



中国信达资产管理股份有限公司
CHINA CINDA ASSET MANAGEMENT CO., LTD.

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

Stock Code: 01359 Preference Shares Stock Code: 04621

2026 Interim Report



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Definitions

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

“(our) Company”	China Cinda Asset Management Co., Ltd.
“(our) Group”	China Cinda Asset Management Co., Ltd. and its subsidiaries
“2021 Offshore Preference Shares”	85,000,000 non-cumulative perpetual preference shares with a par value of RMB100 per share non-publicly issued by the Company in the offshore market on November 3, 2021, which are listed and traded on the Hong Kong Stock Exchange (stock code: 04621)
“Articles”	the current Articles of Association of China Cinda Asset Management Co., Ltd.
“CICC”	China International Capital Corporation Limited
“Cinda Financial Leasing”	Cinda Financial Leasing Co., Ltd., a subsidiary of the Company
“Cinda Fund”	Cinda Fund Management Co., Ltd., a subsidiary of the Company
“Cinda Futures”	Cinda Futures Co., Ltd., a subsidiary of the Company
“Cinda Hong Kong”	China Cinda (HK) Holdings Company Limited, a subsidiary of the Company
“Cinda International”	Cinda International Holdings Limited, a subsidiary of the Company (a company listed on the Hong Kong Stock Exchange, stock code: 00111)
“Cinda Investment”	Cinda Investment Co., Ltd., a subsidiary of the Company
“Cinda Real Estate”	Cinda Real Estate Co., Ltd., a subsidiary of the Company (a company listed on the Shanghai Stock Exchange, stock code: 600657)
“Cinda Securities”	Cinda Securities Co., Ltd., a subsidiary of the Company (a company listed on the Shanghai Stock Exchange, stock code: 601059)
“Domestic Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is (are) subscribed for or credited as fully paid up in Renminbi
“Dongxing Securities”	Dongxing Securities Co., Ltd.
“H Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is (are) listed on the Hong Kong Stock Exchange
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Hong Kong SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huijin”	Central Huijin Investment Ltd.
“IFRS Accounting Standards”	International Financial Reporting Accounting Standards issued by the International Accounting Standards Board
“Jingu Trust”	China Jingu International Trust Co., Ltd., a subsidiary of the Company
“Latest Practicable Date”	August 24, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this announcement prior to its publication
“NCB”	NCB Hong Kong and its subsidiaries
“NCB China”	Nanyang Commercial Bank (China) Limited, a wholly-owned subsidiary of NCB Hong Kong
“NCB Hong Kong”	Nanyang Commercial Bank, Limited, a licensed bank in Hong Kong, a subsidiary of the Company
“NFRA”	National Financial Regulatory Administration
“PRC GAAP”	Accounting Standards for Business Enterprises and the Application Guidance thereof promulgated by the Ministry of Finance of the PRC, as well as other relevant regulations
“Proposed Mergers”	the proposed mergers by way of absorption and share exchanges to be implemented by CICC, Cinda Securities and Dongxing Securities in accordance with the terms of the share exchange and merger agreement entered into amongst CICC, Cinda Securities and Dongxing Securities on December 17, 2025, and under which CICC, upon completion of the Proposed Mergers, will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of each of Cinda Securities and Dongxing Securities from the closing date onwards
“Reporting Period”	the six months ended June 30, 2026
“RMB”	Renminbi
“Zhongrun Development”	Zhongrun Economic Development Co., Ltd., a subsidiary of the Company

1 Corporate Information

Official Chinese name	中國信達資產管理股份有限公司	Chinese abbreviation	中國信達
Official English name	China Cinda Asset Management Co., Ltd.	English abbreviation	China Cinda
Legal representative	Zhang Weidong		
Authorized representatives	Zhang Weidong, Ai Jiuchao		
Board Secretary	Ai Jiuchao		
Company Secretary	Ai Jiuchao		
Registered address	No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC	Postal code of place of registration	100031
Company's website	www.cinda.com.cn		
Principal place of business in Hong Kong	12/F, AIA Central, 1 Connaught Road Central, Central, Hong Kong		
Website of Hong Kong Stock Exchange for publishing the H Shares interim report	www.hkexnews.hk		
Place for maintaining interim report available for inspection	Board of Directors' Office of the Company		
Place of listing of H Shares	Hong Kong Stock Exchange	Place of listing of 2021 Offshore Preference Shares	Hong Kong Stock Exchange
Stock short name of H Shares	China Cinda	Stock short name of 2021 Offshore Preference Shares	CINDA 21USDPREF
Stock code of H Shares	01359	Stock code of 2021 Offshore Preference Shares	04621
Registrar of H Shares	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong		
Unified social credit code	91110000710924945A		
Registration number of financial license	J0004H111000001		
Legal advisors as to PRC Law	Fangda Partners Haiwen & Partners Global Law Office Tian Yuan Law Firm	Legal advisor as to Hong Kong Law	Clifford Chance LLP
Domestic accounting firm	Ernst & Young Hua Ming LLP	International accounting firm	Ernst & Young

2 Financial Summary

The financial information contained in this report was prepared in accordance with the IFRS Accounting Standards. Unless otherwise specified, the financial information herein is the consolidated data of the Group and denominated in RMB.

On November 19, 2025, CICC, Cinda Securities and Dongxing Securities entered into a cooperation agreement regarding the mergers by way of absorption and share exchanges of Cinda Securities and Dongxing Securities by CICC. On December 17, 2025, CICC, Cinda Securities and Dongxing Securities entered into an agreement on the mergers by way of absorption and share exchanges. On June 8, 2026, the Proposed Mergers have been approved by the second extraordinary shareholders' meeting of 2026 of the Company, as well as the shareholders' meetings of the relevant parties, including CICC, Cinda Securities and Dongxing Securities, etc. As of June 30, 2026, the criteria have been satisfied to classify Cinda Securities as held for sale. Following the classification of Cinda Securities as held for sale, the securities, futures and mutual funds businesses are no longer included in the businesses of the Group, and Cinda Securities constitutes a discontinued operation. The data of the Group for the first half of 2026 separate the results of discontinued operation from the results of continuing operations, and the after-tax profit or loss from discontinued operation is presented separately in the statement of profit or loss. The data of the consolidated statement of profit or loss for the comparative period have been restated as if the discontinued operation in the current period had occurred at the beginning of the comparative period.

	As at and for the six months ended June 30,		As at and for the year ended December 31,			
	2026	2025	2025	2024	2023	2022
(in millions of RMB)						
Continuing operations						
Fair value changes on distressed debt assets	4,201.3	2,428.2	5,783.3	8,891.6	7,618.4	11,284.3
Fair value changes on other financial instruments	3,916.8	2,131.4	9,208.2	13,244.5	11,214.2	5,410.4
Investment income	198.0	167.9	883.3	595.8	289.2	216.8
Interest income	11,086.7	14,217.2	29,119.6	35,076.1	39,145.7	37,465.6
Revenue from sales of inventories	1,438.0	2,138.0	4,813.6	8,239.4	9,502.4	16,068.3
Other income and other net gains	1,786.0	10,347.5	22,366.9	6,992.5	8,397.9	10,543.0
Total income	22,626.8	31,430.2	72,174.9	73,039.9	76,167.8	80,988.4
Interest expense	(16,112.9)	(18,765.1)	(37,106.4)	(42,912.4)	(44,080.5)	(40,081.1)
Impairment losses on assets	(3,719.9)	(11,071.6)	(21,503.9)	(10,730.8)	(9,749.5)	(13,258.0)
Purchases and changes in inventories	(1,441.4)	(1,939.5)	(4,431.7)	(7,043.1)	(7,716.7)	(12,859.5)
Other costs and expenses	(4,158.7)	(4,424.2)	(12,950.3)	(12,777.5)	(12,850.1)	(13,268.0)
Total costs and expenses	(25,432.9)	(36,200.4)	(75,992.3)	(73,463.8)	(74,396.8)	(79,466.6)
Change in net assets attributable to other holders of consolidated structured entities	103.8	13.7	90.2	(13.6)	(18.3)	(47.5)
Share of results of associates and joint ventures	2,833.2	1,034.5	1,864.9	4,427.8	6,433.5	8,983.3
Profit/(loss) before tax from continuing operations	130.9	(3,722.0)	(1,862.3)	3,990.3	8,186.3	10,457.6
Income tax expense	(480.4)	3,599.4	2,155.5	(482.1)	(1,192.8)	(3,226.3)
Profit/(loss) for the period/year from continuing operations	(349.5)	(122.6)	293.2	3,508.2	6,993.5	7,231.3

2 Financial Summary

	As at and for the six months ended June 30,		As at and for the year ended December 31,			
	2026	2025	2025	2024	2023	2022
	(in millions of RMB)					
Discontinued operation						
Profit after tax for the period/year from discontinued operation	1,097.3	1,027.8	-	-	-	-
Profit for the period/year	747.8	905.2	293.2	3,508.2	6,993.5	7,231.3
Profit attributable to:						
– Equity holders of the Company	784.4	2,280.6	3,562.3	3,036.4	5,820.9	6,313.4
– Non-controlling interests	(36.6)	(1,375.4)	(3,269.1)	471.8	1,172.6	917.9
Assets						
Cash and balances with central banks	11,558.0	17,987.5	16,003.9	13,383.5	15,237.5	16,677.4
Deposits with banks and financial institutions	66,849.6	93,374.0	117,649.5	95,758.1	81,997.6	97,830.1
Financial assets at fair value through profit or loss	535,774.1	565,776.2	583,799.3	548,690.2	518,309.8	503,495.9
Financial assets at fair value through other comprehensive income	194,657.3	210,968.2	226,036.0	197,325.3	170,875.9	130,487.7
Loans and advances to customers	353,209.0	373,107.1	366,286.7	374,238.3	403,161.8	396,530.0
Financial assets at amortized cost	58,800.3	71,971.5	65,032.2	77,966.2	119,749.9	169,994.3
Assets held for sale	119,140.1	-	-	-	-	-
Other assets	354,308.1	348,675.7	346,419.2	331,598.7	285,024.9	300,973.6
Total assets	1,694,296.5	1,681,860.2	1,721,226.8	1,638,960.3	1,594,357.4	1,615,989.0
Liabilities						
Borrowings from the central bank	6,020.5	7,897.1	7,895.5	9,642.2	986.1	986.1
Due to customers	345,771.5	359,341.5	365,793.9	370,459.2	339,219.8	323,040.5
Accounts payable to brokerage clients	-	23,844.2	28,658.9	23,718.7	17,264.1	19,107.2
Borrowings	656,706.3	626,455.2	664,734.8	581,366.1	558,870.5	615,357.9
Accounts payable	5,124.0	5,262.7	5,738.8	6,182.1	4,783.0	4,946.9
Bonds issued	221,439.1	268,006.2	250,732.5	289,779.6	302,762.1	292,882.8
Liabilities held for sale	90,030.6	-	-	-	-	-
Other liabilities	148,495.7	164,708.2	174,015.5	134,656.9	153,315.7	151,672.5
Total liabilities	1,473,587.7	1,455,515.1	1,497,569.9	1,415,804.8	1,377,201.3	1,407,993.9
Equity						
Equity attributable to equity holders of the Company	193,496.1	197,289.5	195,898.7	194,183.3	192,829.0	188,205.7
Non-controlling interests	27,212.7	29,055.6	27,758.2	28,972.1	24,327.2	19,789.4
Total equity	220,708.8	226,345.1	223,656.9	223,155.4	217,156.2	207,995.1
Total equity and liabilities	1,694,296.5	1,681,860.2	1,721,226.8	1,638,960.3	1,594,357.4	1,615,989.0

2 Financial Summary

	As at and for the six months ended June 30,		As at and for the year ended December 31,			
	2026	2025	2025	2024	2023	2022
	(in millions of RMB)					
Financial indicators						
Return on average shareholders' equity ⁽¹⁾⁽³⁾ (%)	0.33	2.16	1.24	0.92	2.70	3.38
Average return on total assets ⁽²⁾⁽³⁾ (%)	0.09	0.11	0.02	0.22	0.44	0.45
Cost-to-income ratio ⁽⁴⁾ (%)	25.84	33.64	33.70	24.85	22.96	19.22
Earnings per share ⁽⁵⁾ (RMB)	0.01	0.05	0.05	0.04	0.11	0.14
Net assets per share ⁽⁶⁾ (RMB)	4.21	4.31	4.27	4.23	4.19	4.07

Notes:

- (1) Represents the percentage of net profit for the period attributable to ordinary shareholders of the Company (including net profit from discontinued operation for the period) in the average balance of equity attributable to ordinary shareholders of the Company as at the beginning and the end of the period.
- (2) Represents the percentage of net profit for the period (including profit attributable to non-controlling interests and net profit from discontinued operation for the period) in the average balance of total assets as at the beginning and the end of the period.
- (3) The average return on shareholders' equity and average return on total assets for the six months ended June 30 are annualized.
- (4) Calculated in accordance with the requirements of the Measures for Performance Evaluation for Financial Enterprises (Cai Jin [2016] No. 35) issued by the Ministry of Finance of the People's Republic of China.
- (5) Represents the net profit for the period attributable to ordinary shareholders of the Company (including net profit from discontinued operation for the period) divided by the weighted average number of ordinary shares in issue.
- (6) Represents the net assets attributable to equity holders of the Company after deducting the amount of the preference shares and the undated capital bonds at the end of the period divided by the number of ordinary shares as at the end of the period.

