.

China Cinda Asset Management Co., Ltd.

Established in April 1999, China Cinda Asset Management Co., Ltd. ("**China Cinda**") (formerly known as China Cinda Asset Management Corporation) is the first AMC approved by the State Council as well as the first PRC AMC trading in the international capital market. The core business of China Cinda is distressed asset management. China Cinda upholds the high-quality development concept of "professional management, efficiency first and value creation" and aims to further develop its primary responsibility and core business of distressed asset management, prevent and mitigate financial risk, improve the quality and efficiency of serving the real economy and safeguard financial security.

China Life Insurance (Group) Company

It is a wholly state-owned financial insurance company under the MOF. China Life Insurance (Group) Company and its subsidiaries constitute the largest commercial insurance group in China. Their business scope covers various areas such as life insurance, property insurance, pension insurance (annuity business), asset management, alternative investment, overseas business and e-commerce.

ICBC Financial Asset Investment Co., Ltd.

ICBC Financial Asset Investment Co., Ltd. ("**ICBC Investment**") is one of the first pilot banks in China to conduct debt-to-equity swaps established with the approval of the former CBIRC, and was officially established on September 26, 2017. It is a wholly-owned subsidiary of Industrial and Commercial Bank of China, and is one of the commercial banks to conduct debt-to-equity swaps with maximum registered capital at present. ICBC Investment holds the full-chain business license for debt-to-equity swap business covering establishment, fundraising, investment, management and withdrawal, and the market-based equity investment business license for a specific range. It focuses on helping customers in trouble resolve the crisis and get over the difficulties and creating value for them in accordance with the diversified needs of high-quality customers such as reducing leverage, promoting mixed reform and introducing strategy.

6. Directors and Senior Management

6.1 Basic Information

6.1.1 Directors

As of the publication date of this interim results announcement, the Board of Directors of the Company comprised Mr. Li Zimin as executive Director; Mr. Xiang Xianchun, Mr. Xu Wei and Mr. Tang Hongtao as non-executive Directors; and Mr. Zhu Ning, Ms. Chen Yuanling and Mr. Lo Mun Lam, Raymond as independent non-executive Directors.

6.1.2 Senior Management

As of the publication date of this interim results announcement, the senior management of the Company comprised Mr. Li Zimin (president), Mr. Cao Yan, Ms. Zhao Jingjing, Mr. Chen Pengjun, Mr. Liu Zeyun, Mr. Zhang Jian, Mr. Gao Gan and Mr. Wang Yongjie.

6.2 Changes

6.2.1 Directors

On November 7, 2025, the Board of the Company nominated Mr. Xiang Xianchun as a non-executive Director of the Company. On November 27, 2025, the election of Mr. Xiang as a non-executive Director of the Company was considered and approved at the second extraordinary Shareholders' meeting for 2025 of the Company. On January 15, 2026, Mr. Xiang commenced his duties upon the approval of his qualification as a Director by the NFRA. On February 28, 2026, Mr. Xiang was appointed as the chairman of the Risk Management Committee of the Board, the member of each of the Strategy and Development Committee of the Board and the Nomination and Remuneration Committee of the Board. For details, please refer to the announcements and circular of the Company published on November 7 and November 27, 2025, January 20 and February 28, 2026.

On February 5, 2026, the election of Ms. Dong Hong as an employee Director of the Company was considered and approved at the third meeting of the fourth session of the employees' congress of the Company. Her term of office shall take effect from the date of approval of the NFRA. For details, please refer to the announcement of the Company published on February 6, 2026.

On February 28, 2026, Ms. Chen Yuanling was appointed as the chairlady of the Related Party Transaction Committee of the Board and the member of the Nomination and Remuneration Committee of the Board. For details, please refer to the announcement of the Company published on February 28, 2026.

On April 29, 2026, the Board of the Company nominated Mr. Li Zimin to be re-elected as an executive Director of the Company, and to continue to serve as a member of the Strategy and Development Committee and the Risk Management Committee of the Board of the Company, which was approved at the 2025 annual Shareholders' meeting of the Company on May 29, 2026. For details, please refer to the announcements and circular of the Company published on April 29, May 7 and May 29, 2026.

On April 29, 2026, the Board of the Company nominated Mr. Chen Zihao as a non-executive Director of the Company. On May 29, 2026, the election of Mr. Chen as a non-executive Director of the Company was considered and approved at the 2025 annual Shareholders' meeting of the Company. His term of office shall take effect from the date of approval of the NFRA. For details, please refer to the announcements and circular of the Company published on April 29, May 7 and May 29, 2026.

On August 17, 2026, the Board of the Company nominated Mr. He Jinsong as an executive Director, the chairman of the Board and the chairman of the Strategy and Development Committee of the Board of the Company. His term of office shall take effect from the date of consideration and approval by the Shareholders' meeting of the Company and approval of his qualification as a Director by the NFRA. For details, please refer to the announcement and circular of the Company published on August 17, 2026.

On February 28, 2026, Ms. Zhao Jiangping resigned as the non-executive Director, the chairlady of the Risk Management Committee of the Board, the member of each of the Strategy and Development Committee of the Board, the Audit Committee of the Board and the Nomination and Remuneration Committee of the Board of the Company due to work adjustment. Ms. Zhao's resignation took effect on February 28, 2026. For details, please refer to the announcement of the Company published on February 28, 2026.

On February 28, 2026, Ms. Yuan Xin resigned as the non-executive Director of the Company due to work adjustment. Ms. Yuan's resignation took effect on February 28, 2026. For details, please refer to the announcement of the Company published on February 28, 2026.

On November 11, 2022, Mr. Shao Jingchun resigned as the independent non-executive Director of the Company, the chairman of the Related Party Transaction Committee of the Board and the member of each of the Strategy and Development Committee of the Board, the Audit Committee of the Board and the Nomination and Remuneration Committee of the Board. His resignation took effect on February 28, 2026. For details, please refer to the announcements of the Company published on November 11, 2022 and February 28, 2026.

On July 20, 2026, Mr. Liu Zhengjun resigned as the chairman of the Board, executive Director and chairman of the Strategy and Development Committee of the Board due to reaching retirement age. Mr. Liu' resignation took effect on July 20, 2026. For details, please refer to the announcement of the Company published on July 20, 2026.

6.2.2 Senior Management

On November 19, 2025, the Board of the Company appointed Mr. Zhang Jian as the vice president of the Company. On December 31, 2025, Mr. Zhang commenced his duties upon the approval of his qualification as the vice president by the NFRA. For details, please refer to the announcements of the Company published on November 19, 2025 and January 5, 2026.

On April 29, 2026, the Board of the Company appointed Mr. Liu Zeyun as the chief compliance officer of the Company. On June 3, 2026, Mr. Liu commenced his duties upon the approval of his qualification as the chief compliance officer by the NFRA. For details, please refer to the announcements of the Company published on April 29 and June 10, 2026.

On July 28, 2026, Mr. Yang Yi resigned as the vice president of the Company due to personal reasons. Mr. Yang' resignation took effect on July 28, 2026.

6.3 Changes of the Information during the Reporting Period

During the Reporting Period, the appointment information of the Directors was consistent with that disclosed in the Company's 2025 Annual Report, and there were no other changes required to be disclosed according to Rule 13.51B of the Listing Rules.

7. Significant Events

7.1 Corporate Governance

In strict compliance with the Company Law of the PRC, the Securities Law of the PRC, the Listing Rules and other relevant laws, regulations, regulatory documents and the Articles of Association, and in line with the Company's actual situations, the Company deepened the reform of corporate governance, striving to build a corporate governance mechanism that features respective performance of duties and responsibilities, coordinated operations, and effective checks and balances. Efforts were also made to continuously enhance the effectiveness of corporate governance.

During the Reporting Period, the Company continued improving the system, mechanism and culture of corporate governance, unifying the strengthening of Party leadership with the improvement of corporate governance, and integrating Party leadership into all aspects of corporate governance, strictly implemented the resolutions of the Shareholders' meeting, actively exerted the strategic leading role of the Board of Directors, promoted the legal and compliant operation and sustainable and stable development of the Company, promoted investor relations management, strengthened information disclosure management, continuously improved the information transmission mechanism, and protected shareholders' right to information, treated its domestic and foreign investors on an equal basis, so as to maintain the market value stability and protect the interests of all Shareholders.

7.2 Board

As of the publication date of this interim results announcement, the Board of the Company comprised 7 members, including 1 executive Director, 3 non-executive Directors and 3 independent non-executive Directors. The independent non-executive Directors accounted for more than one-third of the Board members.

During the Reporting Period, the Company held 4 Board meetings in total, at which 18 resolutions were considered and approved, including the final financial account plan for 2025, the profit distribution plan for 2025, the 2025 annual results announcement and the 2025 annual report, the work report of the Board for 2025 and the external fund donation plan for 2026 of the Company. Meanwhile, 10 reports were debriefed, including the comprehensive risk management for 2025, the implementation of authorization of the Board to the president for 2025 and the anti-money laundering work for 2025.

7.3 Senior Management

During the Reporting Period, the senior management of the Company organized and implemented the operation and management within the scope of authorities delegated by the Articles of Association and the Board of Directors. The senior management of the Company adhered to the principle of seeking progress while maintaining stability and promoting stability by making progress. It deeply advanced the industry benchmark strategy, closely aligned with the "Four Doubles" operational objectives, focused on driving the development of main businesses, strengthened policy and industry research, enhanced core competitiveness, accelerated business transformation, optimized asset structure, deepened the synergy of the Group, actively played the role of the "national team member" and "main force" in the distressed asset industry, and more effectively served the real economy and prevented and defused risks. It focused on strengthening risk prevention and resolution, insisted on seeking benefits from existing assets, continuously advanced the disposal of existing risks and the tackling of key projects, intensified cash recovery efforts, promoted the iterative upgrading of the risk control system, continuously deepened the construction of compliance culture, strengthened liquidity management, continuously expanded market-oriented financing, and diversified financing instruments. It focused on deepening reforms in key areas, strengthened strategic guidance, advanced the formulation of the "15th Five-Year" development plan, implemented the requirement of organizational streamlining, effectively and orderly promoted the cleanup of affiliated institutions in accordance with laws and regulations, continued to integrate into "Digital CITIC" and strengthened technological empowerment. It also enhanced the Company's transparency, shaped a good corporate image, performed duties faithfully and diligently, strengthened implementation, and promoted various management and operations in a smooth and orderly manner.

During the Reporting Period, the Company held 10 presidential office meetings and 18 special meetings in total to study and review 70 important resolutions on the Company's management and operation.

7.4 Corporate Governance Code

During the Reporting Period, the Company has complied with the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules and adopted the applicable recommended best practices according to actual situations.

7.5 Internal Control

7.5.1 Development of Internal Control System

The Company earnestly implemented various regulatory requirements for internal control, continuously improved the internal control organization structure, strengthened system management, strengthened control measures, and continued to optimize the internal control system.

In the first half of 2026, with the goal of establishing an industry benchmark, the Company continuously improved the institutional system, organized and conducted post-assessment of systems, promoted the institutionalization of various external policies, focused on key area inspections, and enhanced the publicity and training of systems. The Company initiated the self-assessment of the internal control system for 2026 to comprehensively sort out various business and management activities by the corresponding processes and evaluate the applicability of the internal control process framework, the rationality of management and control responsibilities, the adequacy of risk identification and the effectiveness of control measures, to promote the realization of the Company's internal control objectives.

7.5.2 Internal Control Measures for Risks of Being Sanctioned

Benchmarking against the sanctions risk management framework of CITIC Group, the Company continuously improved the sanctions risk prevention and control mechanism, conducted self-assessment of sanctions risks, established a sanction blacklist database for automated comparison and screening, and automatically conducted retrospective screening of customer information after daily updates to the blacklist data. The Company also continuously carried out special trainings on sanctions risk prevention and control.

7.6 Distribution of Profit and Dividend

The Company does not declare any interim dividend for 2026.

7.7 Future Businesses of DES Companies and Investment Plans Involving DES Companies

The disposal and revitalization of buyout equity assets. The Company focused on key areas of deepened reform of state-owned enterprises, and seized the opportunities of enterprise mergers and acquisitions and restructuring to continuously optimize asset liquidity and strive to achieve reasonable gains from equity restructuring. In addition, the Company stepped up its efforts for disposing and revitalizing buyout equity assets, proactively disinvested from highly competitive industries or reduced such equity assets with limited potential for asset appreciation, with a view to achieving better exit returns.