3 Management Discussion and Analysis

3.1 Economic, Financial and Regulatory Environment

Since 2026, the growth momentum of the global economy has been weakened, and geopolitical risks have continued to escalate. De-globalization and protectionism have been on the rise, commodity prices have fluctuated drastically, energy prices have generally trended upwards, and inflation has rebounded in Western countries. Monetary policies among major economies have diverged; the expectation of interest rate cuts by the Federal Reserve has reversed, and the European Central Bank has raised interest rates for the first time in the past three years. Global sovereign debt levels have continued to rise, with some developing countries facing increased pressure from capital outflows and currency depreciation, and the risk of sovereign debt defaults remaining at elevated levels.

In the first half of 2026, China's economy maintained steady momentum, with the real economy continuing to strengthen and high-quality development yielding remarkable results, demonstrating strong resilience and vitality. The GDP for the first half of the year grew by 4.7% on a year-on-year basis, featuring an accelerated growth in industrial production sectors and steady growth in the service sector. The price level rebounded moderately, the employment situation remained generally stable, and household income registered a stable increase. Artificial intelligence, new energy, and high-end equipment propelled the upgrading of the entire industry chain, while traditional industries accelerated transformation. The economy has evolved toward new growth driver and better-optimized structure, and the momentum for innovation-driven economic development has been gradually accumulating and being unleashed.

Being committed to stabilizing employment, businesses, markets, and economic expectations, the Chinese government has been further boosting domestic demand and improving supply; optimizing the allocation of new resources while making better use of existing ones; accelerating the development of a modern industrial system; advancing the construction of a unified national market; strengthening the endogenous drivers of economic development; further strengthening the domestic economic cycle; and optimizing the domestic and international economic flows. Macro policies have become more proactive and effective, and a more proactive fiscal policy has been implemented in a targeted and efficient manner. The structure of fiscal expenditures is being continuously optimized with resources channeled toward priority areas and key sectors to step up financial support. Monetary policy remained moderately accommodative, featuring strengthened counter-cyclical and cross-cyclical adjustments and the comprehensive application of a variety of monetary policy tools. The interest rate on structural monetary policy tools has been lowered by 0.25 percentage points, to guide financial institutions to optimize the allocation of credit funds and maintain accommodative social financing conditions. The macroprudential management and financial stability safeguard framework has been improved, and financial risk resolution for key institutions and key regions has been steadily advanced.

3 Management Discussion and Analysis

Focusing on the principal tasks of preventing risks, strengthening regulation and promoting high-quality development, regulatory authorities have firmly safeguarded the bottom line of preventing systemic financial risks. Firstly, solid efforts have been made in the risk resolution in key areas. Risks in small and medium-sized financial institutions have been addressed in a robust, orderly and effective manner, with a focus on resolving existing risks, resolutely curbing new risks and firmly safeguarding the bottom line of forestalling abrupt defaults. The normalized operation of the urban real estate financing coordination mechanism has been promoted to facilitate the establishment of a new model for real estate development. Supports have been provided for resolving the debt risks of financing platforms in a lawful and compliant manner. Secondly, channels for commercial banks to dispose of non-performing assets have been broadened. In addition to continuing the extension of the pilot programs for the bulk transfer of personal non-performing loans and the transfer of single-borrower corporate non-performing loans, the packaged transfer of corporate non-performing loans involving two borrowers has been permitted, thereby building a tiered transfer system covering single-borrower, two-borrower, and three-or-more-borrower transfers. Thirdly, the top-level institutional design has improved. The Administrative Measures for Financial Asset Management Companies has been included in the rule making agenda of the NFRA, which will reshape the regulatory rules of the industry and vigorously promote its high-quality development. Overall, fighting a protracted campaign to prevent and resolve financial risks constitutes a critical part of advancing the development of China as a financial powerhouse in the new era and implementing the plans for Chinese modernization, which requires AMCs to continuously strengthen their functional advantages in financial relief and counter-cyclical adjustment.

3.2 Analysis of Financial Statements

3.2.1 Operating Results of the Group

In the first half of 2026, the net profit attributable to equity holders of the Company amounted to RMB784.4 million, representing a decrease of RMB1,496.2 million, or 65.6% year on year. The annualized return on average equity (ROAE) and annualized return on average assets (ROAA) were 0.33% and 0.09%, respectively.

3 Management Discussion and Analysis

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Continuing operations				
Fair value changes on distressed debt assets	4,201.3	2,428.2	1,773.1	73.0
Fair value changes on other financial instruments	3,916.8	2,131.4	1,785.4	83.8
Investment income	198.0	167.9	30.1	17.9
Interest income	11,086.7	14,217.2	(3,130.5)	(22.0)
Revenue from sales of inventories	1,438.0	2,138.0	(700.0)	(32.7)
Commission and fee income	1,801.5	1,657.5	144.0	8.7
Net gains on disposal of subsidiaries, associates and joint ventures	615.3	754.4	(139.1)	(18.4)
Other income and other net gains or losses	(630.8)	7,935.6	(8,566.4)	(107.9)
Total income	22,626.8	31,430.2	(8,803.4)	(28.0)
Interest expense	(16,112.9)	(18,765.1)	2,652.2	(14.1)
Commission and fee expense	(116.0)	(103.9)	(12.1)	11.6
Purchases and changes in inventories	(1,441.4)	(1,939.5)	498.1	(25.7)
Employee benefits	(1,691.4)	(1,890.6)	199.2	(10.5)
Credit impairment losses	(3,076.7)	(7,912.4)	4,835.7	(61.1)
Impairment losses on other assets	(643.2)	(3,159.2)	2,516.0	(79.6)
Depreciation and amortization expenses	(1,139.6)	(1,119.9)	(19.7)	1.8
Other expenses	(1,211.7)	(1,309.8)	98.1	(7.5)
Total costs and expenses	(25,432.9)	(36,200.4)	10,767.5	(29.7)
Change in net assets attributable to other holders of consolidated structured entities	103.8	13.7	90.1	657.7
Share of results of associates and joint ventures	2,833.2	1,034.5	1,798.7	173.9
Profit/(loss) before tax from continuing operations	130.9	(3,722.0)	3,852.9	103.5
Income tax expense	(480.4)	3,599.4	(4,079.8)	113.3
Loss for the period from continuing operations	(349.5)	(122.6)	(226.9)	(185.1)
Discontinued Operation				
Profit after tax for the period from discontinued operation	1,097.3	1,027.8	69.5	6.8
Profit for the period	747.8	905.2	(157.4)	(17.4)
Profit attributable to:				
— Equity holders of the Company	784.4	2,280.6	(1,496.2)	(65.6)
— Non-controlling interests	(36.6)	(1,375.4)	1,338.8	97.3

3 Management Discussion and Analysis

3.2.1.1 Total Income from Continuing Operations

The total income from continuing operations of the Group decreased by 28.0% from RMB31,430.2 million in the first half of 2025 to RMB22,626.8 million in the first half of 2026, mainly due to the decrease in other income and other net gains or losses and interest income, which was partially offset by the increase in fair value changes on distressed debt assets and fair value changes on other financial instruments.

Fair Value Changes on Distressed Debt Assets

The fair value changes on distressed debt assets of the Group increased by 73.0% from RMB2,428.2 million in the first half of 2025 to RMB4,201.3 million in the first half of 2026. In particular, the fair value changes on distressed debt assets at fair value through profit or loss increased by 77.7% from RMB2,331.8 million in the first half of 2025 to RMB4,144.4 million in the first half of 2026, accounting for 7.4% and 18.3% of the total income from continuing operations in the corresponding periods, respectively.

The table below sets out the components of fair value changes on distressed debt assets at fair value through profit or loss of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Realized fair value changes	2,167.7	2,412.7	(245.0)	(10.2)
Unrealized fair value changes	1,976.7	(80.9)	2,057.6	2,543.4
Subtotal	4,144.4	2,331.8	1,812.6	77.7

3 Management Discussion and Analysis

The table below sets out the changes in distressed debt assets at fair value through profit or loss of the Group as at the dates and for the periods indicated.

	For the six months ended June 30, (in millions of RMB)
As at December 31, 2024	241,569.7
Acquisition in the period	24,046.8
Disposal in the period	(19,758.1)
Unrealized fair value changes	(80.9)
As at June 30, 2025	245,777.5
As at December 31, 2025	258,081.7
Acquisition in the period	13,769.0
Disposal in the period	(13,997.7)
Unrealized fair value changes	1,976.7
As at June 30, 2026	259,829.7

In the first half of 2026, the fair value changes on distressed debt assets at fair value through profit or loss of the Group increased by 77.7% over the same period of 2025. In particular, the realized fair value changes decreased by 10.2% from RMB2,412.7 million in the first half of 2025 to RMB2,167.7 million in the first half of 2026; the unrealized fair value changes turned from a loss of RMB80.9 million in the first half of 2025 to a profit of RMB1,976.7 million in the first half of 2026, mainly due to the substantial progress in the asset revitalization of certain projects of the Company, resulting in an increase in valuations accordingly.

In the first half of 2026, the scale of investment and disposal in the acquisition-operation distressed debt assets of the Group recorded a year-on-year decrease. In the first half of 2025 and the first half of 2026, the distressed debt assets at fair value through profit or loss of the Group recorded acquisition of RMB24,046.8 million and RMB13,769.0 million, respectively, and recorded disposal of RMB19,758.1 million and RMB13,997.7 million, respectively.

Fair Value Changes on Other Financial Instruments

The fair value changes on other financial instruments of the Group included the gains or losses on disposal, interest income, dividend income and unrealized fair value changes on financial assets at fair value through profit or loss (excluding the distressed debt assets at fair value through profit or loss), and the realized and unrealized fair value changes on loans and advances to customers at fair value through profit or loss, as well as on financial liabilities at fair value through profit or loss.

3 Management Discussion and Analysis

The fair value changes on other financial instruments of the Group increased by 83.8% from RMB2,131.4 million in the first half of 2025 to RMB3,916.8 million in the first half of 2026, accounting for 6.8% and 17.3% of the total income from continuing operations in the corresponding periods. Of which, the loss on fair value changes on DES Assets was RMB11.1 million and RMB1,059.8 million, respectively.

The table below sets out the components of fair value changes on other financial instruments of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Fair value changes⁽¹⁾	230.6	(1,504.0)	1,734.6	115.3
DES Assets of the Company	(1,705.6)	(466.9)	(1,238.7)	(265.3)
Others	1,936.2	(1,037.1)	2,973.3	286.7
Interest income	2,447.9	1,308.0	1,139.9	87.1
DES Assets of the Company	94.7	47.6	47.1	98.9
Others	2,353.2	1,260.4	1,092.8	86.7
Dividend income	1,238.3	2,327.4	(1,089.1)	(46.8)
DES Assets of the Company	551.1	408.2	142.9	35.0
Others	687.2	1,919.2	(1,232.0)	(64.2)
Total	3,916.8	2,131.4	1,785.4	83.8

Note:

(1) Comprising the realized net gains on disposal of and unrealized fair value changes on financial instruments at fair value through profit or loss.

The loss on fair value changes on DES Assets at fair value through profit or loss increased by 265.3% from RMB466.9 million in the first half of 2025 to RMB1,705.6 million in the first half of 2026, mainly due to the decrease in the valuation of certain DES Assets as a result of market fluctuations.

The fair value changes on other financial instruments at fair value through profit or loss except for DES Assets changed from a loss of RMB1,037.1 million in the first half of 2025 to a profit of RMB1,936.2 million in the first half of 2026, mainly due to the disposal gains realized from certain projects of the Group, as well as the increase in the valuation of certain assets of Cinda Hong Kong as a result of market fluctuations.

3 Management Discussion and Analysis

Interest Income

The table below sets out the components of the interest income of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Loans and advances to customers	6,777.6	7,998.1	(1,220.5)	(15.3)
Financial assets at fair value through other comprehensive income	3,064.2	3,011.0	53.2	1.8
Deposits with banks and financial institutions	565.0	421.5	143.5	34.0
Placements with banks and financial institutions	352.2	544.4	(192.2)	(35.3)
Financial assets held under resale agreements	131.2	174.8	(43.6)	(24.9)
Financial assets at amortized cost	43.9	1,969.0	(1,925.1)	(97.8)
Others	152.6	98.4	54.2	55.1
Total	11,086.7	14,217.2	(3,130.5)	(22.0)

The Group's interest income decreased by 22.0% year on year in the first half of 2026, mainly due to the decrease in the interest income from financial assets at amortized cost and loans and advances to customers, of which:

- (1) The interest income from financial assets at amortized cost decreased by 97.8% from RMB1,969.0 million in the first half of 2025 to RMB43.9 million in the first half of 2026, mainly because certain assets at amortized cost of the Company were under pressure, resulting in a corresponding decrease in interest income.
- (2) The interest income from loans and advances to customers decreased by 15.3% from RMB7,998.1 million in the first half of 2025 to RMB6,777.6 million in the first half of 2026, mainly due to the decrease in the market interest rate and the scale of loans and advances to customers of the subsidiaries.

3 Management Discussion and Analysis

Commission and Fee Income

The table below sets out the components of the commission and fee income of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Trustee services	647.4	531.1	116.3	21.9
Insurance brokerage business	415.0	354.3	60.7	17.1
Banking business	253.2	285.1	(31.9)	(11.2)
Agency business	196.6	222.3	(25.7)	(11.6)
Consultancy and financial advisory services	124.1	119.4	4.7	3.9
Fund and asset management business	119.6	118.8	0.8	0.7
Others	45.6	26.5	19.1	72.1
Total	1,801.5	1,657.5	144.0	8.7

The commission and fee income of the Group increased by 8.7% from RMB1,657.5 million in the first half of 2025 to RMB1,801.5 million in the first half of 2026, mainly due to the increase in the income from trustee services and insurance brokerage business, partially offset by the decrease in income from banking business and agency business, of which:

- (1) The commission and fee income from trustee services increased by 21.9% from RMB531.1 million in the first half of 2025 to RMB647.4 million in the first half of 2026, mainly due to the growth in the business scale of Jingu Trust, resulting in a corresponding increase in income from trustee services.
- (2) The commission and fee income from insurance brokerage business increased by 17.1% from RMB354.3 million in the first half of 2025 to RMB415.0 million in the first half of 2026, mainly due to the increase in the income from insurance brokerage business of NCB.
- (3) Income from banking business decreased by 11.2% from RMB285.1 million in the first half of 2025 to RMB253.2 million in the first half of 2026, mainly due to the decrease in the scale of related business of NCB.
- (4) Income from agency business decreased by 11.6% from RMB222.3 million in the first half of 2025 to RMB196.6 million in the first half of 2026, mainly due to the decrease in income from agency business of the Company.

3 Management Discussion and Analysis

Revenue from Sales of Inventories and Purchases and Changes in Inventories

The table below sets out the components of revenue from sales of inventories and purchases and changes in inventories of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Revenue from sales of properties held for sale	1,438.0	2,138.0	(700.0)	(32.7)
Purchases and changes in properties held for sale	(1,441.4)	(1,939.5)	498.1	(25.7)
Gross profit from sales of properties held for sale	(3.4)	198.5	(201.9)	(101.7)
Gross profit margin from sales of properties held for sale (%)	(0.2)	9.3	(9.5)	(102.2)

The revenue from sales of inventories and the purchases and changes in inventories of the Group are generated from the real estate business. The revenue from sales of properties held for sale decreased by 32.7% from RMB2,138.0 million in the first half of 2025 to RMB1,438.0 million in the first half of 2026, while the purchases and changes in properties held for sale decreased by 25.7% from RMB1,939.5 million in the first half of 2025 to RMB1,441.4 million in the first half of 2026.

Net Gains on Disposal of Subsidiaries, Associates and Joint Ventures

The net gains on disposal of subsidiaries, associates and joint ventures by the Group decreased by 18.4% from RMB754.4 million in the first half of 2025 to RMB615.3 million in the first half of 2026, which mainly reflected the decrease in gains arising from the disposal of associates and joint ventures of the Company.

3 Management Discussion and Analysis

Other Income and Other Net Gains or Losses

The table below sets out 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)			(%)
Rental income	501.0	629.7	(128.7)	(20.4)
Income from liquidated damages	119.2	139.5	(20.3)	(14.6)
Net gains or losses on disposal of other assets	72.2	(17.7)	89.9	507.9
Government grants and compensation	44.6	52.9	(8.3)	(15.7)
Revenue from hotel operation	4.7	16.0	(11.3)	(70.6)
Gains from investment in associates	–	7,227.3	(7,227.3)	(100.0)
Losses on exchange differences	(1,362.4)	(126.7)	(1,235.7)	(975.3)
Others	(10.1)	14.6	(24.7)	(169.2)
Total	(630.8)	7,935.6	(8,566.4)	(107.9)

Other income and other net gains or losses of the Group changed from a gain of RMB7,935.6 million in the first half of 2025 to a loss of RMB630.8 million in the first half of 2026, mainly due to a decrease in gains from investment in associates and an increase in exchange losses.

- (1) The decrease in gains from investment in associates was primarily due to the gains recognized from incremental investment in associates by the Company in the corresponding period of last year, whereas no such items were recorded during the current period.
- (2) Exchange losses increased by 975.3% from RMB126.7 million in the first half of 2025 to RMB1,362.4 million in the first half of 2026, mainly due to the appreciation of RMB against the US dollar and Hong Kong dollar.

3 Management Discussion and Analysis

3.2.1.2 Total Income from Discontinued Operation

The income from discontinued operation of the Group was the income generated by Cinda Securities, a subsidiary classified as held for sale in the first half of 2026. The income from discontinued operation increased by 18.0% from RMB2,931.9 million in the first half of 2025 to RMB3,461.0 million in the first half of 2026, primarily due to the increase in commission and fee income, interest income, and fair value changes on other financial instruments.

The table below sets out the components of the total income from discontinued operation of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Commission and fee income	1,349.4	1,044.4	305.0	29.2
Interest income	917.0	802.7	114.3	14.2
Fair value changes on other financial instruments	608.2	510.3	97.9	19.2
Investment income	569.7	552.5	17.2	3.1
Others	16.7	22.0	(5.3)	(24.1)
Total	3,461.0	2,931.9	529.1	18.0

3 Management Discussion and Analysis

3.2.1.3 Total Costs and Expenses from Continuing Operations

The Group's total costs and expenses from continuing operations decreased by 29.7% from RMB36,200.4 million in the first half of 2025 to RMB25,432.9 million in the first half of 2026, mainly due to the decrease in credit impairment loss, interest expense and other impairment losses on assets.

The table below sets out the components of the total costs and expenses from continuing operations of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Interest expense	(16,112.9)	(18,765.1)	2,652.2	(14.1)
Credit impairment losses	(3,076.7)	(7,912.4)	4,835.7	(61.1)
Employee benefits	(1,691.4)	(1,890.6)	199.2	(10.5)
Purchases and changes in inventories	(1,441.4)	(1,939.5)	498.1	(25.7)
Depreciation and amortization expenses	(1,139.6)	(1,119.9)	(19.7)	1.8
Impairment losses on other assets	(643.2)	(3,159.2)	2,516.0	(79.6)
Tax and surcharges	(231.4)	(215.3)	(16.1)	7.5
Commission and fee expense	(116.0)	(103.9)	(12.1)	11.6
Other expenses	(980.3)	(1,094.5)	114.2	(10.4)
Total	(25,432.9)	(36,200.4)	10,767.5	(29.7)

3 Management Discussion and Analysis

Interest Expense

The table below sets out the components of interest expense of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Borrowings	(7,680.5)	(8,465.2)	784.7	(9.3)
Bonds issued	(4,424.8)	(5,347.2)	922.4	(17.3)
Due to customers	(3,225.4)	(4,512.9)	1,287.5	(28.5)
Financial assets sold under repurchase agreements	(319.3)	(62.1)	(257.2)	414.2
Deposits from banks and financial institutions	(300.7)	(167.8)	(132.9)	79.2
Placements from banks and financial institutions	(142.4)	(166.8)	24.4	(14.6)
Others	(19.8)	(43.1)	23.3	(54.1)
Total	(16,112.9)	(18,765.1)	2,652.2	(14.1)

In the first half of 2026, the interest expense of the Group was RMB16,112.9 million, representing a decrease of 14.1% from RMB18,765.1 million in the first half of 2025, mainly due to the decrease in interest expense on due to customers, bonds issued and borrowings. Of which:

- (1) Interest expense on due to customers decreased by 28.5% from RMB4,512.9 million in the first half of 2025 to RMB3,225.4 million in the first half of 2026, mainly due to the timely downward adjustment of interest rates by the subsidiaries in response to market changes.
- (2) Interest expense on bonds issued decreased by 17.3% from RMB5,347.2 million in the first half of 2025 to RMB4,424.8 million in the first half of 2026, primarily due to a decrease in bonds issued of the Company, resulting in a year-on-year decrease in interest expense.
- (3) Interest expense on borrowings decreased by 9.3% from RMB8,465.2 million in the first half of 2025 to RMB7,680.5 million in the first half of 2026, primarily due to a decrease in the interest rates of borrowings of the Company.

3 Management Discussion and Analysis

Credit Impairment Losses

The table below sets out the components of the credit impairment 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)			(%)
Financial assets at amortized cost				
– Distressed debt assets	(52.0)	(949.5)	897.5	(94.5)
– Other debt investments	(594.9)	(4,077.5)	3,482.6	(85.4)
Loans and advances to customers	(1,612.3)	(2,292.8)	680.5	(29.7)
Financial assets held under resale agreements	(66.1)	(56.1)	(10.0)	17.8
Accounts receivable	(20.0)	(50.1)	30.1	(60.1)
Financial assets at fair value through other comprehensive income	(5.6)	(41.0)	35.4	(86.3)
Others	(725.8)	(445.4)	(280.4)	63.0
Total	(3,076.7)	(7,912.4)	4,835.7	(61.1)

The credit impairment losses of the Group decreased by 61.1% from RMB7,912.4 million in the first half of 2025 to RMB3,076.7 million in the first half of 2026. Of which, the impairment losses on financial assets at amortized cost decreased by 87.1% from RMB5,027.0 million in the first half of 2025 to RMB646.9 million in the first half of 2026, primarily due to the combined effect of a decrease in the scale of the restructured distressed assets businesses and a decrease in the provision for other debt assets of the subsidiaries.

3 Management Discussion and Analysis

Impairment Losses on Other Assets

The table below sets out the components of the 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)			(%)
Properties held for sale	(423.2)	(1,621.6)	1,198.4	(73.9)
Foreclosed assets	(112.3)	(292.9)	180.6	(61.7)
Interests in associates and joint ventures	(105.2)	(213.0)	107.8	(50.6)
Assets held for sale	–	(991.1)	991.1	(100.0)
Others	(2.5)	(40.6)	38.1	(93.8)
Total	(643.2)	(3,159.2)	2,516.0	(79.6)

The impairment loss of other assets of the Group decreased by 79.6% from RMB3,159.2 million in the first half of 2025 to RMB643.2 million in the first half of 2026, primarily attributable to a decrease in the provision for impairment losses on properties held for sale and assets held for sale of the subsidiaries.

3 Management Discussion and Analysis

3.2.1.4 Total Expenses from Discontinued Operation

The expenses from discontinued operation of the Group represented the expenses incurred by Cinda Securities, a subsidiary classified as held for sale in the first half of 2026. The expenses from discontinued operation increased by 5.8% from RMB1,790.6 million in the first half of 2025 to RMB1,894.7 million in the first half of 2026, primarily due to an increase in the commission and fee expense of Cinda Securities.

The table below sets out the components of the total expenses from discontinued operation of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Interest expense	(604.7)	(599.9)	(4.8)	0.8
Employee benefits	(572.7)	(597.2)	24.5	(4.1)
Commission and fee expense	(416.4)	(294.8)	(121.6)	41.2
Depreciation and amortization expenses	(104.7)	(120.7)	16.0	(13.3)
Taxes and surcharges	(14.6)	(10.9)	(3.7)	33.9
Credit impairment losses	(10.1)	27.1	(37.2)	137.3
Others	(171.5)	(194.2)	22.7	(11.7)
Total	(1,894.7)	(1,790.6)	(104.1)	5.8

3.2.1.5 Income Tax Expense

The table below sets out the income tax expense from continuing operations of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Profit before tax from continuing operations	130.9	(3,722.0)	3,852.9	103.5
Income tax expense from continuing operations	(480.4)	3,599.4	(4,079.8)	113.3

3 Management Discussion and Analysis

The income tax expense from continuing operations of the Group changed from a reversal of RMB3,599.4 million in the first half of 2025 to a provision of RMB480.4 million in the first half of 2026. The change in income tax expense was primarily attributable to the combined effect of the increase in deferred income tax expense and the increase in current taxable income.

The table below sets out the income tax expense from discontinued operation of the Group for the periods indicated.

	For the six months ended June 30,			
	2026	2025	Change	Change in percentage
	(in millions of RMB)			(%)
Profit before tax from discontinued operation	1,515.2	1,131.8	383.4	33.9
Income tax expense from discontinued operation	(417.9)	(104.0)	(313.9)	301.8

3.2.1.6 Segment Results of Operations

The Group has two business segments:

- (1) Distressed asset management business, which mainly includes: (i) management and disposal of distressed assets such as debt assets acquired from financial and non-financial institutions; (ii) investment, management and disposal of DES Assets; (iii) conducting distressed asset management business in a comprehensive way, such as restructuring of distressed entities and distressed assets, special situations investment; and (iv) entrusted operation business.
- (2) Financial services business, which mainly includes banking, trusts and leasing.

3 Management Discussion and Analysis

The following table sets forth the operation results and financial positions of the Group's business segments for the periods and as at the dates indicated.

	For the six months ended June 30,							
	2026	2025	2026	2025	2026	2025	2026	2025
	Distressed asset management		Financial services		Elimination		Consolidation	
	(in millions of RMB)							
Total income	11,526.7	18,871.6	15,163.0	16,048.7	(601.9)	(558.1)	26,087.8	34,362.2
Percentage of total (%)	44.2	54.9	58.1	46.7				
Total costs and expenses	(15,980.2)	(25,737.5)	(11,435.3)	(12,523.5)	87.9	270.0	(27,327.6)	(37,991.0)
Profit attributable to equity holders of the Company	(1,006.8)	345.0	2,574.6	2,493.9	(783.4)	(558.3)	784.4	2,280.6
Percentage of profit attributable to equity holders of the Company (%)	(128.4)	15.1	328.2	109.4				

	As at June 30, 2026	As at December 31, 2025	As at June 30, 2026	As at December 31, 2025	As at June 30, 2026	As at December 31, 2025	As at June 30, 2026	As at December 31, 2025
	Distressed asset management		Financial services		Elimination and unallocated part ⁽²⁾		Consolidation	
	(in millions of RMB)							
Total assets	936,898.2	952,409.7	745,541.2	757,344.4	11,857.1	11,472.7	1,694,296.5	1,721,226.8
Percentage of total (%)	55.3	55.3	44.0	44.0				
Net assets	110,169.7	122,281.6	96,439.8	88,461.6	14,099.3	12,913.7	220,708.8	223,656.9
Percentage of total (%)	49.9	54.7	43.7	39.6				

3 Management Discussion and Analysis

Notes:

- (1) Segment operation results include the results of continuing operations and the results of discontinued operation. Segment total assets and net assets include assets and liabilities held for sale. As Cinda Securities was attributable to the financial services segment prior to being classified as held for sale, the relevant results of discontinued operation and assets and liabilities held for sale are all included in the financial services segment. For the segment data of continuing operations and the relevant profit or loss from discontinued operation, please refer to Note IV.52 “Segment information” and Note IV.58 “Discontinued operation” to the interim condensed consolidated financial statements, respectively.
- (2) Represents primarily income tax payable and deferred tax assets and liabilities that are not allocated to each business segment.
- (3) The Group classifies its operating segments based on the substance of its business operations, and certain comparative figures have been restated accordingly.