Market-oriented DES business expansion. The Company closely followed the national strategies and the Company's development plan orientation, strengthened market research and industry analysis, focused on key industries and regions, further optimized investment layout, actively promoted the implementation of the market-oriented DES projects and reserved high-quality resources to better exert the relief and rescue functions of AMCs, effectively help DES companies to reduce leverage, stabilize growth and improve efficiency, and continuously improve the level of investment returns on the Company's DES business.

7.8 Material Litigation and Arbitration

During the Reporting Period, the Company was not involved in any litigation or arbitration which might have material and adverse effects on its business, financial conditions or operating results.

7.9 Material Asset Acquisition, Disposal, Mergers by Absorption and Significant Investments

During the Reporting Period, the Group did not engage in any material acquisition, disposal, merger by absorption of assets, and there were no significant investments that are required to be disclosed in accordance with paragraph 32(4) of Appendix D2 to the Listing Rules. As of the end of the Reporting Period, the Group also had no significant investments that are required to be disclosed in accordance with paragraph 32(4A) of Appendix D2 to the Listing Rules.

7.10 Implementation of Share Incentive Scheme

During the Reporting Period, the Company did not implement any share incentive scheme.

7.11 Major Connected Transactions

During the Reporting Period, the Company had no connected transaction which was required to be disclosed pursuant to Chapter 14A of the Listing Rules.

7.12 Major Contracts and Their Implementation

7.12.1 Major Custodies, Underwriting and Leasing

During the Reporting Period, the Company did not enter into any major contracts relating to the custody, underwriting and leasing of assets of other companies or the custody, underwriting and leasing of assets of the Company by other companies.

7.12.2 Material Guarantees

During the Reporting Period, the Company did not make any material guarantee that is required to be disclosed.

7.13 Events after the Reporting Period

For details of events after the Reporting Period, please refer to "8. Review Report and Interim Condensed Consolidated Financial Information – V. Events after the Reporting Period".

7.14 Purchase, Sale and Redemption of Listed Securities

During the Reporting Period, no listed securities of the Company were purchased, sold or redeemed by the Company or its subsidiaries (including the disposal of Treasury Shares). As of the end of the Reporting Period, there were no Treasury Shares held by the Company or its subsidiaries.

7.15 Securities Transactions by Directors and Senior Management

The Company has formulated the Code for Securities Transactions by Directors and Relevant Employees which regulates the securities transactions by Directors and relevant employees and is of no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules. The Company has made enquiries to all Directors who all confirmed that they had complied with the Model Code and the requirements set out therein during the Reporting Period.

7.16 Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

As of June 30, 2026, none of the Directors and chief executive of the Company had any interests or short positions in the Shares and underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register of interests kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

7.17 Review of the Interim Results Announcement

The interim condensed consolidated financial information for the six months ended June 30, 2026 prepared by the Company according to the IFRSs was reviewed by BDO Limited.

This results announcement has been reviewed and approved by the Board and the Audit Committee of the Board.

8. Review Report and Interim Condensed Consolidated Financial Information

INDEPENDENT REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

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INDEPENDENT REVIEW REPORT

TO THE BOARD OF DIRECTORS OF CHINA CITIC FINANCIAL ASSET MANAGEMENT CO., LTD.
(Established in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial information set out on pages 62 to 132, which comprises the interim condensed consolidated statement of financial position of China CITIC Financial Asset Management Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2026 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes ("interim condensed consolidated financial information"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

BDO Limited
Certified Public Accountants
Chan Wing Fai
Practising Certificate Number P05443

Hong Kong, 31 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes IV	For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
Interest income	2	**5,770,617**	4,444,517
Fair value changes on distressed debt assets	3	**3,228,981**	309,517
Fair value changes on other financial assets and liabilities	4	**1,426,282**	1,406,232
Income from distressed debt assets	5	**1,657,955**	3,786,500
Gains from derecognition of financial assets measured at amortised cost		**424,675**	1,743,990
Gains from derecognition of debt instruments at fair value through other comprehensive income		**139,267**	5,831
Commission and fee income	6	**145,371**	61,398
Dividend income		**1,575,612**	545,386
Other income and other net gains or losses	7	**525,724**	18,833,024
Total		**14,894,484**	31,136,395
Interest expense	8	**(13,010,770)**	(14,388,726)
Commission and fee expense		**(153,601)**	(89,584)
Operating expenses	9	**(1,745,834)**	(1,934,141)
Impairment losses under expected credit loss model	10	**(5,543,700)**	(16,856,712)
Impairment losses on other assets	11	**(202,742)**	(1,851,798)
Total		**(20,656,647)**	(35,120,961)
Change in net assets attributable to other holders of consolidated structured entities		**203,852**	(54,844)
Share of results of associates and joint ventures		**11,056,941**	9,084,088
Profit before tax		**5,498,630**	5,044,678
Income tax credit	12	**1,028,987**	461,382
Profit for the period		**6,527,617**	5,506,060

The accompanying notes form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes IV	For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
Profit attributable to:			
Equity holders of the Company		**6,861,703**	6,167,588
Holders of perpetual capital instruments		**—**	38,472
Non-controlling interests		**(334,086)**	(700,000)
		6,527,617	5,506,060
Earnings per share attributable to ordinary equity holders of the Company (Expressed in RMB Yuan per share)	14		
— Basic		**0.075**	0.066
— Diluted		**0.075**	0.066

The accompanying notes form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes IV	For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
Profit for the period		**6,527,617**	5,506,060
Other comprehensive income:			
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gains on defined benefit obligations		**9,403**	5,354
Fair value (losses)/gains on investments in equity instruments at fair value through other comprehensive income		**(649,032)**	269,500
Share of other comprehensive (expenses)/income of associates		**(484,831)**	27,555
Income tax effect		**133,062**	(4,821)
		(991,398)	297,588
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of foreign operations		**(293,737)**	(85,922)
Fair value changes on hedging instruments designated in cash flow hedges		**—**	(32,563)
Financial assets measured at fair value through other comprehensive income			
— fair value changes		**365,335**	859,949
— amounts reclassified to profit or loss upon disposals		**(50,122)**	(63,146)
— impairment reversed		**(449,871)**	(636,745)
(Losses)/gains on property revaluation		**(731)**	6,093
Share of other comprehensive expenses of associates and joint ventures		**(999,450)**	(1,289,659)
Income tax effect		**2,552**	24,572
		(1,426,024)	(1,217,421)
Other comprehensive expenses for the period, net of income tax		**(2,417,422)**	(919,833)
Total comprehensive income for the period		**4,110,195**	4,586,227
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**4,451,947**	5,147,831
Holders of perpetual capital instruments		**—**	38,472
Non-controlling interests		**(341,752)**	(600,076)
		4,110,195	4,586,227

The accompanying notes form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes IV	As at 30 June 2026	As at 31 December 2025
		(Unaudited)	**(Audited)**
Assets			
Cash and balances with central bank		**75**	75
Deposits with financial institutions	15	**109,993,306**	74,532,667
Financial assets at fair value through profit or loss	16	**407,587,031**	387,281,818
Financial assets held under resale agreements	17	**3,389,556**	21,996
Contract assets		**4,497,031**	4,763,108
Debt instruments at fair value through other comprehensive income	18	**3,680,435**	4,054,885
Equity instruments at fair value through other comprehensive income	19	**6,415,623**	6,917,916
Inventories	20	**17,342,844**	17,087,364
Debt instruments at amortised cost	21	**206,939,175**	213,586,411
Interests in associates and joint ventures	22	**288,303,196**	279,447,740
Investment properties	24	**11,296,479**	10,652,790
Property and equipment	23	**2,195,256**	2,264,021
Right-of-use assets		**419,434**	661,579
Deferred tax assets		**25,772,614**	24,326,711
Goodwill		**18,222**	18,222
Other assets	25	**34,947,226**	31,406,599
Total assets		**1,122,797,503**	1,057,023,902
Liabilities			
Borrowings from central bank		**4,160,444**	5,377,874
Placements from financial institutions		**2,036,975**	10,434,257
Financial assets sold under repurchase agreements	26	**1,512,727**	—
Borrowings	27	**849,376,809**	786,414,777
Financial liabilities at fair value through profit or loss	16	**2,602**	14,040
Tax payable	28	**469,102**	476,030
Contract liabilities		**716,561**	541,346
Lease liabilities		**99,571**	366,067
Deferred tax liabilities		**1,637,263**	1,686,118
Bonds and notes issued	29	**171,898,230**	163,063,668
Other liabilities	30	**34,359,759**	35,501,371
Total liabilities		**1,066,270,043**	1,003,875,548

The accompanying notes form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes IV	As at 30 June 2026	As at 31 December 2025
		(Unaudited)	**(Audited)**
Equity			
Share capital	31	**80,246,679**	80,246,679
Other equity instruments	32	**19,900,000**	19,900,000
Capital reserve		**14,050,533**	13,917,962
Surplus reserve		**8,564,210**	8,564,210
General reserve	33	**11,399,634**	11,399,634
Other reserves		**(6,728,512)**	(4,122,614)
Accumulated losses		**(61,477,212)**	(67,671,397)
Equity attributable to equity holders of the Company		**65,955,332**	62,234,474
Non-controlling interests		**(9,427,872)**	(9,086,120)
Total equity		**56,527,460**	53,148,354
Total equity and liabilities		**1,122,797,503**	1,057,023,902

The accompanying notes form an integral part of this interim condensed consolidated financial information.

The interim condensed consolidated financial information is authorised for issue by the board of directors and signed on its behalf by:

EXECUTIVE DIRECTOR:
Li Zimin

INDEPENDENT NON-EXECUTIVE DIRECTOR:
Lo Mun Lam, Raymond

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

		Equity attributable to equity holders of the Company													
							Other reserves								
	Note IV	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Translation reserve	Hedging reserve	Asset revaluation reserve	Others	Accumulated losses	Subtotal	Non-controlling interests	Total
As at 1 January 2026 (Audited)		80,246,679	19,900,000	13,917,962	8,564,210	11,399,634	30,882	(3,044,039)	29,376	1,088,921	(2,227,754)	(67,671,397)	62,234,474	(9,086,120)	53,148,354
Profit for the period		–	–	–	–	–	–	–	–	–	–	6,861,703	6,861,703	(334,086)	6,527,617
Other comprehensive (expenses)/income for the period		–	–	–	–	–	(652,567)	(281,763)	–	(548)	(1,474,878)	–	(2,409,756)	(7,666)	(2,417,422)
Total comprehensive (expenses)/income for the period		–	–	–	–	–	(652,567)	(281,763)	–	(548)	(1,474,878)	6,861,703	4,451,947	(341,752)	4,110,195
Distribution relating to perpetual capital instruments	13	–	–	–	–	–	–	–	–	–	–	(863,660)	(863,660)	–	(863,660)
Others		–	–	132,571	–	–	(175,472)	–	–	–	(20,670)	196,142	132,571	–	132,571
As at 30 June 2026 (Unaudited)		80,246,679	19,900,000	14,050,533	8,564,210	11,399,634	(797,157)	(3,325,802)	29,376	1,088,373	(3,723,302)	(61,477,212)	65,955,332	(9,427,872)	56,527,460