Distressed asset management business is the Group’s core business and principal income contributor. The income generated from distressed asset management accounted for 54.9% and 44.2% of the Group’s total income in the first half of 2025 and the first half of 2026, respectively, as well as 55.3% and 55.3% of the Group’s total assets, and 54.7% and 49.9% of the Group’s net assets as at December 31, 2025 and June 30, 2026, respectively.

As a key component of the business of the Group and an important cross-selling driver, the financial services business benefited from the Group’s synergistic operations and management strategies. The financial services business accounted for 46.7% and 58.1% of the Group’s total income in the first half of 2025 and the first half of 2026, respectively, as well as 44.0% and 44.0% of the Group’s total assets, and 39.6% and 43.7% of the Group’s net assets as at December 31, 2025 and June 30, 2026, respectively.

For details of the development of each business segment of the Group, please refer to “Business Overview”.

3.2.2 Summary of Financial Position of the Group

As at June 30, 2026, the assets, liabilities and equity of the Group slightly decreased as compared with the end of last year. As at December 31, 2025 and June 30, 2026, the total assets of the Group amounted to RMB1,721,226.8 million and RMB1,694,296.5 million, respectively, representing a decrease of 1.6%; total liabilities of the Group amounted to RMB1,497,569.9 million and RMB1,473,587.7 million, respectively, representing a decrease of 1.6%; and the total equity of the Group amounted to RMB223,656.9 million and RMB220,708.8 million, respectively, representing a decrease of 1.3%.

3 Management Discussion and Analysis

The table below sets forth the major items of the Interim Condensed Consolidated Statement of Financial Position of the Group as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total (in millions of RMB)	Amount	% of total
Assets				
Cash and balances with central banks	11,558.0	0.7	16,003.9	0.9
Deposits with banks and financial institutions	66,849.6	3.9	117,649.5	6.8
Financial assets at fair value through profit or loss	535,774.1	31.6	583,799.3	33.9
Financial assets at fair value through other comprehensive income	194,657.3	11.5	226,036.0	13.1
Loans and advances to customers	353,209.0	20.8	366,286.7	21.3
Financial assets at amortized cost	58,800.3	3.5	65,032.2	3.8
Assets held for sale	119,140.1	7.0	–	–
Other assets	354,308.1	21.0	346,419.2	20.2
Total assets	1,694,296.5	100.0	1,721,226.8	100.0
Liabilities				
Borrowings from the central bank	6,020.5	0.4	7,895.5	0.5
Accounts payable to brokerage clients	–	–	28,658.9	1.9
Due to customers	345,771.5	23.5	365,793.9	24.4
Borrowings	656,706.3	44.6	664,734.8	44.4
Accounts payable	5,124.0	0.3	5,738.8	0.4
Bonds issued	221,439.1	15.0	250,732.5	16.7
Liabilities held for sale	90,030.6	6.1	–	–
Other liabilities	148,495.7	10.1	174,015.5	11.7
Total liabilities	1,473,587.7	100.0	1,497,569.9	100.0
Equity				
Equity attributable to equity holders of the Company	193,496.1	87.7	195,898.7	87.6
Non-controlling interests	27,212.7	12.3	27,758.2	12.4
Total equity	220,708.8	100.0	223,656.9	100.0
Total equity and liabilities	1,694,296.5		1,721,226.8	

3 Management Discussion and Analysis

3.2.2.1 Assets

Monetary Capital

Monetary capital primarily consists of cash, balances with central banks, and deposits with banks and financial institutions. As at December 31, 2025 and June 30, 2026, monetary capital amounted to RMB133,653.4 million and RMB78,407.6 million, respectively, representing a decrease of 41.3%, primarily due to the reclassification of the assets of Cinda Securities as assets held for sale in the first half of 2026 by the Group (for details of the assets of Cinda Securities reclassified as assets held for sale, please refer to Note IV.58.3 “Assets and liabilities held for sale” to the interim condensed consolidated financial statements), resulting in a decrease in deposits with banks and financial institutions and deposits with exchanges and others.

Financial Assets at Fair Value through Profit or Loss

The table below sets forth the components of the Group’s financial assets at fair value through profit or loss as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage (%)
	(in millions of RMB)			
Financial assets classified as at fair value through profit or loss				
Listed investments				
Equity investments	16,407.0	16,331.3	75.7	0.5
Debt securities	13,331.5	37,545.7	(24,214.2)	(64.5)
Structured entity investments	8,003.4	11,178.5	(3,175.1)	(28.4)
Corporate convertible bonds	39.4	62.7	(23.3)	(37.2)
Certificates of deposit	–	407.6	(407.6)	(100.0)
Asset-backed securities	–	12.8	(12.8)	(100.0)
Unlisted investments				
Distressed debt assets	259,829.7	258,081.7	1,748.0	0.7
Structured entity investments	129,896.0	139,202.0	(9,306.0)	(6.7)
Equity investments	63,616.0	71,345.1	(7,729.1)	(10.8)
Debt instruments	24,308.0	22,169.2	2,138.8	9.6
Securities investments	10,511.7	14,753.8	(4,242.1)	(28.8)
Wealth management products	5,156.4	7,278.3	(2,121.9)	(29.2)
Derivative financial assets	1,619.1	1,374.4	244.7	17.8
Others	3,055.9	4,056.1	(1,000.2)	(24.7)
Total	535,774.1	583,799.3	(48,025.2)	(8.2)

3 Management Discussion and Analysis

As at December 31, 2025 and June 30, 2026, financial assets at fair value through profit or loss amounted to RMB583,799.3 million and RMB535,774.1 million, respectively, representing a decrease of 8.2%, primarily due to the classification of the assets of Cinda Securities as assets held for sale by the Group in the first half of 2026 (for details of the assets of Cinda Securities classified as assets held for sale, please refer to Note IV.58.3 “Assets and liabilities held for sale” to the interim condensed consolidated financial statements), resulting in a decrease in the scale of debt securities, structured entity investments, equity investments and securities investments at fair value through profit or loss.

The table below sets forth the components of equity investments at fair value through profit or loss by types of investment and listing or unlisting status as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage (%)
(in millions of RMB)				
The Group				
Listed	16,407.0	16,331.3	75.7	0.5
Unlisted	63,616.0	71,345.1	(7,729.1)	(10.8)
Total	80,023.0	87,676.4	(7,653.4)	(8.7)
The Company				
Listed	8,168.2	9,180.4	(1,012.2)	(11.0)
Unlisted	19,606.4	20,929.2	(1,322.8)	(6.3)
Subtotal	27,774.6	30,109.6	(2,335.0)	(7.8)
Of which:				
DES Assets	26,803.4	28,895.2	(2,091.8)	(7.2)
Others	971.2	1,214.4	(243.2)	(20.0)
Subtotal	27,774.6	30,109.6	(2,335.0)	(7.8)

3 Management Discussion and Analysis

Financial Assets at Fair Value through Other Comprehensive Income

The financial assets at fair value through other comprehensive income include debt instruments held by the Group, which meet the contractual cash flow assessment, while with a business model whose objective is achieved by both collecting contractual cash flows and selling, and the equity instruments at fair value through other comprehensive income designated by the Group.

The table below sets forth the components of the Group's financial assets at fair value through other comprehensive income as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage
	(in millions of RMB)			(%)
Debt securities	184,969.0	204,979.5	(20,010.5)	(9.8)
Equity instruments	7,731.9	16,707.0	(8,975.1)	(53.7)
Certificates of deposit	600.2	2,156.7	(1,556.5)	(72.2)
Asset-backed securities	–	437.8	(437.8)	(100.0)
Interest accrued	1,356.2	1,755.0	(398.8)	(22.7)
Total	194,657.3	226,036.0	(31,378.7)	(13.9)

As at December 31, 2025 and June 30, 2026, the financial assets measured at fair value through other comprehensive income amounted to RMB226,036.0 million and RMB194,657.3 million, respectively, representing a decrease of 13.9%, primarily due to the classification of the assets of Cinda Securities as assets held for sale by the Group in the first half of 2026 (for details of the assets of Cinda Securities classified as assets held for sale, please refer to Note IV.58.3 “Assets and liabilities held for sale” to the interim condensed consolidated financial statements), resulting in a decrease in the balance of debt securities and equity instruments at fair value through other comprehensive income.

3 Management Discussion and Analysis

Loans and Advances to Customers

The table below sets forth the components of the Group's loans and advances to customers as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage (%)
(in millions of RMB)				
By business type				
Corporate and personal loans and advances	295,362.0	287,963.3	7,398.7	2.6
Loans to margin clients	–	16,839.9	(16,839.9)	(100.0)
Finance lease receivables	70,188.6	73,874.8	(3,686.2)	(5.0)
Total	365,550.6	378,678.0	(13,127.4)	(3.5)
By security type				
Mortgaged	75,172.8	83,874.3	(8,701.5)	(10.4)
Pledged	61,546.9	79,924.7	(18,377.8)	(23.0)
Guaranteed	72,874.4	67,867.0	5,007.4	7.4
Unsecured	155,956.5	147,012.0	8,944.5	6.1
Total	365,550.6	378,678.0	(13,127.4)	(3.5)
Allowances for impairment losses	(12,341.6)	(12,391.3)	49.7	(0.4)
Net balance	353,209.0	366,286.7	(13,077.7)	(3.6)

3 Management Discussion and Analysis

The table below sets forth the components of the Group's corporate and personal loans and advances by business type as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage (%)
(in millions of RMB)				
Corporate loans and advances				
Loans and advances	255,739.6	246,794.9	8,944.7	3.6
Discounted bills	6.9	736.8	(729.9)	(99.1)
Subtotal	255,746.5	247,531.7	8,214.8	3.3
Personal loans and advances				
Mortgages	18,194.7	19,728.2	(1,533.5)	(7.8)
Personal consumption loans	21,420.8	20,703.4	717.4	3.5
Subtotal	39,615.5	40,431.6	(816.1)	(2.0)
Total	295,362.0	287,963.3	7,398.7	2.6

Financial Assets at Amortized Cost

Financial assets at amortized cost are the debt instruments held by the Group that meet both of the following conditions: (1) the financial assets are held in the business model whose objective is achieved by collecting contractual cash flow; and (2) according to the contractual terms of the financial assets, the cash flow generated at a particular date is only the payment of the principal and the interest on the outstanding principal amount.

3 Management Discussion and Analysis

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

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage (%)
(in millions of RMB)				
Distressed debt assets				
Acquired from financial institutions	1,109.9	1,109.9	–	–
Acquired from non-financial institutions	24,600.2	28,345.5	(3,745.3)	(13.2)
Subtotal	25,710.1	29,455.4	(3,745.3)	(12.7)
Interest accrued	170.0	928.1	(758.1)	(81.7)
Allowances for impairment losses	(8,788.7)	(9,286.3)	497.6	(5.4)
Net balance	17,091.4	21,097.2	(4,005.8)	(19.0)
Other debt investments	46,802.8	49,254.5	(2,451.7)	(5.0)
Interest accrued	6,567.7	6,031.6	536.1	8.9
Allowances for impairment losses	(11,661.6)	(11,351.1)	(310.5)	2.7
Net balance	41,708.9	43,935.0	(2,226.1)	(5.1)
Total	58,800.3	65,032.2	(6,231.9)	(9.6)

As at June 30, 2026, the total balances of distressed debt assets at amortized cost were RMB25,710.1 million, all of which are the Group's restructured distressed debt assets, decreasing by 12.7% from RMB29,455.4 million as at December 31, 2025, mainly because the Company proactively adjusted asset structure, and accelerated the recovery of existing projects, resulting in a corresponding decrease in the restructured distressed debt assets.

As at June 30, 2026, the total balances of other debt investments at amortized cost were RMB46,802.8 million, decreasing by 5.0% from RMB49,254.5 million as at December 31, 2025, mainly due to the recovery from certain projects.

3 Management Discussion and Analysis

3.2.2.2 Liabilities

Liabilities of the Group mainly consist of borrowings, due to customers and bonds issued, accounting for 44.6%, 23.5% and 15.0% of the total liabilities of the Group as at June 30, 2026, respectively.

The table below sets forth the components of the Group's interest-bearing liabilities as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Borrowings	656,706.3	47.4	664,734.8	47.0
Due to customers	345,771.5	24.9	365,793.9	25.9
Bonds issued	221,439.1	16.0	250,732.5	17.7
Liabilities held for sale	87,306.5	6.3	—	—
Financial assets sold under repurchase agreements	34,192.1	2.5	41,728.3	3.0
Deposits from banks and financial institutions	19,460.1	1.4	13,894.2	1.0
Placements from banks and financial institutions	16,538.0	1.2	40,985.6	2.9
Borrowings from the central bank	5,034.4	0.4	6,909.5	0.5
Accounts payable to brokerage clients	—	—	28,658.9	2.0
Total	1,386,448.0	100.0	1,413,437.7	100.0

3 Management Discussion and Analysis

Borrowings

As at June 30, 2026, the balance of borrowings of the Group amounted to RMB656,706.3 million, decreasing by 1.2% from RMB664,734.8 million as at December 31, 2025.

Bonds Issued

The table below sets forth the components of the Group's bonds issued as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025
	(in millions of RMB)	
Financial bonds	85,350.3	87,380.6
USD guaranteed senior notes	66,431.0	70,787.7
Corporate bonds	27,138.0	48,842.6
Mid-term notes	15,232.6	13,841.7
RMB guaranteed senior notes	11,097.6	11,648.8
Asset-backed securities	5,323.9	5,277.1
Certificates of deposit	5,210.2	3,733.1
Subordinated notes	4,854.9	5,011.9
Private placement notes	800.6	—
Beneficiary certificates	—	4,209.0
Total	221,439.1	250,732.5

As at June 30, 2026, the balance of bonds issued of the Group amounted to RMB221,439.1 million, representing a decrease of 11.7% from RMB250,732.5 million as at December 31, 2025, mainly due to the classification of the liabilities of Cinda Securities as liabilities held for sale by the Group in the first half of 2026 (for details of the liabilities of Cinda Securities classified as liabilities held for sale, please refer to Note IV.58.3 "Assets and liabilities held for sale" to the interim condensed consolidated financial statements), resulting in a decrease in the balance of bonds issued.

3 Management Discussion and Analysis

Due to Customers

As at December 31, 2025 and June 30, 2026, the balance of due to customers of the Group amounted to RMB365,793.9 million and RMB345,771.5 million, respectively, representing a decrease of 5.5%, which were due to customers of NCB.

The table below sets forth the components of the Group's due to customers as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025	Change	Change in percentage (%)
(in millions of RMB)				
Demand deposits	95,452.2	94,688.1	764.1	0.8
Corporate	56,593.5	53,160.0	3,433.5	6.5
Personal	38,858.7	41,528.1	(2,669.4)	(6.4)
Time deposits	241,613.8	268,377.9	(26,764.1)	(10.0)
Corporate	89,516.8	104,176.9	(14,660.1)	(14.1)
Personal	152,097.0	164,201.0	(12,104.0)	(7.4)
Guarantee deposits	6,686.8	301.2	6,385.6	2,120.1
Interest accrued	2,018.7	2,426.7	(408.0)	(16.8)
Total	345,771.5	365,793.9	(20,022.4)	(5.5)

3.2.3 Contingent Liabilities

Due to the nature of business, the Group is involved in certain legal proceedings in the ordinary course of business, including litigation and arbitration. The Group duly makes provisions for the probable losses with respect to those claims when its management can reasonably estimate the outcome of the proceedings, in light of the legal opinions it has received. The Group does not make provision for pending litigation when the outcome of the litigation cannot be reasonably estimated or when its management considers that legal liability is unlikely to be incurred or that any resulting liabilities will not have material adverse impacts on the financial position or operating results.

As at December 31, 2025 and June 30, 2026, the claim amounts of pending litigation in which the Group was the defendant were RMB12,426.4 million and RMB7,009.1 million, respectively, and provisions of RMB286.4 million and RMB714.8 million for the Group were respectively made based on court judgments or the advice of legal counsel, respectively. The Company believes that the final result of these lawsuits will not have material impacts on the financial position or operating results of the Group.

3 Management Discussion and Analysis

3.2.4 Difference between Condensed Consolidated Financial Statements Prepared under the PRC GAAP and IFRS Accounting Standards

There is no difference in the net profit and shareholders' equity for the Reporting Period between the Interim Condensed Consolidated Financial Statements prepared by the Company under the PRC GAAP and IFRS Accounting Standards, respectively.

3.3 Business Overview

The principal business segments of the Group include: (1) distressed asset management business, including debt asset management conducted with respect to distressed assets, DES Assets management, other distressed asset management, and entrusted operation businesses; and (2) financial services business, including banking, trusts and leasing.

The table below sets out the total income of each business segment for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	Total Income	% of total	Total Income	% of total
(in millions of RMB)				
Distressed asset management	11,526.7	44.2	18,871.6	54.9
Financial services	15,163.0	58.1	16,048.7	46.7
Elimination	(601.9)	(2.3)	(558.1)	(1.6)
Total	26,087.8	100.0	34,362.2	100.0

3.3.1 Distressed Asset Management

The distressed asset management business of the Group includes: (1) management and disposal of distressed assets such as debt assets acquired from financial and non-financial institutions; (2) investment, management and disposal of DES Assets; (3) conducting distressed asset management business in a comprehensive way, such as restructuring of distressed entities and distressed assets, special situations investment; and (4) entrusted operation business.

Distressed asset management is the core business and the primary source of income of the Group. In the first half of 2025 and the first half of 2026, the income from the distressed asset management business accounted for 54.9% and 44.2% of the total income of the Group, respectively.

3 Management Discussion and Analysis

The table below sets forth the key financial indicators of the distressed asset management segment of the Company as at the dates and for the periods indicated.

	As at June 30, 2026	As at December 31, 2025
	(in millions of RMB)	
Net balance of distressed debt assets ⁽¹⁾	303,953.2	304,695.6
Book value of DES Assets	87,254.3	90,485.1
Book value of other distressed assets ⁽²⁾	193,729.4	203,757.2

	For the six months ended June 30, 2026	2025
	(in millions of RMB)	
Distressed debt assets		
Acquisition cost of distressed debt assets	16,759.0	26,580.9
Income from distressed debt assets ⁽³⁾	3,475.9	3,292.0
DES Assets		
Gains on fair value changes ⁽⁴⁾	(1,059.8)	(11.1)
Gains on other equity ⁽⁵⁾	947.4	1,172.1
Other distressed assets		
New investment in other distressed assets	13,259.9	30,414.7
Income from other distressed assets ⁽⁶⁾	4,226.2	1,749.9

Notes:

- (1) Mainly include the Company's distressed debt assets at fair value through profit or loss and distressed debt assets at amortized cost.
- (2) Mainly include book value of assets such as non-standard debt investments and equity investments, investments in asset management products, investments in securitized asset products and debenture investments related to the distressed asset business.
- (3) Mainly include the Company's fair value changes on acquisition-operation distressed debt assets and interest income from distressed debt assets at amortized cost.
- (4) Income of the DES Assets at fair value through profit or loss attributed to distressed asset management segment, including the net gains or losses on disposal, dividend income, interest income and unrealized fair value changes of DES Assets.
- (5) The net gains or losses from DES Assets accrued in consolidated structured entities and associates and joint ventures attributed to distressed asset management segment, dividend income from DES Assets at fair value through other comprehensive income.
- (6) Gains on other distressed asset business, including profit or loss on fair value changes.

3 Management Discussion and Analysis

3.3.1.1 Source of Acquisition of Distressed Debt Assets

The Company's distressed debt assets are primarily categorized by acquisition source into: (1) FI Distressed Assets, including non-performing loans and other distressed debt assets from banks and non-banking financial institutions; and (2) NFI Distressed Assets, including receivables from non-financial institutions.

The table below sets forth the key financial indicators of the Company's FI Distressed Assets and NFI Distressed Assets as at the dates and for the periods indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Net balance of distressed debt assets⁽¹⁾				
FI Distressed Assets	246,941.8	81.2	243,561.8	79.9
NFI Distressed Assets	57,011.4	18.8	61,133.8	20.1
Total	303,953.2	100.0	304,695.6	100.0

	For the six months ended June 30,			
	2026		2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Acquisition cost of distressed debt assets⁽²⁾				
FI Distressed Assets	15,392.3	91.8	25,505.9	96.0
NFI Distressed Assets	1,366.7	8.2	1,075.0	4.0
Total	16,759.0	100.0	26,580.9	100.0
Income from distressed debt assets⁽³⁾				
FI Distressed Assets	3,557.4	102.3	2,289.2	69.5
NFI Distressed Assets	(81.5)	(2.3)	1,002.8	30.5
Total	3,475.9	100.0	3,292.0	100.0

Notes:

- (1) Mainly include the Company's distressed debt assets at fair value through profit or loss and distressed debt assets at amortized cost.
- (2) Represents the carrying amount of distressed debt assets acquired during the periods indicated.
- (3) Mainly include the Company's fair value changes on acquisition-operation distressed debt assets and interest income from distressed debt assets at amortized cost.

3 Management Discussion and Analysis

FI Distressed Assets

The FI Distressed Assets acquired by the Company primarily include non-performing loans and other distressed debt assets from banks, including large commercial banks, joint-stock commercial banks, city and rural commercial banks, policy banks and foreign banks. The Company also acquires distressed debt assets from non-banking financial institutions.

The table below sets forth details on the FI Distressed Assets in terms of acquisition costs among different types of banks and non-banking financial institutions for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	Acquisition amount	% of total (in millions of RMB)	Acquisition amount	% of total
Large commercial banks	5,783.2	37.6	8,704.7	34.1
Joint-stock commercial banks	5,075.4	33.0	8,364.6	32.8
City and rural commercial banks	3,117.8	20.3	7,693.9	30.2
Other banks ⁽¹⁾	118.2	0.8	424.6	1.7
Non-banking financial institutions ⁽²⁾	1,297.7	8.3	318.1	1.2
Total	15,392.3	100.0	25,505.9	100.0

Notes:

(1) Include banking financial institutions such as policy banks and foreign banks.

(2) Mainly include non-banking financial institutions such as trust companies, financial leasing companies and finance companies.

NFI Distressed Assets

The NFI Distressed Assets acquired by the Company are primarily distressed assets that are held by non-financial institutions or managed by financial institutions as trustees. The NFI Distressed Assets primarily include accounts receivable, other receivables, corporate bonds, entrustment loans and trust loans, etc.

3 Management Discussion and Analysis

3.3.1.2 Business Model of Distressed Debt Assets

The Company's business models in distressed debt asset management primarily include: (1) acquisition-operation model; and (2) restructuring model.

The table below sets forth details on the acquisition and disposal of distressed assets by the Company using the acquisition-operation model and restructuring model as at the dates and for the periods indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Net balance of distressed debt assets				
Acquisition-operation Distressed Assets ⁽¹⁾	286,835.1	94.4	283,016.2	92.9
Restructured Distressed Assets ⁽²⁾	17,118.1	5.6	21,679.4	7.1
Total	303,953.2	100.0	304,695.6	100.0

	For the six months ended June 30,			
	2026		2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Acquisition cost of distressed debt assets				
Acquisition-operation Distressed Assets	16,759.0	100.0	26,580.9	100.0
Restructured Distressed Assets	—	—	—	—
Total	16,759.0	100.0	26,580.9	100.0
Income from distressed debt assets				
Acquisition-operation Distressed Assets ⁽³⁾	4,272.1	122.9	2,616.3	79.5
Restructured Distressed Assets ⁽⁴⁾	(796.2)	(22.9)	675.7	20.5
Total	3,475.9	100.0	3,292.0	100.0

Notes:

- (1) Mainly include the Company's distressed debt assets at fair value through profit or loss.
- (2) Equivalent to the Company's distressed debt assets at amortized cost minus impairment losses, as presented in the Interim Condensed Consolidated Financial Statements.
- (3) Mainly include the Company's fair value changes on acquisition-operation distressed debt assets, which include realized and unrealized parts.
- (4) Refers to the Company's interest income from distressed debt assets at amortized cost.

3 Management Discussion and Analysis

Acquisition-operation Distressed Assets

Acquisition-operation Distressed Assets refer to distressed debt assets acquired from financial institutions and non-financial institutions through competitive bidding, public auctions, blind auctions or negotiated acquisitions by the Company. Based on the characteristics of the distressed debt assets, the Company applied suitable strategies and various disposal methods to maximize the value of assets and achieve cash recovery, including debt restructuring, debt-to-equity swap, asset swap, receipt of equity in satisfaction of debt, litigation recovery, and disposal, etc.

In the first half of 2026, the Company continued to strengthen the functions of financial relief and counter-cyclical adjustment, deepened its efforts in the financial distressed asset market, proactively engaged with various institutions to accurately identify the latest developments and tailored needs in asset disposal. By innovating its business models, enriching its acquisition product offerings and diversified service approaches, the Company flexibly matched the asset disposal needs from financial institutions, enhanced its professional pricing and integrated risk resolution capabilities, and promoted the optimization of its business structure and the expansion of risk resolution coverage. With a focus on “optimizing incremental assets and revitalizing existing resources”, the Company further advanced refined asset management, strengthened ecosystem synergy, and comprehensively applied a series of disposal measures to improve the effectiveness and efficiency of asset revitalization, value restoration and resource allocation. The Company also actively participated in the reform and risk resolution of local small and medium-sized financial institutions, concentrated on the disposal of existing risks, and supported institutional streamlining for higher quality and layout optimization. Through its professional capabilities, the Company safeguarded financial stability and supported the high-quality development of the real economy.

3 Management Discussion and Analysis

The table below sets forth certain details of the operation of the Acquisition-operation Distressed Assets of the Company as at the dates and for the periods indicated.