The accompanying notes form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

		Equity attributable to equity holders of the Company														
							Other reserves									
	Note IV	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Translation reserve	Hedging reserve	Asset revaluation reserve	Others	Accumulated losses	Subtotal	Perpetual capital instruments	Non-controlling interests	Total
As at 1 January 2025 (Audited)		80,246,679	19,900,000	15,836,367	8,564,210	11,399,634	(957,902)	(2,781,866)	55,684	1,050,062	898,050	(77,715,320)	56,495,598	1,755,464	(8,486,745)	49,764,317
Profit for the period		—	—	—	—	—	—	—	—	—	—	6,167,588	6,167,588	38,472	(700,000)	5,506,060
Other comprehensive income/(expenses) for the period		—	—	—	—	—	387,175	(144,658)	(35,116)	29,592	(1,256,750)	—	(1,019,757)	—	99,924	(919,833)
Total comprehensive income/(expenses) for the period		—	—	—	—	—	387,175	(144,658)	(35,116)	29,592	(1,256,750)	6,167,588	5,147,831	38,472	(600,076)	4,586,227
Change in ownership interests in subsidiaries		—	—	—	—	—	—	—	—	—	—	—	—	—	(15,258)	(15,258)
Distribution relating to perpetual capital instruments	13	—	—	—	—	—	—	—	—	—	—	(863,660)	(863,660)	(38,133)	—	(901,793)
Others		—	—	(502,043)	—	—	66,530	—	—	—	2,096	(68,626)	(502,043)	—	—	(502,043)
As at 30 June 2025 (Unaudited)		80,246,679	19,900,000	15,334,324	8,564,210	11,399,634	(504,197)	(2,926,524)	20,568	1,079,654	(356,604)	(72,480,018)	60,277,726	1,755,803	(9,102,079)	52,931,450

The accompanying notes form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

		For the six months ended 30 June	
	Note IV	**2026**	2025
		(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Profit before tax from operations		**5,498,630**	5,044,678
Total non-cash adjustments		**(8,518,741)**	(8,781,279)
Total working capital adjustments		**39,502,689**	30,829,177
Cash generated from operations		**36,482,578**	27,092,576
Income tax paid		**(3,344,843)**	(64,046)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**33,137,735**	27,028,530
INVESTING ACTIVITIES			
Cash receipts from interest income arising from financial investments		**4,922,654**	3,276,430
Cash receipts from dividend income		**2,756,648**	3,155,211
Cash receipts from disposals/liquidation of associates and joint ventures and structured entities		**—**	181,422
Cash receipts from disposals of property and equipment and other assets		**1,098**	146,130
Cash payments for purchases of financial assets		**(6,902,291)**	(18,881,411)
Cash payments for investments in associates and joint ventures		**(82,133)**	(21,684,234)
Cash receipt from disposal of subsidiaries		**—**	21,573
Cash payments for purchases of property and equipment, investment properties and other assets		**(734,501)**	(45,320)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(38,525)**	(33,830,199)

The accompanying notes form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note IV	For the six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
FINANCING ACTIVITIES			
Cash payments for consolidated structured entities		**—**	(124,281)
Proceeds from borrowings of non-financial institution subsidiaries		**9,196,611**	10,987,709
Repayment of borrowings of non-financial institution subsidiaries		**(8,595,463)**	(10,117,375)
Repayments of lease liabilities		**(66,306)**	(63,910)
Cash receipts from bonds and notes issued		**24,960,000**	—
Cash repayments for bonds and notes redeemed		**(16,084,399)**	(11,746,428)
Interest paid for bonds and notes issued and other borrowings		**(2,585,825)**	(4,238,793)
Cash payments for distribution to holders of perpetual capital instruments		**(863,660)**	(901,793)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**5,960,958**	(16,204,871)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**39,060,168**	(23,006,540)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**72,809,439**	90,703,716
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(290,039)**	14,252
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	34	**111,579,568**	67,711,428
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		**7,780,542**	7,548,576
Interest paid		**(9,608,570)**	(11,008,489)
		(1,828,028)	(3,459,913)

(Expressed in thousands of Renminbi, unless otherwise stated)

I. GENERAL INFORMATION

China CITIC Financial Asset Management Co., Ltd. (the "Company") was transformed from the former China Huarong Asset Management Corporation (the "Former Huarong") which was a wholly state-owned financial enterprise established in the People's Republic of China (the "PRC") by the Ministry of Finance (the "MOF") on 1 November 1999 as approved by the State Council of the PRC (the "State Council''). On 28 September 2012, China Huarong Asset Management Co., Ltd. ("China Huarong") was established after the completion of the financial restructuring of the Former Huarong as approved by the State Council. On 16 January 2024, China Huarong received the Approval of the National Financial Regulatory Administration on the Change of Name of China Huarong Asset Management Co., Ltd. (Jin Fu [2024] No.17). On 25 January 2024, upon approval of the National Financial Regulatory Administration (the "NFRA", the former China Banking and Insurance Regulatory Commission), China Huarong was renamed as China CITIC Financial Asset Management Co., Ltd. Its registered office is located at No. 8, Finance Street, Xicheng District, Beijing 100033, PRC.

The Company has the financial service certificate No.J0001H111000001 issued by the NFRA and business license No. 911100007109255774 issued by Beijing Municipal Administration for Market Regulation.

The Company was listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 30 October 2015. The Company and its subsidiaries are collectively referred to as the Group.

The principal activities of the Group comprise acquisition of and management, investment and disposal service through entrustment of both financial and non-financial institution distressed assets including debt-to-equity swap assets; investment; securities dealing; financial bond issuance; inter-bank borrowing and lending, commercial financing for other financial institutions; bankruptcy management; consulting and advisory business on finance, investment, legal and risk management; asset and project evaluation; approved asset securitisation business, financial institution custody, closing and liquidation of business; and other businesses approved by the banking regulatory body of the State Council.

The interim condensed consolidated financial information are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

II. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

1. Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

Going concern basis

The Group's interim condensed consolidated financial information has been prepared on a going concern basis. For the six months ended 30 June 2026, the Group's net profit attributable to equity holders of the Company was amounting to RMB6,862 million with profitability continuing to improve.

As at 30 June 2026, the Group's bonds and notes issued amounted to RMB171,898 million, of which RMB118,368 million were due within one year, and the Group had borrowings and borrowings from central bank of RMB853,537 million, of which RMB480,203 million were due within one year.

To address the above circumstances, the Company took actions to carefully consider and assess its future operation plans, sources of working capital and financing, and determines whether the Group can continue operating as a going concern within the next 12 months. These actions include:

i. With support from its substantial shareholders, the Company further promoted the execution of its "One-Three-Five" strategic goals, comprehensively emphasised the role of strategies, and strengthened operation management, reform and innovation, further concentrated on its core business, and continued to promote organizational streamlining, so as to lay a solid foundation for improving the quality and effectiveness of development in three years and becoming a leading industry player in five years.

ii. Leveraging on the advantages of CITIC Group Corporation ("CITIC Group") in the integration of industry and finance, the Company has integrated the strengths and resources of the Company and CITIC Group, gave full play to the synergistic effect of CITIC Group's comprehensive financial platform, and promoted its cooperation and collaboration with CITIC Group in project development, business innovation, investments and financing.

II. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

1. Basis of preparation (continued)

Going concern basis (continued)

iii. Maintaining stable liquidity. The Group closely monitors market liquidity conditions and strictly carries out risk monitoring and control. Domestic and foreign bonds are following the repayment schedule. At present, the Group maintains stable fundings and active communications with financial institutions on refinancing and therefore the management is of the view that its liquidity risk is under control.

The Company has maintained active communication with its substantial shareholders and relevant authorities regarding the above measures. The Company is of the view that the Group can obtain adequate working capital to finance its operations and to meet its financial obligations as they fall due within the next 12 months. Accordingly, it is appropriate to use the going concern basis for the preparation of the Group's financial statements.

2. Changes in material accounting policy information

Except as described below, the accounting policies adopted in the preparation of the interim condensed consolidated financial information for the six months ended 30 June 2026 are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025.

The Group has adopted the following amendment for the first time for the current period:

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	*Annual Improvements to IFRS Accounting Standards — Volume 11*

The adoption of the above amendment did not have any significant impact on the operating results, financial position and comprehensive income of the Group's interim condensed consolidated financial information.

3. Comparable figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

III. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The types of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the preparation of the Group's consolidated financial statements for the year ended 31 December 2025.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Segment information

Information relating to business lines is reported to the board of directors of the Company and its relevant management committees, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focusing on the types of goods or services delivered or provided.

Profit before tax is the measure of segment profit or loss reviewed by the chief operating decision makers.

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

Distressed asset management operations

The distressed asset management segment mainly including the Company's acquisition and disposal business, bailout and revitalization business, equity business, stock acquisition and restructuring business, and the subsidiaries' distressed asset management.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

1. Segment information (continued)

Asset management and investment operations

The asset management and investment segment mainly including international business and other business.

No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

Measurement of segment assets and liabilities and segment income and results is based on the Group's accounting policies. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

Revenue and assets of the Group are generated primarily from operating units located in the Mainland China and Hong Kong SAR. There was no significant customer concentration in the Group's operations, and the Group had no single customer contributing to more than 10% of the Group's revenue.

Segment income, expenses, gains, losses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

1. Segment information (continued)

For the six months ended 30 June 2026 (Unaudited)	Distressed asset management	Asset management and investment	Elimination	Consolidated
Interest income	4,964,299	1,653,211	(846,893)	5,770,617
Fair value changes on distressed debt assets	3,228,981	—	—	3,228,981
Fair value changes on other financial assets and liabilities	4,273,316	(2,847,034)	—	1,426,282
Income from distressed debt assets	1,657,955	—	—	1,657,955
Gains from derecognition of financial assets measured at amortised cost	323,652	101,023	—	424,675
Gains from derecognition of debt instruments at fair value through other comprehensive income	142,938	(3,671)	—	139,267
Commission and fee income	132,197	14,051	(877)	145,371
Dividend income	845,864	729,748	—	1,575,612
Other income and other net gains or losses	506,070	19,667	(13)	525,724
Total	16,075,272	(333,005)	(847,783)	14,894,484
Interest expense	(9,483,949)	(3,929,565)	402,744	(13,010,770)
Commission and fee expense	(114,914)	(38,687)	—	(153,601)
Operating expenses	(1,444,440)	(302,271)	877	(1,745,834)
Impairment losses under expected credit loss model	(5,084,754)	(458,946)	—	(5,543,700)
Impairment losses on other assets	(144,118)	(58,624)	—	(202,742)
Total	(16,272,175)	(4,788,093)	403,621	(20,656,647)
Change in net assets attributable to other holders of consolidated structured entities	70,981	132,871	—	203,852
Share of results of associates and joint ventures	10,662,944	393,997	—	11,056,941
Profit/(loss) before tax	10,537,022	(4,594,230)	(444,162)	5,498,630
Income tax credit				1,028,987
Profit for the period				6,527,617

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

1. Segment information (continued)

As at 30 June 2026 (Unaudited)	Distressed asset management	Asset management and investment	Elimination	Consolidated
Segment assets	**982,135,537**	**145,697,998**	**(30,808,646)**	**1,097,024,889**
Including: Interests in associates and joint ventures	**280,318,531**	**7,984,665**	**—**	**288,303,196**
Deferred tax assets				**25,772,614**
Total assets				**1,122,797,503**
Segment liabilities	**801,492,438**	**290,519,480**	**(27,848,240)**	**1,064,163,678**
Deferred tax liabilities				**1,637,263**
Tax payable				**469,102**
Total liabilities				**1,066,270,043**

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

1. Segment information (continued)

For the six months ended 30 June 2025 (Unaudited)	Distressed asset management	Asset management and investment	Elimination	Consolidated
Interest income	4,186,289	1,487,210	(1,228,982)	4,444,517
Fair value changes on distressed debt assets	309,517	—	—	309,517
Fair value changes on other financial assets and liabilities	1,513,219	(106,987)	—	1,406,232
Income from distressed debt assets	3,786,500	—	—	3,786,500
Gains from derecognition of financial assets measured at amortised cost	1,206,469	537,521	—	1,743,990
Gains from derecognition of debt instruments at fair value through other comprehensive income	79,301	(73,470)	—	5,831
Commission and fee income	49,848	47,314	(35,764)	61,398
Dividend income	443,245	102,141	—	545,386
Other income and other net gains or losses	19,023,377	(190,353)	—	18,833,024
Total	30,597,765	1,803,376	(1,264,746)	31,136,395
Interest expense	(10,396,660)	(4,813,241)	821,175	(14,388,726)
Commission and fee expense	(58,230)	(31,354)	—	(89,584)
Operating expenses	(1,732,726)	(202,693)	1,278	(1,934,141)
Impairment losses under expected credit loss model	(13,788,097)	(3,068,615)	—	(16,856,712)
Impairment losses on other assets	(1,383,127)	(468,671)	—	(1,851,798)
Total	(27,358,840)	(8,584,574)	822,453	(35,120,961)
Change in net assets attributable to other holders of consolidated structured entities	8,182	(63,026)	—	(54,844)
Share of results of associates and joint ventures	8,893,817	190,271	—	9,084,088
Profit/(loss) before tax	12,140,924	(6,653,953)	(442,293)	5,044,678
Income tax credit				461,382
Profit for the period				5,506,060

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

1. Segment information (continued)

As at 31 December 2025 (Audited)	Distressed asset management	Asset management and investment	Elimination	Consolidated
Segment assets	914,419,778	148,932,033	(30,654,620)	1,032,697,191
Including: Interests in associates and joint ventures	273,214,517	6,233,223	—	279,447,740
Deferred tax assets				24,326,711
Total assets				1,057,023,902
Segment liabilities	734,104,059	294,918,076	(27,308,735)	1,001,713,400
Deferred tax liabilities				1,686,118
Tax payable				476,030
Total liabilities				1,003,875,548

2. Interest income

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Debt instruments at amortised cost other than distressed debt assets	**4,916,895**	3,551,958
Deposits with financial institutions	**575,096**	525,610
Debt instruments at FVOCI other than distressed debt assets	**29,975**	38,793
Others	**248,651**	328,156
Total	**5,770,617**	4,444,517

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

3. Fair value changes on distressed debt assets

The amount represents fair value changes on distressed debt assets measured at fair value through profit or loss ("FVTPL") during the period (see Note IV.16).

The fair value changes comprise both realised gains or losses from disposal of distressed debt assets measured at FVTPL and unrealised fair value changes on such assets. Any interest income arising from such assets is also included in fair value changes.

4. Fair value changes on other financial assets and liabilities

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Equity instruments	**(4,122,964)**	1,435,792
Funds	**3,772,967**	(402,244)
Trust products	**639,468**	216,354
Convertible bonds	**511,797**	(244,959)
Debt instruments	**434,861**	388,170
Derivatives	**54,383**	(41,690)
Other investments and financial liabilities	**135,770**	54,809
Total	**1,426,282**	1,406,232

The fair value changes comprise both realised gains or losses from disposal/settlement of other financial assets/liabilities measured at FVTPL and unrealised fair value changes on such assets/liabilities. Any interest income arising from such assets is also included in fair value changes.

5. Income from distressed debt assets

The amount represents interest income arising from distressed debt assets classified as debt instruments at fair value through other comprehensive income ("FVOCI") and debt instruments at amortised cost, which include loans acquired from financial institutions and distressed debt assets acquired from non-financial institutions (see Notes IV.18 and IV.21).

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

6. Commission and fee income

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Asset management business	**119,662**	38,357
Securities and futures brokerage business	**23,858**	22,546
Fund management business	**1,851**	495
Total	**145,371**	61,398

7. Other income and other net gains or losses

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Revenue from the development of properties(i)	**156,160**	282,452
Gains from investments in associates(ii)	**138,962**	21,317,891
Income arising from operating leases	**132,192**	104,523
Government grants	**5,839**	3,162
Net gains/(losses) on disposals and deemed disposal of subsidiaries, associates and joint ventures	**4**	(2,736,323)
Net losses on exchange differences	**(156,561)**	(277,042)
Fair value changes from investment properties	**(12,217)**	(121,486)
Others	**261,345**	259,847
Total	**525,724**	18,833,024

(i) Revenue from the development of properties is recorded in "Distressed asset management" segment as disclosed in Note IV.1.

(ii) Gains from investment in associates includes gains recognised by the Company for the excess of its share of the net fair value of the identifiable assets and liabilities of the major associate over the cost of the investment. Please refer to Note IV.22 for details.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

8. Interest expense

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Borrowings	**(9,770,268)**	(11,010,012)
Bonds and notes issued	**(3,110,673)**	(3,159,931)
Placements from financial institutions	**(74,837)**	(139,611)
Borrowings from central bank	**(30,216)**	(47,641)
Financial assets sold under repurchase agreements	**(20,848)**	(21,570)
Lease liabilities	**(1,928)**	(9,085)
Other liabilities	**(2,000)**	(876)
Total	**(13,010,770)**	(14,388,726)

9. Operating expenses

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Employee benefits	**(611,191)**	(591,708)
Tax and surcharges	**(238,000)**	(199,887)
Others	**(896,643)**	(1,142,546)
Including:		
Cost of properties development and sales	**(106,370)**	(256,124)
Depreciation of property and equipment	**(84,514)**	(89,943)
Depreciation of right-of-use assets	**(37,999)**	(70,095)
Management fee for realty	**(24,631)**	(35,773)
Amortisation	**(16,842)**	(20,768)
Rental for short-term leases	**(15,154)**	(12,714)
Total	**(1,745,834)**	(1,934,141)

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

10. Impairment losses under expected credit loss model

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Debt instruments at amortised cost	**(5,737,178)**	(14,267,498)
Debt instruments at FVOCI	**308,812**	(1,811,641)
Other financial assets	**(115,334)**	(777,573)
Total	**(5,543,700)**	(16,856,712)

11. Impairment losses on other assets

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Foreclosed assets	**(134,293)**	(100,262)
Inventories	**(19,154)**	(1,223,392)
Interests in associates and joint ventures	**—**	(519,466)
Others	**(49,295)**	(8,678)
Total	**(202,742)**	(1,851,798)

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

12. Income tax credit

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Current income tax		
PRC enterprise income tax	**(424,647)**	(167,855)
PRC land appreciation tax	**(7,325)**	(9,815)
(Under)/over provisions in prior years	**(8,602)**	19,252
Deferred income tax	**1,469,561**	619,800
Total tax credit for the period	**1,028,987**	461,382

The statutory income tax rate applicable to PRC enterprises was 25% for the period (for the six months ended 30 June 2025: 25%).

The preferential income tax rate applicable to PRC enterprises within the scope of the western development area was 15% for the period (for the six months ended 30 June 2025: 15%).

On 21 March 2018, The Inland Revenue (Amendment) (No.7) Bill 2017 which introduces the two-tiered profits tax rates regime was passed by the Hong Kong Legislative Council.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the interim condensed consolidated financial information.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

13. Dividends

Dividends for Ordinary Shares

The Company did not declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

Interest on Perpetual Bonds

The Company distributed interest on the 2022 Undated Capital Bonds amounting to RMB864 million on 30 June 2026. The Company distributed interest on the 2022 Undated Capital Bonds amounting to RMB864 million on 28 June 2025.

14. Earnings per share

The calculation of basic and diluted earnings per share is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to equity holders of the Company	**6,861,703**	6,167,588
Less: Dividends on other equity instruments declared and distributed	**863,660**	863,660
Profit for the period attributable to ordinary equity holders of the Company	**5,998,043**	5,303,928
Number of shares:		
Weighted average number of shares for the period (in thousand)	**80,246,679**	80,246,679
Basic earnings per share (RMB Yuan)	**0.075**	0.066
Diluted earnings per share (RMB Yuan)	**0.075**	0.066

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

15. Deposits with financial institutions

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Banks(i)	101,248,664	69,975,739
Clearing settlement funds(i)(ii)	5,037,670	3,678,606
Other financial institutions	3,710,559	881,290
Subtotal	109,996,893	74,535,635
Less: Allowance for ECL(iii)	(3,587)	(2,968)
Total	109,993,306	74,532,667

(i) The Group maintains bank accounts to hold customers' deposits arising from its brokerage business. As at 30 June 2026, the bank balances and clearing settlement funds held on behalf of customers by the Group amounted to RMB3,989 million (31 December 2025: RMB3,863 million). The Group has recognised the corresponding amount in other liabilities (see Note IV.30).

(ii) The Group's clearing settlement funds were mainly deposited in China Securities Depository and Clearing Corporation Limited.

(iii) As at 30 June 2026 and 31 December 2025, the Group's deposits with financial institutions were all in Stage 1.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

16. Financial assets and financial liabilities at FVTPL

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Distressed debt assets	**197,803,551**	188,610,247
Equity instruments		
— Listed	**42,124,737**	60,963,337
— Unlisted	**72,890,462**	72,448,075
Funds	**59,532,297**	37,757,717
Trust products	**22,287,912**	15,864,256
Debt securities	**2,740,795**	3,099,750
Convertible bonds	**977,675**	911,796
Asset management plans	**288,965**	357,890
Wealth management products	**127,939**	148,157
Derivatives	**117,593**	95,907
Other debt assets	**8,695,105**	7,024,686
Total	**407,587,031**	387,281,818
Financial liabilities mandatorily measured at FVTPL		
Derivatives	**216**	5,241
Financial liabilities designated as at FVTPL		
Interest of other holders of consolidated structured entities(i)	**2,386**	8,799
Total	**2,602**	14,040

(i) In respect of these liabilities designated at FVTPL, the Group is required at maturities to pay amounts according to other investors' share in the underlying assets of the special structured entities consolidated. The amount ultimately paid by the Group depends on the fair values of these assets at maturities and may be different from the carrying amounts as at 30 June 2026.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

17. Financial assets held under resale agreements

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
By collateral type:		
Securities	**3,389,556**	21,996
Subtotal	**3,389,556**	21,996
Less: Allowance for ECL(i)	**—**	—
Net financial assets held under resale agreements	**3,389,556**	21,996

(i) As at 30 June 2026 and 31 December 2025, the Group's financial assets held under resale agreements were all in Stage 1.

18. Debt instruments at FVOCI

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Distressed debt assets	**2,427,136**	2,678,846
Entrusted loans	**963,160**	651,978
Corporate bonds	**124,503**	244,172
Debt instruments	**165,636**	479,889
Total	**3,680,435**	4,054,885

The movements of expected credit loss on debt instruments at FVOCI during the current period and the prior year are detailed in Note IV.38(2).

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

19. Equity instruments at FVOCI

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Listed equity investments	**6,196,294**	6,688,669
Unlisted equity investments	**219,329**	229,247
Total	**6,415,623**	6,917,916

(i) The above listed and unlisted equity investments represent equity instruments listed in the Mainland China or Hong Kong SAR and equity interests in private entities established in the Mainland China or incorporated in Hong Kong SAR. These investments are not held for trading.

(ii) The Group received dividends of RMB49 million from equity instruments at FVOCl for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB101 million).

20. Inventories

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Costs		
Property development costs	**17,902,402**	17,915,582
Properties for sale	**4,410,835**	4,355,523
Subtotal	**22,313,237**	22,271,105
Allowance for impairment losses	**(4,970,393)**	(5,183,741)
Total	**17,342,844**	17,087,364

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

21. Debt instruments at amortised cost

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Distressed debt assets		
Loans acquired from financial institutions	**13,084,613**	16,536,779
Other debt assets acquired from non-financial institutions	**70,466,215**	81,893,282
Subtotal	**83,550,828**	98,430,061
Less: Allowance for ECL		
— 12-month ECL	**(79,194)**	(165,190)
— Lifetime ECL	**(31,318,271)**	(34,024,066)
Subtotal	**(31,397,465)**	(34,189,256)
Carrying amount of distressed debt assets	**52,153,363**	64,240,805
Other debt assets		
Debt instruments	**97,113,640**	94,823,965
Trust products	**68,364,526**	61,050,976
Entrusted loans	**22,705,860**	24,731,419
Debt securities	**4,490,187**	4,465,151
Asset management plans	**1,736,211**	3,795,056
Others	**12,660,327**	14,667,171
Subtotal	**207,070,751**	203,533,738
Less: Allowance for ECL		
— 12-month ECL	**(1,174,829)**	(786,674)
— Lifetime ECL	**(51,110,110)**	(53,401,458)
Subtotal	**(52,284,939)**	(54,188,132)
Carrying amount of other debt assets	**154,785,812**	149,345,606
Total	**206,939,175**	213,586,411

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

21. Debt instruments at amortised cost (continued)

During the six months ended 30 June 2026, the Group disposed of certain financial assets measured at amortised cost, primarily for the purpose of credit risk management.

The movements of expected credit losses on debt instruments at amortised cost during the current period and the prior year are detailed in Note IV.38(2).