	As at June 30, 2026	As at December 31, 2025
	(in millions of RMB)	
Net balance of Acquisition-operation Distressed Assets	286,835.1	283,016.2

	For the six months ended June 30, 2026	2025
	(in millions of RMB)	
Acquisition cost of Acquisition-operation Distressed Assets	16,759.0	26,580.9
Carrying amount of Acquisition-operation Distressed Assets disposed ⁽¹⁾	14,471.6	18,622.4
Unrealized fair value changes	2,092.6	218.1
Net income from Acquisition-operation Distressed Assets	4,272.1	2,616.3
Internal rate of return ⁽²⁾ (%)	6.2	8.7

Notes:

- (1) Represents the amounts of Acquisition-operation Distressed Assets disposed of in a given period.
- (2) The internal rate of return, or IRR, is a discount rate calculated from a series of cash flows including the cash proceeds from the disposal of Acquisition-operation Distressed Assets in the current period and the costs and expenses incurred at the time of acquisition of such assets, which will provide a net present value of all cash flows equal to zero.

Restructured Distressed Assets

The primary sources of Restructured Distressed Assets are non-financial enterprises. When acquiring debts, the Company would enter into a tripartite agreement with the creditor and debtor. The Company acquires the debts from the creditor, and the Company, the debtor and its related parties also enter into a restructuring agreement that details a series of arrangements of reorganization including the repayment amount, repayment method, repayment schedule, and collateral and guarantee, with the goal of activating the existing assets of the debtor, recovering the debt in full and achieving target gains.

3 Management Discussion and Analysis

In the first half of 2026, the Company actively responded to changes in the conditions of distressed asset market, continuously optimized its business models and strategies, focused on the effective financial needs of distressed enterprises, enriched risk resolution tools and bailout instruments, explored new models for mitigating financial and real economic risks under the new circumstances, and continuously and actively adjusted restructured distressed assets businesses to promote business transformation and upgrading. The Company vigorously strengthened the revitalization and disposal of existing assets, deepened substantive restructurings, enhanced the effectiveness of risk resolution, deeply tapped into the potential of existing projects, made provision in a reasonable manner, and expanded the reserve for business safety.

The table below sets forth the business condition of the Restructured Distressed Assets of the Company as at the dates and for the periods indicated.

	As at June 30, 2026	As at December 31, 2025
(in millions of RMB)		
Net balance of Restructured Distressed Assets	17,118.1	21,679.4
Balance of Restructured Distressed Assets classified as substandard, doubtful and loss ⁽¹⁾	19,913.0	12,851.0
Impaired Restructured Distressed Assets ⁽²⁾ (%)	77.38	41.73
Allowance for impairment losses	8,616.8	9,115.3
Impaired Restructured Distressed Assets coverage ratio ⁽³⁾ (%)	43.3	70.9

Notes:

- (1) Equals Restructured Distressed Assets classified as substandard, doubtful and loss with reference to the "Guidelines for the Classification of Loan Risks" of the CBRC.
- (2) Equals Restructured Distressed Assets classified as substandard, doubtful and loss divided by the gross balance of Restructured Distressed Assets.
- (3) Equals asset impairment reserve balance divided by the balance of Restructured Distressed Assets classified as substandard, doubtful and loss.

3 Management Discussion and Analysis

The table below sets forth details of the Restructured Distressed Assets of the Company classified by industry as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total	Amount	% of total
	(in millions of RMB)			
Real estate	20,469.7	79.6	22,913.5	74.4
Leasing and commercial services	1,885.5	7.3	1,981.4	6.4
Manufacturing	1,871.3	7.3	2,325.5	7.6
Construction	410.8	1.6	410.8	1.3
Wholesale and retail trade	338.8	1.3	2,374.5	7.7
Others	758.8	2.9	789.0	2.6
Total	25,734.9	100.0	30,794.7	100.0

The table below sets forth details of the Restructured Distressed Assets of the Company classified by region as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total	Amount	% of total
	(in millions of RMB)			
Bohai Rim	8,787.3	34.1	9,141.6	29.7
Yangtze River Delta	1,949.6	7.6	2,376.4	7.7
Pearl River Delta	2,189.3	8.5	6,663.8	21.6
Central China	9,616.7	37.4	7,480.5	24.3
Western China	2,451.7	9.5	3,622.2	11.8
Northeastern China	740.3	2.9	1,510.2	4.9
Total	25,734.9	100.0	30,794.7	100.0

3 Management Discussion and Analysis

3.3.1.3 DES Assets Management

The Company acquires DES Assets through debt-to-equity swap, receipt of equity in satisfaction of debt and other transactions related to distressed asset management.

In the first half of 2026, the Company continued its efforts in the DES business, adhered to the principles of “seeking progress while maintaining stability, improving quality and efficiency”, and emphasized both the optimization of incremental investments deployment and the acceleration of existing asset turnover. Based on the commercial substance of its business, the Company fully leveraged its strengths to support enterprises with sound development prospects but facing temporary difficulties to reduce debt leverage, optimize financial structures and enhance the capacity for high-quality development. The Company supported leading enterprises in traditional industries in navigating industry cycles, pursuing low-carbon transformation, and upgrading and renovating major technical equipment, thereby enhancing the sustainable development capacity of key resources and key industries. The Company also supported leading enterprises in strategic emerging industries in reducing leverage, increasing capital and introducing strategic investors through mixed-ownership reform, with a view to achieving breakthroughs in key core technologies and accelerating high-level technological self-reliance and strength. The Company continued to intensify its exit efforts for existing DES projects by prudently structuring exit arrangements and pursuing market-based exits from equity investments through multiple channels and methods, while strengthening the centralized management of listed equity assets, thereby enhancing its professional disposal capabilities.

The table below sets forth the business condition of DES Assets of the Company as at the dates and for the periods indicated.

	As at June 30, 2026	As at December 31, 2025
	(in millions of RMB)	
Total book value		
DES Assets at fair value through profit or loss	38,964.9	40,881.8
DES Assets at interests in consolidated structured entities and associates and joint ventures	44,337.6	45,713.4
DES Assets at fair value through other comprehensive income	3,951.8	3,889.9
Total	87,254.3	90,485.1

3 Management Discussion and Analysis

	For the six months ended June 30,	
	2026	2025
	(in millions of RMB)	
DES Assets income		
Fair value changes ⁽¹⁾	(1,059.8)	(11.1)
Gains realized with other accounting approaches ⁽²⁾	947.4	1,172.1

Notes:

- (1) Refers to fair value changes of the DES Assets at fair value through profit or loss, including the net gains or losses on disposal of DES Assets, dividend income, interest income and unrealized fair value changes.
- (2) Includes net gains or losses from DES Assets at interests in consolidated structured entities and associates and joint ventures and dividend income from DES Assets at fair value through other comprehensive income.

3.3.1.4 Other Distressed Asset Businesses

Other distressed asset business of the Group is mainly the distressed asset business conducted in a comprehensive operation method other than distressed debt asset business and DES business. The Group mainly conducts other distressed asset business through the Company, Cinda Hong Kong, Cinda Investment and Zhongrun Development. In the first half of 2025 and the first half of 2026, the income of other distressed asset business of the Group amounted to RMB11.39 billion and RMB9.98 billion, respectively.

Other Distressed Asset Businesses of the Company

Other distressed asset business of the Company refers to the business, in which the Company focuses on distressed entities aid and distressed assets revitalizing, flexibly applies transaction structures such as private funds, trust plans and asset management plans, invests its own or undermanaged funds in specific projects, to resolve the risks of such projects and improve the operating conditions of enterprises, and then exits such investment in due course and achieves gains. The investment targets mainly include non-standard debt and equity, asset management products, securitization products and bonds.

Other distressed asset business of the Company has initially formed four distinctive segments: firstly, supporting the structural optimizations and upgrades of energy and infrastructure industries; secondly, promoting the risk mitigation in key areas of real estate in an orderly manner; thirdly, contributing to the high-quality development of new quality productive forces; and fourthly, serving the central and local state-owned enterprise reform and de-risking.

3 Management Discussion and Analysis

In the first half of 2026, the Company actively leveraged the functions of financial rescue and counter-cyclical adjustment, continuously improved the quality and efficiency of mitigating and resolving financial and real economic risks. Focusing on key risk areas, distressed enterprises and existing assets, the Company extensively explored business opportunities in corporate rescue and crisis relief, bankruptcy reorganization, listed company bailout, merger, acquisition and restructuring, and the revitalization of existing assets. By accurately identifying the root causes of difficulties, the Company leveraged the professional strengths of AMC to provide effective solutions by appropriately deploying relief and revitalization tools including asset acquisition, bridge financing, phased shareholding and common benefits debt. The Company took more proactive approaches in section allocation, supporting the transformation and upgrading of the coal, power and other industries in line with the objectives of ensuring sufficient and stable supply chain and advancing the green and low-carbon transition; participated extensively in the risk resolution of the real estate industry and contributed to the foundation of a new real estate development model; supported the relief and revitalization of strategic emerging industries, facilitating the growth and expansion of new quality productive forces; and accelerated the innovation of revitalization models for existing assets, unlocking new momentum from underutilized and inefficient assets and driving the expansion of effective investment. The Company established a pool of industry investors, accelerated the cultivation of strategic customer groups, and enhanced the construction of the distressed asset ecosystem to improve its core competitive strength.

As at December 31, 2025 and June 30, 2026, the balance of other distressed asset business investment of the Company amounted to RMB203.76 billion and RMB193.73 billion, respectively. In the first half of 2025 and the first half of 2026, the new investment in other distressed asset business of the Company amounted to RMB30.41 billion and RMB13.26 billion, respectively and the income amounted to RMB1.75 billion and RMB4.23 billion, respectively.

The table below sets forth the new investment in other distressed assets of the Company classified by sector for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Restructuring of energy and infrastructure industries	2,050.0	15.5	9,951.1	32.7
Risk mitigation of real estate	1,197.1	9.0	5,402.0	17.8
Transformation and upgrading of new quality productivity	3,643.4	27.5	6,530.8	21.5
Reform and derisking of central state-owned enterprise	6,369.4	48.0	8,465.1	27.8
Others	—	—	65.7	0.2
Total	13,259.9	100.0	30,414.7	100.0

3 Management Discussion and Analysis

Cinda Hong Kong

As the cross-border distressed asset coordinated management platform of the Group, Cinda Hong Kong focused on the disposal of distressed assets of overseas financial institutions, the revitalization and mergers and acquisitions of cross-border assets of central and local state-owned enterprises, and the entrusted disposal business of distressed assets, among others. It proactively leveraged the functions of its main business to provide diversified asset revitalization approaches and solutions; strengthened Group-wide coordination, and actively launched central and local state-owned enterprises reform and capital market bailout and other businesses.

As at December 31, 2025 and June 30, 2026, the balance of other distressed asset business investment of Cinda Hong Kong amounted to RMB59.45 billion and RMB53.23 billion, respectively. In the first half of 2025 and the first half of 2026, the income from other distressed asset business of Cinda Hong Kong amounted to RMB0.83 billion and RMB2.59 billion, respectively.

Cinda Investment

Cinda Investment adhered to its main responsibilities and core business, closely focused on the “five priorities” of finance, deeply integrated into the coordinated development of the Group, and was committed to building itself into the Group-wide domestic shareholding platform, distressed asset operation and management platform, and synergy platform for core distressed asset business.

As at December 31, 2025 and June 30, 2026, the balance of other distressed asset business investment of Cinda Investment amounted to RMB74.25 billion and RMB72.30 billion, respectively. In the first half of 2025 and the first half of 2026, the income from other distressed asset business of Cinda Investment amounted to RMB7.41 billion and RMB1.93 billion, respectively. In the first half of 2025, the income from other distressed asset business of Cinda Investment mainly consisted of one-time gains from the special situation investment.

Zhongrun Development

Zhongrun Development focused on the bankruptcy reorganization and trusteeship of distressed enterprises; continued to pursue a differentiated, distinctive and specialized development path; strengthened its functional positioning, and strived to build itself into an industry-leading service platform for the bankruptcy reorganization business of distressed enterprises with core competitiveness and brand influence.

As at December 31, 2025 and June 30, 2026, the balance of the other distressed asset business investment of Zhongrun Development amounted to RMB1.55 billion and RMB1.57 billion, respectively. In the first half of 2025 and the first half of 2026, the income from other distressed asset business of Zhongrun Development amounted to RMB0.02 billion and RMB0.01 billion, respectively.

3 Management Discussion and Analysis

Cinda Real Estate

As a professional real estate platform of the Group, Cinda Real Estate plays the role of “project operator, post-investment management facilitator, and real estate investment advisor” in the Group’s distressed assets business of real estate. Leveraging professional empowerment, Cinda Real Estate continuously improves its comprehensive problem-solving capabilities for complex issues in complex business models, actively participates in the Group’s real estate business synergy, becoming an integral part of the Group’s real estate-related business. Through equity mergers and acquisitions, project management and construction, and operational services, Cinda Real Estate revitalized distressed real estate, unlocked and enhanced the value of such assets, so as to provide effective channels for asset disposal and realization. Cinda Real Estate adopted various modes such as acquisition and merger, entrusted construction, joint construction, and supervision service to promote the resumption of real estate risk projects and practically carried out the work of “ensuring housing delivery, maintaining social stability and safeguarding people’s livelihoods”. In the first half of 2026, Cinda Real Estate participated in the mitigation of industry risk of 2.164 million square meters, among which 2.009 million square meters were collaboratively managed projects.

In the first half of 2025 and the first half of 2026, Cinda Real Estate’s real estate development business achieved revenue from sales of properties held for sale of RMB1.38 billion and RMB0.91 billion, respectively.

3.3.1.5 Entrusted Operation

The Group provides entrusted operation services to distressed assets and entities under the engagement of government authorities, enterprises and financial institutions. The entrusted distressed asset operation business is mainly conducted by the Company. As at December 31, 2025 and June 30, 2026, the balance of the entrusted operation distressed assets amounted to RMB13.24 billion and RMB9.34 billion, respectively.