22. Interests in associates and joint ventures

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Interests in associates		
Cost of investments in associates	**273,932,850**	270,426,297
Share of post-acquisition profits or losses and other comprehensive income, net of dividends received	**15,309,387**	10,001,864
Less: Allowance for impairment losses	**(2,136,491)**	(2,213,594)
Subtotal	**287,105,746**	278,214,567
Interests in joint ventures		
Cost of investments in joint ventures	**2,777,294**	2,777,294
Share of post-acquisition profits or losses and other comprehensive income, net of dividends received	**(399,894)**	(364,171)
Less: Allowance for impairment losses	**(1,179,950)**	(1,179,950)
Subtotal	**1,197,450**	1,233,173
Total	**288,303,196**	279,447,740
Fair value of listed companies	**124,386,788**	125,237,943

During the six months ended 30 June 2026, there was 1 (for the six months ended 30 June 2025: 1) acquired interest in associate at an aggregate initial cost of RMB3,643 million (for the six months ended 30 June 2025: RMB24 million).

During the six months ended 30 June 2026, no disposal of joint ventures of the Group (for the six months ended 30 June 2025: disposed 1 joint ventures for an aggregate carrying value of RMB83 million at the dates of disposal and recognised a net losses of RMB1 million).

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

22. Interests in associates and joint ventures (continued)

Particulars of the Group's major associates as at 30 June 2026 are as follows:

Name of associate	Place of incorporation/ establishment	Principal place of business	Registered capital (in RMB millions)	Carrying amount (in RMB millions)	Proportion of ownership interest held by the Group		Principal activities
					30 June 2026 (%)	31 December 2025 (%)	
Bank of China Limited ("Bank of China")(i)	Beijing, PRC	Mainland China	322,212	137,498	***5.00**	*5.00	Commercial bank
CITIC Limited(ii)	Hong Kong SAR, PRC	Mainland China	307,576	76,939	**9.89**	9.89	Investment holding
China Everbright Bank Company Limited ("CEB Bank")(iii)	Beijing, PRC	Mainland China	59,086	46,036	**9.02**	9.02	Commercial bank
Daqin Railway Company Limited ("Daqin Railway")(iv)	Datong, PRC	Mainland China	19,863	8,816	**5.07**	5.00	Railway passenger and freight
China Huarong Financial Leasing Co., Ltd. ("Financial Leasing Company")	Hangzhou, PRC	Mainland China	12,564	4,638	**19.92**	19.92	Financial lease
China Merchants Expressway Network & Technology Holdings Co., Ltd.	Tianjin, PRC	Mainland China	6,795	3,631	**5.27**	N/A	Highway Management and Maintenance
China Power International Development Limited	Hong Kong SAR, PRC	Mainland China	24,509	2,665	**5.98**	5.73	Generation and sales of electricity
Zhongshan Public Utilities Group Co., Ltd.	Zhongshan, PRC	Mainland China	1,468	1,542	**8.09**	8.04	Public utility
Huarong Jinshang Asset Management Co., Ltd.	Taiyuan, PRC	Mainland China	3,130	1,093	**48.88**	48.88	Asset management
Hangzhou Oxygen Plant Group Co., Ltd.	Hangzhou, PRC	Mainland China	978	1,653	**5.51**	5.51	Equipment manufacturing

* The data listed in the table above is rounded to two decimal places.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

22. Interests in associates and joint ventures (continued)

(i) Bank of China

On 20 December 2024, the General Meeting of Shareholders of Bank of China approved the Company's nomination of a representative as non-executive director of the board of directors of Bank of China. Accordingly, the Company has the power to participate in the financial and operating policy decisions of Bank of China and is able to exert significant influence over Bank of China. As such, the investment in Bank of China had been accounted for as interests in associates using the equity method on 20 December 2024 ("acquisition date"). The Company assessed the net fair value of Bank of China's identifiable assets and liabilities as at the acquisition date based on available information, with the difference between the net fair value of identifiable assets and liabilities and the carrying amount of Bank of China's net assets mainly deriving from the valuation of property and equipment, core customers deposits and interests in associates and joint ventures. The Company's share of the net fair value of Bank of China's identifiable assets and liabilities amounted to RMB85,821 million, which exceeded the cost of investment in Bank of China by RMB48,381 million. The Company had adjusted its cost of investment in Bank of China accordingly.

On 30 March 2025, the associate has entered into share subscription agreement with a shareholder, pursuant to the agreement, the shareholder has contributed RMB165,000 million to the associate, in which RMB27,825 million was paid as the registered capital, after deducted other expenses, the remaining RMB137,128 million was recognised as capital reserve of the associate. The transactions was completed on 13 June 2025. As a result of the share subscription agreement, the equity interest attributed to the Group has decreased from 4.46% to 4.07% and loss on deemed disposal of associate was recognised in the interim condensed consolidated statement of profit or loss for the period.

During the year ended 31 December 2025, the Group continued to invest in Bank of China. After the additional investment, the Company is still able to exercise significant influence over Bank of China; therefore, Bank of China continues to be an associate of the Company. As at 30 June 2026, the ordinary shares of Bank of China held by the Group was 4.99971% of Bank of China's total issued shares (31 December 2025: 4.99971%).

As at 30 June 2026, the market capitalisation of the Group's investment in Bank of China was RMB69,820 million. The market capitalisation of the Group's investment in Bank of China was below the carrying amount. As a result, the Group performed an impairment test on the interests in associates, which concluded that there was no impairment at 30 June 2026 as the recoverable amount as determined by a value in use calculation was higher than the carrying amount.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

22. Interests in associates and joint ventures (continued)

(i) Bank of China (continued)

The impairment test was performed by comparing the recoverable amount of Bank of China, determined by a value in use calculation, with its carrying amount. The value in use calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.

(ii) CITIC Limited

In November 2023, the Company entered into a Share Transfer Agreement with CITIC Group and CITIC Polaris Limited ("CITIC Polaris"). The Company agreed to acquire ordinary shares of CITIC Limited, accounting for 5.01% of total issued shares of CITIC Limited. On 29 December 2023, the board of directors of CITIC Limited approved the nomination of the representative proposed by the Company as a non-executive director of CITIC Limited. Accordingly, the Company has the power to participate in the financial and operating policy decisions of CITIC Limited and is able to exert significant influence over CITIC Limited. As such, the investment in CITIC Limited had been accounted for as interests in associates using the equity method on 29 December 2023 ("acquisition date"). The Company had assessed the valuation of the fair value of net identifiable assets and liabilities of CITIC Limited on the acquisition date. The difference between the net fair value of identifiable assets and liabilities and the carrying amount of CITIC Limited's net assets came mainly from properties, core customers deposits, interests in associates and joint ventures, intellectual property rights and inventories. The Company's share of the net fair value of CITIC Limited's identifiable assets and liabilities on the acquisition date amounted to RMB34,565 million, which exceeded the cost of investment in CITIC Limited by RMB21,827 million. The Company accordingly adjusted its cost of investment in associates.

On 29 November 2024 ("additional investment date"), the Company's subsidiary, China CITIC Financial AMC International Holdings Limited ("International Company", the former China Huarong International Holdings Limited), acquired ordinary shares of CITIC Limited, accounting for 4.88% of total issued shares of CITIC Limited. Since the Company continues to be able to exert significant influence over CITIC Limited after making additional investment, CITIC Limited remains an associate of the Group. As at 30 June 2026, the ordinary shares of CITIC Limited held by the Group was 9.89% of CITIC Limited's total issued shares (31 December 2025: 9.89%).

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

22. Interests in associates and joint ventures (continued)

(ii) CITIC Limited (continued)

As at 30 June 2026, the market value of the Company's investment in CITIC Limited was RMB26,512 million. The fair value of the Company's investment in CITIC Limited was below the carrying amount. As a result, the Company performed an impairment test on the carrying amount, which concluded that there was no impairment at 30 June 2026 as the recoverable amount as determined by a value in use calculation was higher than the carrying amount.

The impairment test was performed by comparing the recoverable amount of CITIC Limited, determined by a value in use calculation, with its carrying amount. The value in use calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.

(iii) CEB Bank

In March 2023, the Company purchased convertible corporate bonds ("Everbright Convertible Bonds") which were publicly issued by CEB Bank in 2017. Upon approval by the regulatory authorities, the Company converted the Everbright Convertible Bonds into ordinary A shares of CEB Bank on 16 March 2023. Upon completion of this conversion, ordinary A shares of CEB Bank held by the Company accounting for 7.08% of total ordinary shares of CEB Bank. On 21 June 2023, the General Meeting of Shareholders of CEB Bank approved the nomination of the representative proposed by the Company as a non-executive director of the ninth board of directors of CEB Bank. Accordingly, the Company has the power to participate in the financial and operating policy decisions of CEB Bank and is able to exert significant influence over CEB Bank. As such, the investment in CEB Bank had been accounted for as interests in associates using the equity method on 21 June 2023 ("acquisition date"). The Company assessed the net fair value of CEB Bank's identifiable assets and liabilities on the acquisition date, with the difference between the net fair value of identifiable assets and liabilities and the carrying amount of CEB bank's net assets mainly deriving from the valuation of properties and core customers deposits. The Company's share of the net fair value of CEB Bank's identifiable assets and liabilities amounted to RMB32,385 million, which exceeded the cost of investment in CEB Bank by RMB19,664 million. The Company had adjusted its cost of investment in CEB Bank accordingly.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

22. Interests in associates and joint ventures (continued)

(iii) CEB Bank (continued)

During the year ended 31 December 2025, the Company continued to invest in CEB Bank. Since the Company continues to be able to exert significant influence over CEB Bank after making additional investment, CEB Bank remains an associate of the Group. As at 30 June 2026, the ordinary shares of CEB Bank held by the Company was 9.02% of CEB Bank's total issued shares (31 December 2025: 9.02%).

As at 30 June 2026, the market value of the Company's investment in CEB Bank was RMB15,188 million. The fair value of the Company's investment in CEB Bank was below the carrying amount. As a result, the Company performed an impairment test on the carrying amount, which concluded that there was no impairment at 30 June 2026 as the recoverable amount as determined by a value in use calculation was higher than the carrying amount.

The impairment test was performed by comparing the recoverable amount of CEB Bank, determined by a value in use calculation, with its carrying amount. The value in use calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.

(iv) Daqin Railway

On 28 August 2024, the General Meeting of Shareholders of Daqin Railway approved the Company's nomination of a representative as director of the board of directors of Daqin Railway. Accordingly, the Company has the power to participate in the financial and operating policy decisions of Daqin Railway and is able to exert significant influence over Daqin Railway. As such, the investment in Daqin Railway had been accounted for as interests in associates using the equity method on 28 August 2024 ("acquisition date").

The Company assessed the net fair value of Daqin Railway's identifiable assets and liabilities on the acquisition date, with the difference between the net fair value of identifiable assets and liabilities and the carrying amount of Daqin Railway's net assets mainly deriving from the valuation of interests in associates and joint ventures, property and equipment and intangible assets. The Company's share of the net fair value of Daqin Railway's identifiable assets and liabilities on the acquisition date amounted to RMB8,974 million, which exceeded the cost of investment in Daqin Railway by RMB2,290 million. The Company had adjusted its cost of investment in Daqin Railway accordingly.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

22. Interests in associates and joint ventures (continued)

(iv) Daqin Railway (continued)

As at 30 June 2026, the ordinary shares of Daqin Railway held by the Group was 5.07% of Daqin Railway's total issued shares (31 December 2025: 5.00%).

As at 30 June 2026, the market capitalisation of the Company's investment in Daqin Railway was RMB4,644 million. The market capitalisation of the Company's investment in Daqin Railway was below the carrying amount. As a result, the Company performed an impairment test on the interests in associates, which concluded that there was no impairment at 30 June 2026 as the recoverable amount as determined by a value in use calculation was higher than the carrying amount.

The impairment test was performed by comparing the recoverable amount of investment in Daqin Railway, as determined by a value in use calculation, with its carrying amount. The value in use calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36.

23. Property and equipment

For the six months ended 30 June 2026, the Group acquired and disposed of property and equipment with aggregate amounts of RMB19 million at cost and RMB1 million at net book value, respectively (for the six months ended 30 June 2025: RMB39 million at cost and RMB52 million at net book value, respectively).