3.3.2 Financial Services Business

According to the strategic plan, the Group has focused on the development of the financial services business that can provide services and support to the development of distressed asset business. A synergistic financial services platform has been established, covering banking, trusts and leasing business. The Group is committed to providing customized financial services and comprehensive solutions to customers.

In the first half of 2025 and the first half of 2026, the income from the financial services business accounted for 46.7% and 58.1% of the total income of the Group, respectively.

3 Management Discussion and Analysis

The table below sets forth the key financial indicators of the financial service subsidiaries of the Group as at the dates and for the periods indicated.

	For the six months ended June 30,							
	2026		2025		As at June 30, 2026		As at December 31, 2025	
	Profit		Profit		Total		Net	
	Income	before tax	Income	before tax	assets	assets	Total assets	Net assets
(in millions of RMB)								
NCB	9,028.6	2,021.8	10,541.8	2,013.8	509,080.1	65,687.3	510,735.6	67,016.0
Cinda Securities	3,510.8	1,556.4	2,948.6	1,137.6	120,250.0	29,187.6	129,950.8	28,753.3
Jingu Trust	932.1	769.9	807.1	601.7	16,881.7	6,162.8	15,071.4	5,839.3
Cinda Financial Leasing	1,749.6	698.4	1,811.1	709.1	82,483.1	10,870.8	82,993.6	10,527.1

Note:

- (1) The key financial indicators of the financial service subsidiaries are presented based on the Group's Interim Condensed Consolidated Financial Statements prepared in accordance with IFRS Accounting Standards.

3.3.2.1 Banking Business

The Group conducts banking business in Hong Kong and Mainland China through NCB (mainly including NCB Hong Kong and NCB China).

The Group attaches great importance to the development of NCB. Considering both internal and external economic conditions and its strategies, the Group has put forward the goal of developing NCB into a platform for the Group's account management, cross-selling and integrated financial services, as well as a growth point of the Group's collaboration and transformation, which will promote the development of the entire financial services sector.

3 Management Discussion and Analysis

NCB

The table below sets forth the key financial and business indicators of NCB as at the dates and for the periods indicated.

	As at June 30, 2026	As at December 31, 2025
(in billions of RMB)		
Total assets	509.1	510.7
Total loans	252.4	246.4
Total deposits	355.3	366.4
Asset quality indicators (%)		
Non-performing loan ratio ⁽¹⁾	2.35	2.32
Capital adequacy ratio indicators (%)		
Total capital ratio ⁽²⁾	20.31	21.35
Tier-1 capital ratio ⁽³⁾	17.15	18.09
Tier-1 common capital ratio ⁽⁴⁾	15.18	15.99
Other indicators (%)		
Liquidity coverage ratio ⁽⁵⁾	184.68	188.43

	For the six months ended June 30, 2026	2025
(in billions of RMB)		
Net interest income	3.6	3.6
Net commission and fee income	0.9	0.8
Profitability indicators (%)		
Annualized return on average assets ⁽⁶⁾	0.71	0.64
Annualized return on average shareholders' equity ⁽⁷⁾	5.66	4.95
Net interest margin ⁽⁸⁾	1.52	1.52
Cost-to-income ratio ⁽⁹⁾	30.65	33.30

3 Management Discussion and Analysis

Notes:

- (1) Equals the sum of loans classified as substandard, doubtful and loss divided by total loans to customers.
- (2) Equals the sum of tier-1 capital and tier-2 capital divided by net risk-weighted assets.
- (3) Equals tier-1 capital divided by net risk-weighted assets.
- (4) Equals tier-1 common capital divided by net risk-weighted assets.
- (5) Equals high-quality liquid asset reserves divided by the difference between cash outflows over the next 30 days and cash inflows over the next 30 days.
- (6) Equals profit after tax for the period divided by the average balance of assets as at the beginning and the end of the period, which is annualized.
- (7) Equals net profit attributable to equity holders for the period divided by the average balance of equity attributable to equity holders as at the beginning and the end of the period, which is annualized.
- (8) Equals net interest income divided by daily average balance of interest-generating assets, which is annualized.
- (9) Equals operating expenses divided by operating income.

NCB Hong Kong

NCB Hong Kong provides comprehensive financial services including personal banking, corporate banking, financial markets and interbank business.

Rooted in Hong Kong and serving two places, NCB Hong Kong actively served the national development, implemented national strategies, focused on the “five priorities” of finance, integrated into the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and supported Hong Kong in consolidating its position as an international financial center. Relying on the Group’s synergistic resources and integrated advantages, NCB Hong Kong continuously strengthened its professional advantages in fields such as cross-border finance, ecosystem cooperation, and offshore RMB businesses, constantly improved its characteristic product system, and actively promoted the transformation towards wealth advisory and comprehensive financial steward business models, gradually building differentiated competitiveness in sub-sectors and effectively promoting the high-quality development of its business.

NCB Hong Kong played the role of the core platform of the Group’s comprehensive financial services, and supported the development of the Group’s credit granting and industrial investment. Through regular engagement with key strategic collaboration clients and in-depth identification of their business needs, NCB Hong Kong jointly promoted the continuous scale expansion in the implementation of cross-border capital market projects. In the first half of 2026, it recorded a synergistic operating revenue of RMB0.014 billion.

3 Management Discussion and Analysis

The table below sets forth certain details of loans and deposits of NCB Hong Kong as at the dates and for the periods indicated.

	As at June 30, 2026	As at December 31, 2025
	(in billions of RMB)	
From personal customers		
Balance of loans	25.4	24.7
Balance of deposits	179.6	193.5
From corporate customers		
Balance of loans	146.2	144.6
Balance of deposits	86.4	87.2

	For the six months ended June 30, 2026	2025
	(in billions of RMB)	
From personal customers		
Net interest income	0.5	0.6
Net commission and fee income	0.4	0.4
From corporate customers		
Net interest income	0.7	0.7
Net commission and fee income	0.2	0.2

3 Management Discussion and Analysis

NCB China

NCB China mainly engages in banking businesses including corporate banking business, personal banking business and financial markets business.

With the focus on serving the national strategies, the real economy and people's livelihood, NCB China actively worked to advance the "five priorities" of finance, and by giving full play to the Group's comprehensive financial service and cross-border financial service advantages, NCB China created differentiated competitiveness in asset management, cross-border finance and wealth management, etc. With the empowerment of financial technology, NCB China also continuously improved the quality of service to both domestic and overseas customers, enhanced the effectiveness of operation and management, so as to realize high-quality development.

NCB China exerted its professional advantages to effectively support the Group's business expansion in FI and NFI Distressed Assets acquisition and equity projects through banking financial services such as account opening and fund supervision. In the first half of 2026, the scale of loans and deposits of the synergistic business of NCB China with the Group totaled RMB18.95 billion. A total of 15 various projects were recommended to the Group's branches and subsidiaries, with an investment scale of RMB10.19 billion.

The table below sets forth the key financial and business indicators of NCB China as at the dates and for the periods indicated.

	As at June 30, 2026	As at December 31, 2025
(in billions of RMB)		
Total assets	148.4	154.5
Total loans	79.8	73.9
Total deposits	83.1	87.5
Asset quality indicators (%)		
Non-performing loan ratio	1.62	1.30
Provision coverage ratio	132.90	139.80
Capital adequacy ratio indicators (%)		
Core tier-one capital adequacy ratio	16.87	17.35
Tier-one capital adequacy ratio	16.87	17.35
Capital adequacy ratio	17.28	17.73

3 Management Discussion and Analysis

	For the six months ended June 30,	
	2026	2025
	(in billions of RMB)	
Net interest income	0.8	0.8
Net commission and fee income	0.1	0.1
Profitability indicators (%)		
Annualized return on average assets	0.05	0.17
Annualized return on average shareholders' equity	0.42	1.44

The table below sets forth certain details of loan and deposit of NCB China as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Balance	% of total	Balance	% of total
	(in billions of RMB)			
Loans				
Corporate Banking Business	65.7	82.3	58.2	78.8
Personal Banking Business	14.1	17.7	15.6	21.2
Total	79.8	100.0	73.9	100.0
Deposits				
Corporate Banking Business	70.2	84.5	74.0	84.6
Personal Banking Business	12.9	15.5	13.5	15.4
Total	83.1	100.0	87.5	100.0

3 Management Discussion and Analysis

3.3.2.2 Securities, Futures and Fund Management

Cinda Securities and its subsidiaries conduct securities, futures and fund management business. In the first half of 2025 and the first half of 2026, the revenue of Cinda Securities amounted to RMB2,037.2 million and RMB2,435.0 million, respectively.

On November 19, 2025, CICC, Cinda Securities and Dongxing Securities entered into a cooperation agreement regarding the mergers by way of absorption and share exchanges of Cinda Securities and Dongxing Securities by CICC. On December 17, 2025, CICC, Cinda Securities and Dongxing Securities entered into an agreement on the mergers by way of absorption and share exchanges. On June 8, 2026, the Proposed Mergers have been approved by the second extraordinary shareholders' meeting of 2026 of the Company, as well as the shareholders' meetings of the relevant parties, including CICC, Cinda Securities and Dongxing Securities, etc. As of June 30, 2026, the criteria have been satisfied to classify Cinda Securities as held for sale. Following the classification of Cinda Securities as held for sale, the securities, futures and mutual funds businesses are no longer included in the businesses of the Group, and Cinda Securities constitutes a discontinued operation. For details of the Proposed Mergers, please refer to "Significant Events" – "Major Acquisition and Disposal of Assets and Merger by Absorption" in this report.

Cinda Securities

The table below sets forth the revenue of Cinda Securities and their corresponding percentages by business for the periods indicated.

	For the six months ended June 30,			
	2026		2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Securities and futures brokerage	1,039.1	42.7	817.8	40.1
Proprietary securities trading	891.8	36.6	743.4	36.5
Investment banking	37.6	1.5	26.8	1.3
Asset management	317.0	13.0	257.0	12.6
Other business	149.6	6.1	192.2	9.4
Total	2,435.0	100.0	2,037.2	100.0

3 Management Discussion and Analysis

Cinda Futures

In the first half of 2025 and the first half of 2026, income from the futures business of Cinda Futures amounted to RMB82.8 million and RMB111.4 million, respectively, and the operating profit realized amounted to RMB22.7 million and RMB52.6 million, respectively.

Cinda Fund

The mutual funds of Cinda Fund are classified into monetary funds, equity funds, bond funds and hybrid funds, which mainly invest in equity assets and fixed income assets. As at December 31, 2025 and June 30, 2026, Cinda Fund had 94 and 98 mutual securities investment funds with the total AUM of mutual funds and asset management plans amounting to RMB139.99 billion and RMB194.13 billion, respectively. In the first half of 2025 and the first half of 2026, management fee income from mutual funds and asset management plans amounted to RMB295.9 million and RMB326.5 million, respectively.

Cinda International

Cinda International conducts cross-border securities brokerage, financial product trading, investment banking and asset management businesses in Hong Kong. In the first half of 2025 and the first half of 2026, the revenue of Cinda International amounted to RMB80.0 million and RMB71.7 million, respectively.

3.3.2.3 Trusts

The Group conducts trust business through Jingu Trust. As at December 31, 2025 and June 30, 2026, the existing trust AUM of the Group amounted to RMB637.40 billion and RMB641.01 billion, respectively, and the Group managed 872 and 828 existing trust projects, respectively. In the first half of 2025 and the first half of 2026, the commission and fee income generated from trust business were RMB0.69 billion and RMB0.78 billion, respectively.

Aiming to build a comprehensive service platform for “asset management, trust services and wealth management” and becoming a first-class trust company with leading advantages in the field of alternative assets, Jingu Trust has been continuously promoting business transformation, anchoring itself in the strategic bases of serving the real economy and serving the Group’s main responsibilities and core business. Adhering to the general principle of “seeking innovation and upholding integrity while enhancing quality and efficiency”, Jingu Trust has been focusing on exploring the path of characteristic and differentiated development, fully strengthening strategic synergy with the Group and delivering the “five priorities” of finance. Relying on the advantages of trust industry and its professional capacity, Jingu Trust has deeply focused on the Group’s main responsibilities and core business of distressed assets operation, innovated synergy models, and advanced proactive and reciprocal synergy collaboration. In the first half of 2026, the synergy demonstrated notable gains, with nearly RMB10.0 billion of new synergy projects and the balance of the synergy business over RMB88.0 billion, forming a close business synergy structure and an operable and replicable business model.

3 Management Discussion and Analysis

The table below sets forth details of distribution by industry of the trust AUM of the Group as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total	Amount	% of total
	(in millions of RMB)			
Infrastructure	95,878.4	15.0	110,030.4	17.3
Real estate	8,317.6	1.3	8,094.9	1.3
Securities markets	54,007.8	8.4	41,461.7	6.5
Industry and commerce	472,146.5	73.7	463,831.8	72.8
Asset-backed securitization	9,878.2	1.5	12,974.4	2.0
Financial institutions and others	782.9	0.1	1,007.1	0.1
Total	641,011.4	100.0	637,400.3	100.0

3.3.2.4 Financial Leasing

The Group conducts financial leasing business through Cinda Financial Leasing. As at December 31, 2025 and June 30, 2026, the net finance lease receivables of the Group were RMB69.67 billion and RMB65.94 billion, respectively. In the first half of 2025 and the first half of 2026, the net revenue generated by the financial leasing business of the Group was RMB884.2 million and RMB880.9 million, respectively, and the net profit generated from the financial leasing business of the Group for the same periods amounted to RMB490.9 million and RMB507.4 million, respectively.