24. Investment properties

For the six months ended 30 June 2026, the Group transferred a balance of RMB21 million (for the six months ended 30 June 2025: RMB172 million) from inventories to investment properties.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

25. Other assets

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Other receivables	**17,126,871**	16,784,982
Foreclosed assets(i)	**13,450,814**	12,515,841
Payments in advance	**904,849**	2,637,930
Continuing involvement assets	**57,246**	92,726
Deductible value-added tax	**152,919**	84,235
Dividends receivable	**4,529,203**	1,881,897
Prepaid income tax	**8,047,360**	5,639,242
Intangible assets	**94,813**	82,050
Finance lease receivables	**52,650**	52,650
Others	**1,031,224**	1,926,530
Subtotal	**45,447,949**	41,698,083
Allowance for impairment losses	**(10,500,723)**	(10,291,484)
Total	**34,947,226**	31,406,599

(i) The Group disposes of foreclosed assets through various means. In principle, foreclosed assets should not be transferred for own use, but, in the event that they are needed for the Group's own business or management purposes, they are transferred at their net carrying amounts and managed as newly acquired property and equipment.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

26. Financial assets sold under repurchase agreements

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Bonds	**1,512,727**	—
Total	**1,512,727**	—

27. Borrowings

(1) Analysed by security type:

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Unsecured loans	**841,846,718**	778,159,893
Guaranteed loans[(i)]	**3,747,672**	3,798,064
Pledged loans	**2,254,068**	2,955,290
Loans secured by properties	**1,528,351**	1,501,530
Total	**849,376,809**	786,414,777

(i) The guaranteed loans was all borrowed by subsidiaries of the Company and guaranteed by the Company.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

27. Borrowings (continued)

(2) Analysed by duration clause:

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Carrying amount repayable[(i)]:		
Within 1 year (inclusive)	**463,141,148**	420,521,815
1 year to 2 years (inclusive)	**194,301,645**	245,710,708
2 years to 5 years (inclusive)	**175,967,445**	103,996,075
Subtotal	**833,410,238**	770,228,598
Carrying amount of borrowings that contain a repayment on demand clause repayable[(i)]:		
Within 1 year (inclusive)	**12,901,412**	12,812,918
1 year to 2 years (inclusive)	**720,331**	716,051
2 years to 5 years (inclusive)	**2,219,828**	2,471,702
More than 5 years	**125,000**	185,508
Subtotal	**15,966,571**	16,186,179
Total	**849,376,809**	786,414,777

(i) The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 30 June 2026 and 31 December 2025, the Group had no borrowings that failed to comply with certain financial or non-financial conditions stipulated in certain lending and borrowing agreements between banks and non-bank financial institutions.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

28. Tax payable

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Enterprise income tax	**197,480**	198,480
PRC Land appreciation tax	**181,316**	181,378
Profits tax of Hong Kong SAR and Macau SAR	**90,306**	96,172
Total	**469,102**	476,030

29. Bonds and notes issued

	As at 30 June 2026	As at 31 December 2025	**Terms**	**Coupon rate per annum**	**Interest payment terms**
	(Unaudited)	(Audited)			
Financial bonds	**78,266,907**	77,883,026	3-5 years	fixed rate at 3.10%-4.75%	Interest payable annually
Mid-term USD notes	**27,885,555**	34,980,340	10-30 years	fixed rate at 3.38%-5.50%	Interest payable semi-annually
Tier II capital bonds	**30,643,431**	30,113,866	5 years	fixed rate at 3.58%	Interest payable annually
Asset-backed securities	**35,102,337**	20,086,436	174-1090 days	fixed rate at 1.53%-1.80%	Interest payable semi-annually
Total	**171,898,230**	163,063,668			

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

30. Other liabilities

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Amounts received in advance[(i)]	**8,537,182**	8,653,062
Guarantee deposits received from customers	**8,424,955**	8,620,433
Other payables	**7,004,399**	6,584,536
Margin deposits received from securities customers	**3,988,956**	3,862,721
Employee benefits payable	**3,585,292**	3,686,955
Payables to interest holders of consolidated structured entities	**839,967**	1,113,825
Sundry taxes payable	**797,596**	956,839
Provisions	**145,559**	285,380
Dividends payable	**61,050**	118,345
Account payable to brokerage clients	**86,384**	112,579
Others	**888,419**	1,506,696
Total	**34,359,759**	35,501,371

(i) Amounts received in advance mainly included deposits received in respect of advance payments relating to the Group's sales of distressed assets.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

31. Share capital

	For the six months ended 30 June 2026	For the year ended 31 December 2025
	(Unaudited)	(Audited)
Authorised, issued and fully paid		
At beginning and end of the period/year	**80,246,679**	80,246,679

	For the six months ended 30 June 2026	For the year ended 31 December 2025
	(Unaudited)	(Audited)
Registered, issued and fully paid		
Domestic shares	**44,884,418**	44,884,418
H shares	**35,362,261**	35,362,261
Total	**80,246,679**	80,246,679

As at 30 June 2026 and 31 December 2025, the Company had 21,230,930 thousand shares subject to restrictions on sales listed in China and no shares subject to restrictions on sales listed overseas.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

32. Other equity instruments

	2026		
	As at 1 January	Issuance	As at 30 June
	(Audited)		(Unaudited)
Perpetual Bonds			
2022 undated capital bonds	**19,900,000**	**—**	**19,900,000**
Total	**19,900,000**	**—**	**19,900,000**

Upon approvals by relevant regulators in China, the Company issued RMB19,900 million undated capital bonds (the "bonds") in the domestic interbank bond market on 29 June 2022 and completed the issuance on 30 June 2022. The denomination of the bonds is RMB100 each, and the annual coupon rate of the bonds for the first five years is 4.34%, which is reset every 5 years. The coupon rate will be reset on the date when the benchmark rate is adjusted. The reset coupon rate will be determined by adding the fixed spread determined at the time of issuance to the updated benchmark rate on the date when the benchmark rate is adjusted.

The duration of the bonds is the same as the period of the Company's continuing operation. Subject to satisfaction of redemption conditions and having obtained prior approval of the NFRA, the Company may redeem the bonds in whole or in part on each payment date 5 years after the issuance date of the bonds. Upon the occurrence of a non-viability trigger event, the Company has the right to write down the principal amount of the bonds in whole or in part, without the need for consent of the holders of the bonds. The claims in respect of the bonds, in the event of a winding-up of the Company, will be subordinated to the claims of general creditors, and subordinated indebtedness that ranks senior to the bonds; will rank in priority to all classes of shares held by the Company's shareholders and rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Company that rank pari passu with the bonds.

The bonds are paid with non-cumulative interest. The Company has the right to cancel distributions of interests on the bonds in whole or in part and such cancellation shall not constitute a default. The Company may, at its sole discretion, use the interest from the cancelled distributions of the bonds to meet other obligations as they fall due. The Company shall not make any distributions to the ordinary shareholders, until it resumes the distribution payments in whole to the holders of the bonds.

Proceeds raised from the issuance of the bonds, after deduction of transaction costs, were wholly used to replenish the Company's additional tier 1 capital and to increase its capital adequacy ratios.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

33. General reserve

Starting from 1 July 2012, pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai jin [2012] No.20) issued by the MOF, a financial enterprise is required to maintain a general reserve within equity, through the appropriation of profit determined under the PRC Generally Accepted Accounting Principles, at no less than 1.5% of its risk assets at the end of the reporting period. A financial enterprise is allowed to comply with this requirement over a period of 5 years, if it is not probable to achieve the 1.5% requirement immediately.

Pursuant to this regulatory requirement in the PRC, some domestic subsidiaries of the Company are required to transfer certain amount of net profit to general reserve. The appropriation of the general reserve is accounted for as a distribution of retained earnings.

For the six months ended 30 June 2026, the Group did not transfer any amount to general reserve (for the six months ended 30 June 2025: Nil).

34. Cash and cash equivalents

Cash and cash equivalents with original maturity of less than 3 months comprise the following balances:

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Deposits with financial institutions	**108,189,937**	72,787,368
Financial assets held under resale agreements	**3,389,556**	21,996
Cash on hand	**74**	74
Balances with central bank	**1**	1
Total	**111,579,568**	72,809,439

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

35. Contingent liabilities

Legal proceedings

The Company and its subsidiaries are involved as defendants in certain lawsuits arising from their normal business operations. As at 30 June 2026, the total claim amount of pending litigations was RMB1,349 million (31 December 2025: RMB1,536 million) for the Group, and RMB146 million provision (31 December 2025: RMB285 million) for the Group was made based on court judgements or the advice of legal counsels. The directors of the Company believe that the final result of these lawsuits will not have a material impact on the financial position or operations of the Group.

36. Commitments

(1) Credit enhancement

As at 30 June 2026, the Group did not provide credit enhancements for counterparties involving in borrowing arrangements (31 December 2025: Nil).

(2) Other commitments

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Contracted but not provided for		
— Commitments for the acquisition of long-term assets	**240,350**	276,308

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

37. Related party transactions

(1) The MOF

As at 30 June 2026, the MOF directly owned 24.76% (31 December 2025: 24.76%) of the share capital of the Company including domestic shares and H shares.

The MOF is one of the ministries under the State Council, primarily responsible for state fiscal revenue and expenditures, and taxation policies. The entities controlled by the MOF are mainly financial institutions.

The Group had the following balances and entered into the following transactions with the MOF. These transactions were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties.

The Group had the following balances with the MOF:

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Other assets	**151,424**	151,808
Other liabilities	**12,350**	12,350
Debt instruments at amortised cost	**4,452,389**	4,350,235

The Group had the following transactions with the MOF:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Interest income	**51,219**	59,743

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

37. Related party transactions (continued)

(2) CITIC Group

As at 30 June 2026, CITIC Group owned 26.46% of the share capital of the Company (31 December 2025: 26.46%). Transactions between the Group and CITIC Group and its subsidiaries were carried out under normal commercial terms, in ordinary course of business and priced at market rate.

The Group had the following balances with subsidiaries of CITIC Group:

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Borrowings	**89,325,186**	86,776,672
Deposits with financial institutions	**5,788,251**	4,416,643
Other assets	**1,118,667**	469,918
Other liabilities	**42,429**	31,378
Bonds and notes issued	**7,375,000**	6,148,000
Financial assets at fair value through profit or loss	**—**	170,961

The Group had the following transactions with subsidiaries of CITIC Group:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Interest expense	**1,076,247**	1,041,219
Interest income	**10,240**	4,460
Commission and fee expense	**21,482**	22,393
Commission and fee income	**9,130**	—
Operating expenses	**71**	78

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

37. Related party transactions (continued)

(2) CITIC Group (continued)

During the six months ended 30 June 2026, the Group acquired RMB462 million of financial assets from subsidiaries of CITIC Group (for the six months ended 30 June 2025: RMB1,565 million), and did not dispose of financial assets to subsidiaries of CITIC Group (for the six months ended 30 June 2025: RMB529 million).

(3) Shareholder holding 5% and more than 5% of the Company's share capital

As at 30 June 2026, China Insurance Rongxin Private Fund Co., Ltd. ("China Insurance Rongxin Fund") owned 18.08% of the share capital of the Company (31 December 2025: 18.08%).

During the six months ended 30 June 2026, the Group had no related party transactions with China Insurance Rongxin Fund (31 December 2025: Nil).

(4) Government related entities

Other than those disclosed above, the Group also entered into transactions with government-related entities. These transactions were entered into under normal commercial terms and conditions.

Management of the Group considers that transactions with government-related entities are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that both the Group and those entities are government related. The Group has also established pricing policies for products and services and such pricing policies do not take account of whether the customers are government-related entities or not.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

37. Related party transactions (continued)

(5) Associates and joint ventures

The Group had the following balances and entered into the following transactions with associates and joint ventures. These transactions were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties. Transactions between the Group and CITIC Limited and Financial Leasing Company are disclosed in Note IV.37(2).

The Group had the following balances with associates and joint ventures:

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Borrowings	**69,954,202**	65,709,877
Deposits with financial institutions	**21,507,747**	16,171,469
Other assets	**2,936,596**	141,055
Other liabilities	**280,203**	49,549
Bonds and notes issued	**7,172,000**	6,387,000

The Group had the following transactions with associates and joint ventures:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Interest expense	**806,427**	811,115
Interest income	**111,577**	88,710
Commission and fee expense	**—**	15,172
Other income and other net gains or losses	**6,650**	6,699
Operating expenses	**706**	1,088

During the six months ended 30 June 2026, the Group acquired RMB1,100 million of financial assets from Bank of China and RMB753 million of financial assets from CEB Bank (for the six months ended 30 June 2025: acquired RMB26 million of financial assets from Bank of China).

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

37. Related party transactions (continued)

(6) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Emoluments of key management personnel		
— Salaries and other benefits	**2,504**	2,784
— Discretionary and performance-related incentive payments	**956**	930
— Fees	**417**	720
— Employer's contribution to pension scheme	**613**	506
Total (before tax)	**4,490**	4,940

The total compensation packages of the above key management personnel for the six months ended 30 June 2026 and 2025 have not yet been finalised in accordance with regulations of the relevant authorities in the PRC.

(7) Annuity scheme

In addition to normal contributions into the annuity schemes set up by the Company and certain other subsidiaries of the Group, there were no other related party transactions for the six months ended 30 June 2026.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

38. Credit risk

The Group's credit risk management and its approach to impairment assessment and risk mitigating measures are the same as those set out in the Group's consolidated financial statements for the year ended 31 December 2025.

The Group performed the assessment of expected credit losses with the reference to forward-looking information and used a number of models and assumptions in the measurement of expected credit losses. These models and assumptions relate to the future macroeconomic situation and the credit status of the borrowers (for example, the possibility of default by the customers and the corresponding loss). The Group assessed the expected credit losses as at 30 June 2026 and comprehensively considered the impacts of current economic conditions on expected credit losses, including performing forward-looking forecasts to key macroeconomic indicators and assessments of scenario weights.

As at 30 June 2026, the expected credit losses comprehensively reflected the Group's credit risk and the expectations for the macroeconomic development of management.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

38. Credit risk (continued)

(1) Risk concentration of debt instruments at amortised cost and at FVOCI

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Distressed debt assets at amortised cost	**83,550,828**	98,430,061
Other debt assets at amortised cost	**207,070,751**	203,533,738
Distressed debt assets at FVOCI	**2,427,136**	2,678,846
Other debt assets at FVOCI	**1,253,299**	1,376,039
Subtotal	**294,302,014**	306,018,684
Allowance for ECL		
Distressed debt assets at amortised cost	**(31,397,465)**	(34,189,256)
Other debt assets at amortised cost	**(52,284,939)**	(54,188,132)
Subtotal	**(83,682,404)**	(88,377,388)
Net carrying amount		
Distressed debt assets at amortised cost	**52,153,363**	64,240,805
Other debt assets at amortised cost	**154,785,812**	149,345,606
Distressed debt assets at FVOCI	**2,427,136**	2,678,846
Other debt assets at FVOCI	**1,253,299**	1,376,039
Total	**210,619,610**	217,641,296

As at 30 June 2026, the loss allowance of debt instruments at FVOCI was RMB3,328 million (31 December 2025: RMB5,574 million).

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

38. Credit risk (continued)

(1) Risk concentration of debt instruments at amortised cost and at FVOCI (continued)

Analysed by geographical area

	As at 30 June 2026		As at 31 December 2025	
	Gross amount	**%**	Gross amount	%
	(Unaudited)		(Audited)	
Bohai Rim	**61,829,661**	**21.0**	68,444,286	22.4
Central Region	**51,181,286**	**17.4**	51,855,916	17.0
Pearl River Delta	**50,174,094**	**17.1**	48,029,676	15.7
Western Region	**47,094,208**	**16.0**	46,643,407	15.2
Yangtze River Delta	**38,665,991**	**13.1**	44,978,913	14.7
Overseas	**38,228,385**	**13.0**	39,251,570	12.8
Northeastern Region	**7,128,389**	**2.4**	6,814,916	2.2
Total	**294,302,014**	**100.0**	306,018,684	100.0

Note:

Bohai Rim:	Including Beijing, Tianjin, Hebei and Shandong.
Central Region:	Including Shanxi, Henan, Hunan, Hubei, Anhui, Jiangxi and Hainan.
Pearl River Delta:	Including Guangdong and Fujian.
Western Region:	Including Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Guangxi, Gansu, Qinghai, Xinjiang, Ningxia, Inner Mongolia and Tibet.
Yangtze River Delta:	Including Shanghai, Jiangsu and Zhejiang.
Overseas:	Including all region outside Mainland China.
Northeastern Region:	Including Liaoning, Jilin and Heilongjiang.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

38. Credit risk (continued)

(1) Risk concentration of debt instruments at amortised cost and at FVOCI (continued)

Analysed by industry

	As at 30 June 2026		As at 31 December 2025	
	Gross amount	**%**	Gross amount	%
	(Unaudited)		(Audited)	
Corporate business				
Real estate	**123,527,032**	**42.0**	124,091,383	40.5
Construction	**42,612,703**	**14.5**	49,758,375	16.3
Leasing and commercial services	**36,535,037**	**12.4**	37,541,609	12.3
Manufacturing	**25,045,041**	**8.5**	25,231,024	8.2
Mining	**18,727,143**	**6.4**	16,921,447	5.5
Wholesale and retail trade	**11,757,138**	**4.0**	11,658,935	3.8
Water, environment and public utilities management	**7,465,958**	**2.5**	10,195,628	3.3
Transportation, logistics and postal services	**5,338,928**	**1.8**	5,726,033	1.9
Production and supply of power, heat, gas and water	**1,956,925**	**0.7**	1,991,625	0.7
Others	**21,336,109**	**7.2**	22,902,625	7.5
Total	**294,302,014**	**100.0**	306,018,684	100.0

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

38. Credit risk (continued)

(2) Credit quality

(i) Loss allowance

The table below summarises the loss allowance as of the period end by class of main assets:

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
Debt instruments at amortised cost	**83,682,404**	88,377,388
Debt instruments at FVOCI	**3,327,643**	5,573,747
Other financial assets	**8,933,184**	8,824,412
Total	**95,943,231**	102,775,547

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

38. Credit risk (continued)

(2) Credit quality (continued)

(ii) Movements of loss allowance

The tables below analyse the movements of the loss allowance during the year/period per class of assets.

Debt instruments at FVOCI

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025 (Audited)	6,928	278,428	9,101,773	9,387,129
Changes in the loss allowance				
— Transfer to Stage 1	—	—	—	—
— Transfer to Stage 2	(205)	205	—	—
— Transfer to Stage 3	—	(269,454)	269,454	—
— (Reversal)/charge for the year	(5,093)	58,521	1,795,339	1,848,767
— Write-offs	—	—	(4,463,299)	(4,463,299)
— Transfer out	—	—	(1,534,772)	(1,534,772)
— Unwinding of discount on allowance	—	—	(231,163)	(231,163)
— Others	(157)	—	567,242	567,085
As at 31 December 2025 (Audited)	1,473	67,700	5,504,574	5,573,747
Changes in the loss allowance				
— Transfer to Stage 1	**—**	**—**	**—**	**—**
— Transfer to Stage 2	**—**	**—**	**—**	**—**
— Transfer to Stage 3	**—**	**—**	**—**	**—**
— (Reversal)/charge for the period	**(1,130)**	**1,061**	**(308,743)**	**(308,812)**
— Write-offs	**—**	**—**	**(2,123,048)**	**(2,123,048)**
— Transfer out	**—**	**—**	**(148,986)**	**(148,986)**
— Unwinding of discount on allowance	**—**	**—**	**(70,515)**	**(70,515)**
— Others	**—**	**—**	**405,257**	**405,257**
As at 30 June 2026 (Unaudited)	**343**	**68,761**	**3,258,539**	**3,327,643**

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

38. Credit risk (continued)

(2) Credit quality (continued)

(ii) Movements of loss allowance (continued)

Debt instruments at amortised cost

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025 (Audited)	1,489,049	8,841,825	108,446,321	118,777,195
Changes in the loss allowance				
— Transfer to Stage 1	144,754	(144,754)	—	—
— Transfer to Stage 2	(26,569)	229,429	(202,860)	—
— Transfer to Stage 3	(289)	(3,978,058)	3,978,347	—
— (Reversal)/charge for the year	(652,498)	(399,568)	32,316,953	31,264,887
— Write-offs	—	—	(48,963,155)	(48,963,155)
— Transfer in and transfer out	(2,577)	(414,925)	(9,847,401)	(10,264,903)
— Unwinding of discount on allowance	—	—	(3,824,341)	(3,824,341)
— Exchange differences and others	(6)	(1,752)	1,389,463	1,387,705
As at 31 December 2025 (Audited)	951,864	4,132,197	83,293,327	88,377,388
Changes in the loss allowance				
— Transfer to Stage 1	**40,014**	**(40,014)**	**—**	**—**
— Transfer to Stage 2	**(26,983)**	**26,983**	**—**	**—**
— Transfer to Stage 3	**(60,986)**	**(1,860,413)**	**1,921,399**	**—**
— Charge for the period	**350,222**	**310,209**	**5,076,747**	**5,737,178**
— Write-offs	**—**	**—**	**(5,222,688)**	**(5,222,688)**
— Transfer in and transfer out	**—**	**(41,986)**	**(1,710,508)**	**(1,752,494)**
— Unwinding of discount on allowance	**—**	**—**	**(3,374,347)**	**(3,374,347)**
— Exchange differences and others	**(108)**	**(2,213)**	**(80,312)**	**(82,633)**
As at 30 June 2026 (Unaudited)	**1,254,023**	**2,524,763**	**79,903,618**	**83,682,404**

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

39. Risk management of distressed assets

The risk of distressed assets includes the potential loss that may arise from counterparty's failure to meet its obligation or changes in market conditions that lead to decline in asset value. The risk of distressed assets can also arise from operational failures due to unauthorised or inappropriate purchases, disposals or management activities, which result in the recoverable amount of the distressed assets being lower than their carrying amounts.

The risk of the Group's distressed assets arises from distressed debts which the Group initially classifies as financial assets at FVTPL, debt instruments at amortised cost and at FVOCI or equity instruments at FVTPL and at FVOCI.

The type of risk, the risk management of distressed debt assets and assets obtained through debt-to-equity swap, as well as fair value measurement techniques and impairment assessment are the same as those described in the Group's consolidated financial statements for the year ended 31 December 2025.

40. Fair value

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis

The following tables provide a summary of assets and liabilities that are measured at fair value subsequent to initial recognition, grouped into three levels:

	As at 30 June 2026 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value				
Financial assets at FVTPL	**42,985,381**	**19,959,938**	**344,641,712**	**407,587,031**
Debt instruments at FVOCI	**—**	**61,663**	**3,618,772**	**3,680,435**
Equity instruments at FVOCI	**6,196,294**	**112,180**	**107,149**	**6,415,623**
Investment properties	**—**	**—**	**11,296,479**	**11,296,479**

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

	As at 30 June 2026 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities measured at fair value				
Financial liabilities at FVTPL	**(206)**	**(2,386)**	**(10)**	**(2,602)**

	As at 31 December 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at FVTPL	63,030,623	5,607,904	318,643,291	387,281,818
Debt instruments at FVOCI	—	181,470	3,873,415	4,054,885
Equity instruments at FVOCI	5,611,400	1,186,993	119,523	6,917,916
Investment properties	—	—	10,652,790	10,652,790

	As at 31 December 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Financial liabilities at FVTPL	(1,542)	(8,799)	(3,699)	(14,040)

There were no significant transfers between Level 1 and Level 2 within the Group for the six months ended 30 June 2026 and for the year ended 31 December 2025.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

The following table gives information about the fair values of the assets and liabilities and their fair value hierarchy.

Assets	Fair value		Fair value hierarchy
	30 June 2026	31 December 2025	
	(Unaudited)	(Audited)	
1) Financial assets at FVTPL			
Distressed debt assets	**197,803,551**	188,610,247	Level 3
Funds			
— Listed	**1,800,954**	4,181,685	Level 1
— Investing in the underlying assets with open or active quotations	**16,491,122**	1,760,517	Level 2
— Investing in the underlying assets without open or active quotations	**41,240,221**	31,815,515	Level 3
Trust products			
— Investing in the underlying assets with open or active quotations	**478,851**	475,183	Level 2
— Investing in the underlying assets without open or active quotations	**21,809,061**	15,389,073	Level 3
Equity instruments			
— Listed shares			
— Unrestricted shares	**41,184,427**	58,848,938	Level 1
— Restricted shares	**940,310**	2,114,399	Level 3
— Unlisted shares	**72,890,462**	72,448,075	Level 3
Debt securities			
— Traded in inter-bank markets	**2,740,795**	3,099,750	Level 2
Wealth management products			
— Investing in the underlying assets with open or active quotations	**127,939**	148,157	Level 2
Convertible bonds			
— Unlisted	**977,675**	911,796	Level 3

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

Assets	Fair value		Fair value hierarchy
	30 June 2026	31 December 2025	
	(Unaudited)	(Audited)	
Derivatives	**11,378**	10,646	Level 2
Derivatives	**106,215**	85,261	Level 3
Other debt assets			
— Investing in the underlying assets without open or active quotations	**8,695,105**	7,024,686	Level 3
Asset management plans			
— Investing in the underlying assets with open or active quotations	**109,853**	113,651	Level 2
— Investing in the underlying assets without open or active quotations	**179,112**	244,239	Level 3
Subtotal	**407,587,031**	387,281,818	
2) Debt instruments at FVOCI			
Distressed debt assets	**2,427,136**	2,678,846	Level 3
Debt securities			
— Traded in inter-bank markets	**61,663**	181,470	Level 2
— Traded over the counter	**62,840**	62,702	Level 3
Entrusted loans	**963,160**	651,978	Level 3
Debt instruments	**165,636**	479,889	Level 3
Subtotal	**3,680,435**	4,054,885	

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

Assets	Fair value		Fair value hierarchy
	30 June 2026	31 December 2025	
	(Unaudited)	(Audited)	
3) Equity instruments at FVOCI			
Shares			
— Listed shares	**6,196,294**	5,611,400	Level 1
— Listed shares	**—**	1,077,269	Level 2
— Unlisted shares	**112,180**	109,724	Level 2
— Unlisted shares	**107,149**	119,523	Level 3
Subtotal	**6,415,623**	6,917,916	
4) Investment properties	**11,296,479**	10,652,790	Level 3
Total	**428,979,568**	408,907,409	

Liabilities	Fair value 30 June 2026	Fair value 31 December 2025	Fair value hierarchy
Financial liabilities mandatorily measured as at FVTPL			
— Derivatives financial instruments	**(206)**	(1,542)	Level 1
— Derivatives financial instruments	**(10)**	(3,699)	Level 3
Financial liabilities designated as at FVTPL			
— Interests of other holders in consolidated structured entities	**(2,386)**	(8,799)	Level 2
Total	**(2,602)**	(14,040)	

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

Valuation methods for assets and liabilities at fair value

Level 1: fair values are unadjusted quotes in active markets for identical assets.

Level 2: valuations are generally calculated based on discounted cash flow methods or quoted prices of actively traded underlying assets. For discounted cash flow methods, the most significant inputs are yield curves published by China Central Depository & Clearing Co., Ltd., interest rates publicly available from Shanghai Commercial Paper Exchange announced, expected returns of similar wealth management products sponsored by the same banks, or forward interest rate or exchange rate. Actively traded underlying assets are primarily listed shares or quoted debt instruments. When some of these securities are denominated in currencies other than Renminbi, they are converted at appropriate exchange rates prevailing on the balance sheet dates.

Level 3: management of the Group obtains valuation quotations from counterparties or uses valuation techniques to determine the fair value, including income approach, market approach and asset-based approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. The unobservable inputs which may have impact on the valuation include weighted average cost of capital, liquidity discount, price to book ratio, discount rate, etc.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

The following table summarises the major valuation information for Level 3 assets and liabilities at fair value:

Business	Valuation technique(s) and key input(s)	Significant unobservable input(s)	The effect of unobservable inputs on fair value
Distressed debt assets	• Discounted cash flow, future cash flow is estimated based on the expected recoverable amount, and discounted at an interest rate determined by management based on the best estimate of the expected risk level	• Estimated recoverable amount, estimated recovery date and discount rate in line with estimated risk level	• The higher the expected recoverable amount, the higher the fair value. The earlier the recovery date, the higher the fair value. The lower the discount rate, the higher the fair value.
Unlisted equity instruments	• Discounted cash flow, future cash flow is estimated based on the expected recoverable amount, and discounted at an interest rate determined by management based on the best estimate of the expected risk level	• Estimated recoverable amount, estimated recovery date and discount rate in line with estimated risk level	• The higher the expected recoverable amount, the higher the fair value. The earlier the recovery date, the higher the fair value. The lower the discount rate, the higher the fair value.
	• Comparable listed company method	• Market multiplier, discount for lack of marketability (DLOM)	• The higher market multiplier, the higher the fair value. The lower the DLOM, the higher the fair value.
	• Asset-based approach	• Adjusted net assets and discount for lack of marketability (DLOM)	• The higher the adjusted net assets, the higher the fair value. The lower the DLOM, the higher the fair value.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

Business	Valuation technique(s) and key input(s)	Significant unobservable input(s)	The effect of unobservable inputs on fair value
Listed equity instruments (restricted)	• Option Pricing Model	• Stock volatility	• The lower the stock volatility, the higher the fair value.
Debt securities	• Discounted cash flow, future cash flow is estimated based on the expected recoverable amount, and discounted at an interest rate determined by management based on the best estimate of the expected risk level	• Estimated recoverable amount, estimated recovery date and discount rate in line with estimated risk level	• The higher the expected recoverable amount, the higher the fair value. The earlier the recovery date, the higher the fair value. The lower the discount rate, the higher the fair value.

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.1 Fair values of assets and liabilities that are measured at fair value on a recurring basis (continued)

Business	Valuation technique(s) and key input(s)	Significant unobservable input(s)	The effect of unobservable inputs on fair value
Funds; Trust products; Wealth management products; Asset management plans; Derivatives, etc.	• Discounted cash flow, future cash flow is estimated based on the expected recoverable amount, and discounted at an interest rate determined by management based on the best estimate of the expected risk level	• Estimated recoverable amount, estimated recovery date and discount rate in line with estimated risk level	• The higher the expected recoverable amount, the higher the fair value. The earlier the recovery date, the higher the fair value. The lower the discount rate, the higher the fair value.
	• Comparable listed company method	• Market multiplier, discount for lack of marketability (DLOM)	• The higher market multiplier, the higher the fair value. The lower the DLOM, the higher the fair value.
	• Asset-based approach	• Adjusted net assets and discount for lack of marketability (DLOM)	• The higher amount of the adjusted net assets, the higher the fair value. The lower the DLOM, the higher the fair value.
Investment properties	• Market approach or income approach	• Comparable transaction price, expected rent growth rate, discount rate in line with estimated risk level	• The higher the comparable transaction price, the higher the fair value. The higher the expected rent growth rate, the higher the fair value. The lower the discount rate, the higher the fair value.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.2 Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL	Debt instruments at FVOCI	Equity instruments at FVOCI	Financial liabilities at FVTPL	Investment properties
As at 1 January 2026 (Audited)	**318,643,291**	**3,873,415**	**119,523**	**(3,699)**	**10,652,790**
Recognised in profit or loss	**5,003,326**	**—**	**—**	**(633)**	**(11,446)**
Recognised in other comprehensive income	**—**	**132,501**	**(7,374)**	**—**	**(51,836)**
Additions	**47,948,913**	**109,984**	**—**	**(580)**	**717,513**
Settlements/disposals	**(26,059,349)**	**(497,128)**	**(5,000)**	**4,902**	**(9,697)**
Transferred out from Level 3	**(894,469)**	**—**	**—**	**—**	**(845)**
As at 30 June 2026 (Unaudited)	**344,641,712**	**3,618,772**	**107,149**	**(10)**	**11,296,479**
Changes in unrealised gains/(losses) for the period included in profit or loss for assets and liabilities held at the end of the period	**4,445,287**	**—**	**—**	**—**	**(11,446)**

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.2 Reconciliation of Level 3 fair value measurements (continued)

	Financial assets at FVTPL	Debt instruments at FVOCI	Equity instruments at FVOCI	Financial liabilities at FVTPL	Investment properties
As at 1 January 2025(Audited)	277,054,938	8,188,416	99,635	(6,486)	10,966,925
Recognised in profit or loss	12,247,070	—	—	2,915	(529,119)
Recognised in other comprehensive income	—	3,364,084	19,888	—	—
Additions	101,886,864	—	—	(6,605)	281,315
Settlements/disposals	(70,460,770)	(7,679,085)	—	6,477	(29,154)
Transferred out from Level 3	(2,084,811)	—	—	—	(37,177)
As at 31 December 2025(Audited)	318,643,291	3,873,415	119,523	(3,699)	10,652,790
Changes in unrealised gains/(losses) for the year included in profit or loss for assets and liabilities held at the end of the year	8,965,630	—	—	—	(529,119)

For the six months ended 30 June 2026 and for the year ended 31 December 2025, certain shares were transferred out from Level 3 as they became listed or unrestricted during the period/year.

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.3 Fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The tables below summarise the carrying amounts and fair values of those financial assets and financial liabilities that are not measured in the interim condensed consolidated statement of financial position at fair value on a recurring basis. Financial assets and financial liabilities for which the carrying amounts approximate to their fair values, such as cash and balances with central bank, deposits with financial institutions, financial assets held under resale agreements, deposits from financial institutions, placements from financial institutions, and financial assets sold under repurchase agreements are not included in the tables below.

	As at 30 June 2026		As at 31 December 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Financial assets				
Debt instruments at amortised cost	**206,939,175**	**206,998,667**	213,586,411	213,643,686
Total	**206,939,175**	**206,998,667**	213,586,411	213,643,686
Financial liabilities				
Borrowings from central bank	**(4,160,444)**	**(4,160,444)**	(5,377,874)	(5,377,874)
Borrowings	**(849,376,809)**	**(849,502,519)**	(786,414,777)	(786,500,904)
Bonds and notes issued	**(171,898,230)**	**(171,862,503)**	(163,063,668)	(163,083,368)
Total	**(1,025,435,483)**	**(1,025,525,466)**	(954,856,319)	(954,962,146)

(Expressed in thousands of Renminbi, unless otherwise stated)

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

40. Fair value (continued)

40.3 Fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis (continued)

	As at 30 June 2026	As at 31 December 2025	Fair value hierarchy	Valuation technique
	(Unaudited)	(Audited)		
Financial assets				
Debt instruments at amortised cost	**4,511,881**	4,407,510	Level 2	Quoted prices from China Central Depository and Clearing Co., Ltd.
Debt instruments at amortised cost	**202,486,786**	209,236,176	Level 3	Discounted cash flows
Total	**206,998,667**	213,643,686		
Financial liabilities				
Borrowings from central bank	**(4,160,444)**	(5,377,874)	Level 3	Discounted cash flows
Borrowings	**(849,502,519)**	(786,500,904)	Level 3	Discounted cash flows
Bonds and notes issued	**(27,885,555)**	(34,980,341)	Level 2	Quoted prices from China Central Depository and Clearing Co., Ltd.
Bonds and notes issued	**(143,976,948)**	(128,103,027)	Level 3	Discounted cash flows
Total	**(1,025,525,466)**	(954,962,146)		

V. EVENTS AFTER THE REPORTING PERIOD

On 20 July 2026, the Group completed the renewal of senior tranche asset-backed securities upon expiration on the Shanghai Stock Exchange, with a total scale of RMB9,990 million.

On 13 August 2026, the Group completed the issuance and establishment of asset-backed securities on the Shanghai Stock Exchange, with total fundraising scale of RMB5,000 million, of which the senior tranche scale of RMB4,990 million.

VI. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 31 August 2026.

By order of the Board
China CITIC Financial Asset Management Co., Ltd.
LI Zimin
Executive Director and President

Beijing, the PRC
31 August 2026

As at the date of this announcement, the Board comprises Mr. LI Zimin as executive director; Mr. XIANG Xianchun, Mr. XU Wei and Mr. TANG Hongtao as non-executive directors; Mr. ZHU Ning, Ms. CHEN Yuanling and Mr. LO Mun Lam, Raymond as independent non-executive directors.