Cinda Financial Leasing actively implemented the Group's synergistic strategy to vigorously integrate into the Group's comprehensive financial services and gave play to comprehensive marketing advantages to jointly serve the strategic customers at the group level. Cinda Financial Leasing solidly concentrated on "five priorities" of finance, focused on key areas to serve technology finance, explored the implementation of technology and finance to promote each other, and strongly supported the development of strategic emerging industries and high-tech industries; dug into the transformation needs of customers to fully develop green finance business by constantly increasing investment efforts in green leasing, and practically fulfilling the leading role in green finance. Cinda Financial Leasing actively expanded inclusive finance, increased support for micro, small and medium-sized enterprises, and strived to alleviate their financing problems; implemented the "Digital Intelligence Cinda" strategy of the Group, and vigorously promoted the construction of "Digital Financial Leasing", thus accelerating the pace of digital transformation. In the first half of 2026, Cinda Financial Leasing made 15 new collaborative investments in the Group's strategic and important customers, with a contract value of RMB2.94 billion.

3 Management Discussion and Analysis

Product Types

In the first half of 2026, the net income from specialized products and non-specialized products was RMB533.6 million and RMB347.3 million, respectively, representing 60.6% and 39.4% of Cinda Financial Leasing's net income for the periods, respectively.

Industrial Distribution

The table below sets forth the outstanding finance lease receivables of the Group by industry as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Amount	% of total	Amount	% of total
(in millions of RMB)				
Manufacturing	31,610.2	45.2	32,684.4	44.5
Leasing and commercial services	8,921.0	12.8	8,953.5	12.2
Construction	7,687.9	11.0	8,796.1	12.0
Transportation, logistics and postal services	6,568.6	9.4	7,345.3	10.0
Mining	4,388.8	6.3	4,146.8	5.6
Production and supply of power, heat, gas and water	3,558.6	5.1	4,110.5	5.6
Water conservancy, environment and public facilities management	1,272.3	1.8	1,574.2	2.1
Others	5,868.7	8.4	5,914.4	8.0
Total	69,876.1	100.0	73,525.2	100.0

3.3.3 Human Resources Management

In the first half of 2026, the Company thoroughly implemented the Party's organizational line for the new era, closely focused on the high-quality development strategy of the Company, and systematically advanced the cadre and talent team echelon construction. By establishing a full-chain management mechanism integrating "selection, development, management and deployment", the Company continuously forged a high-caliber and professional team of financial cadres and talents possessing strong political integrity, outstanding competence, and a firm commitment to loyalty, integrity, and responsibility, effectively translating organizational advantages into development advantages and providing strong organizational guarantee and talent support for the Company's high-quality reform and development.

3 Management Discussion and Analysis

3.3.3.1 Employees

The following table sets forth the distribution of the employees of the Group (including the Senior Management, excluding those employed through labor dispatch agencies) as at the dates indicated.

	As at June 30, 2026		As at December 31, 2025	
	Number of employees	Percentage (%)	Number of employees	Percentage (%)
By location				
Employees in Mainland China	9,102	85.4	10,004	85.1
Employees in Hong Kong and Macao	1,554	14.6	1,741	14.9
By gender				
Male	5,705	53.5	6,623	56.3
Female	4,951	46.5	5,122	43.7
Total	10,656	100.0	11,745	100.0

In the Company and its tier-one subsidiaries (head offices), employees with a bachelor's degree or above and employees with a master's degree or above accounted for 92% and 57% respectively. The Company has achieved employee diversity, including gender, by taking diversity as a significant consideration factor in human resources management. In order to ensure its stable development in the long run, the Company has attached great importance to its relationship with all employees. The business and financial conditions of the Company are not reliant on particular employee(s).

3.3.3.2 Remuneration Policy

The Company adheres to a remuneration policy that prioritizes performance while ensuring fairness and continuously deepens the reform of the remuneration management system to provide solid support for the achievement of its strategic goals and the stability of the talent team. Remuneration management adheres to a market-oriented approach, placing equal emphasis on remuneration incentives and risk constraints. Remuneration distribution is closely pegged with business performance. A sound and long-term deferred payment and clawback mechanism for performance-based remuneration has been established to drive business resources to focus on main responsibilities and core business, thereby facilitating the high-quality and steady development of the Company.

3 Management Discussion and Analysis

3.3.3.3 Education and Training

In the first half of 2026, the Company continued to strengthen its tiered and categorized training system. In order to further optimize the training management system, the Company revised and issued the Administrative Measures for Employee Education and Training. Focusing on political education and duty-performance capability enhancement, the Company conducted a series of training programs, including three rotational training sessions on studying and implementing the spirit of the Fourth Plenary Session of the 20th Central Committee of CPC, a special training session on political capability enhancement for the “top executives” of all units in the Company, and a leadership development program for newly appointed mid-level deputy managers of the Company. A total of 461 mid-level and above leaders were trained. Adhering to the principle of promoting learning through training, the Company guided leading cadres at all levels to further firmly establish and practice correct understanding of governance performance, continuously enhance their political judgment, political understanding, and political execution, and practically translate learning outcomes into effective duty performance. Aligned with its operational goal of “optimizing growth and revitalizing existing resources”, the Company continuously strengthened training across all business lines tailored to main responsibilities and core business and market demands, so as to support employee career growth and fortify the Company’s high-quality development with a sustainable talent foundation.

3.3.4 No Material Changes

Save as disclosed herein, there have been no material matters affecting the performance of the Company after the publication of the 2025 annual report that are required to be disclosed in accordance with Appendix D2 to the Hong Kong Listing Rules.

3.4 Risk Management

3.4.1 Framework of Comprehensive Risk Management

Comprehensive risk management is a continuous process which calls for the participation of the Board, Senior Management and all levels of employees to identify all types of potential risks and forecast the extent of risk impacts in strategy setting and routine operations, as well as to effectively manage the risks in all aspects within the Company’s risk appetite.

In the first half of 2026, the Company continued to improve the construction of the comprehensive risk management system and thoroughly implemented the risk management concept of “protecting the bottom-line by managing risks proactively”, strengthened full risk coverage and look-through management, prioritized risk prevention and control in key areas, and conducted post-review and reassessment of risk projects. The Company also refined its long-term risk management and control mechanisms to promote high-quality and efficient risk resolution.

3 Management Discussion and Analysis

3.4.2 Risk Management Organizational Structure

The Company has continuously carried forward the construction of the risk management organizational system. The Board assumes the ultimate responsibility for comprehensive risk management, and exercises functions relevant to risk management, such as considering major issues of risk management, supervising and evaluating the establishment of risk management systems and risk profiles of the Group through its Risk Management Committee, Audit Committee and Connected Transaction Control Committee. The Senior Management assumes specific responsibilities of comprehensive risk management in accordance with the authorization of the Board, and is accountable to the Board on the effectiveness of the risk management system. The risk management committee under the Senior Management exercises part of the risk management duties of the Senior Management in accordance with the authorization.

In the first half of 2026, the Risk Management Committee convened two meetings to consider and approve various resolutions, such as the risk management report of the Group. The risk management committee under the Senior Management convened nine meetings to consider various resolutions, such as the risk monitoring and evaluation plan of the Group, quarterly classification of risk assets and provisions for impairment, the status of the three-tier classification of risk assets, and the business continuity assessment report.

The Company incorporated various requirements of risk management into its management activities and business processes, and gradually established and improved its three lines of defense for risk management, namely the business operation departments of the headquarters, branches and subsidiaries as the first line of defense; the functional departments of risk management as the second line of defense; the functional departments of internal audit as the third line of defense.

In the first half of 2026, the Company made further strides in its risk management effectiveness. The independence and professionalism of risk management have been continuously improved, the risk management ability has been further strengthened, and remarkable risk management results have been achieved. The Company also carried on its progress in constantly developing a dedicated risk management team, and formulated and implemented exchange programs for personnel from the risk management line of the Group, in an effort to improve the performance and competence of all personnel involved in risk management and comprehensively enhance the risk control awareness of all staff.

3 Management Discussion and Analysis

3.4.3 Risk Management Policy System

The Company has established a comprehensive risk management system covering all major risk categories, and has continuously amended and improved the system according to the management needs. The system has been well implemented.

In the first half of 2026, to align with the requirements of CIC regarding the establishment of the “1+N” institutional system, the Company revised and updated its risk management systems. In accordance with the requirements of CIC on post-review and reassessment, the Company formulated the Administrative Measures for Post-Review of Risk Projects. The Company revised the Comprehensive Risk Management Procedures to refine the responsibilities of each entity involved in risk management framework, expand scope of the risk categories, further clarify the responsibilities of each department in the “second line of defense”, and streamline and improve the main procedures and processes of risk management. The Company also revised the Administrative Measures for Risk Inspection Work and the Administrative Measures for Risk Management Evaluation to further improve the workflow of risk management.

3.4.4 Risk Management Tools and Systems

The Company has intensified its monitoring, analysis and alerting over risks in key regions, industries and customers through launching a risk management and transmission mechanism that seeks a balance among capital, risk and income, and comprehensively raised its risk identification, measurement, monitoring and control capabilities by utilizing various risk management tools such as economic capital, risk limit, rating classification, impairment provision, stress test and risk assessment.

In the first half of 2026, the Company promptly adjusted its business strategy and business structure in alignment with regulatory requirements and market changes, optimized the quantitative indicators for risk appetite and strictly controlled the risk policy boundaries of business, so as to ensure that the risks associated with the customers, industries and regions were under control. The Company also responded to changes in risk exposure on a timely basis to ensure the effectiveness of risk management. With economic capital management on top of the agenda, the Company strictly controlled the risk limit standard and appropriately allocated the economic capital quota for each business line, with an aim to optimize the allocation of business and management resources. The Company actively promoted the construction of the risk management information system, continued to optimize and upgrade the functions of the risk monitoring platform, and established more prospective and timely models to constantly elevate the intelligent risk control level of the Company.

3 Management Discussion and Analysis

3.4.5 Management of Credit Risk

Credit risk of the Group is primarily related to its distressed debt asset portfolio, the corporate and individual loans of its financial subsidiaries, fixed-income investment portfolio, the finance lease receivables of its financial leasing business and other on- and off-balance sheet exposures to credit risk under the Consolidated Statement of Financial Position.

Based on the principle of “maintaining robust operation, improving business quality, strengthening the source control, increasing effective investment, promoting risk defusion, and consolidating asset quality”, the Company has built a balanced risk-return business portfolio under capital constraints, and actively enhanced the management of credit risk based on the scale and development potential of the regional economy as well as its own conditions.

In the first half of 2026, the Company continuously focused on distressed institutions and distressed assets and implemented the risk policies associated with customers, industries, regions and products, deeply engaged in the distressed asset management sector, accelerated the business transformation and upgrade to promote the high-quality development of business. The Company completed the reassessment of the annual credit rating of existing customers, and carried out internal rating evaluation for new customers and new acquisition projects, which further optimized the access standards for customers and projects and strictly controlled the Company’s asset quality from the onset; further improved the risk management and control mechanism for major projects, proactively strengthened risk source control, put greater efforts in conducting risk assessment, and promoted the resolution of major risk projects; carried out asset classification in strict compliance with regulatory requirements and internal regulations, accurately measured risks and consolidated asset quality, and reduced the scale of endogenous distressed assets; strictly implemented the unified credit management and control system for the group customers, strengthened the risk identification and credit limit management for the group customers to rationally control the credit risk exposure to the group customers.

3.4.6 Management of Market Risk

Market risk refers to the risk that may bring losses due to adverse movements in interest rates, exchange rates and market prices, such as stock and commodity prices, and losses from operating due to major crises. The market risk management of the Group refers to the comprehensive process of identifying, measuring, monitoring, controlling and reporting market risks in accordance with the risk tolerance of the Group to establish and refine the market risk management system, thereby controlling the market risk within an acceptable range so as to maximize the risk-adjusted returns and constantly improve the standard of market risk management.

With respect to interest rate risk, the Company, following the general principle of re-pricing maturities matching between assets and liabilities, has maintained the interest rate risk at an acceptable level by reasonably controlling asset maturities, flexibly adjusting debt duration, and effectively managing the pricing at the asset end and cost at the debt end.

3 Management Discussion and Analysis

With respect to foreign exchange risk, the Company has effectively controlled its exposure to foreign exchange risks by matching currencies used in assets and liabilities, executing the general principle of risk neutrality. As for the USD bonds and preference shares issued by the Company, invested assets were mainly denominated in US dollar or in Hong Kong dollar pegged to US dollar.

With respect to market price risk, the Company has adopted a market-neutral strategy, promptly taking profits and exiting positions when market sentiment turned overheated. The Company controlled the overall scale of its listed equity and diversified sector allocation through portfolio management. The Company strengthened in-depth research on capital markets and industry targets, and promptly disposed listed equity assets with deteriorating fundamentals or potential risks to mitigate risk exposure.

3.4.7 Management of Liquidity Risk

Liquidity risk refers to the risk that, while the Company remains solvent, it fails to obtain sufficient funds or obtain sufficient funds at reasonable cost to meet debt payments, perform other payment obligations and meet the financial needs of normal business development.

The Company, focusing on liquidity security, has resolutely implemented the regulatory authorities' requirements on liquidity risk management, constantly improved the liquidity risk management policies, procedures and institutional systems, managed the liquidity risk of the Group in a holistic manner, and constantly strengthened the construction of financing system to effectively ensure the liquidity security of the Group.

In the first half of 2026, market liquidity remained reasonable and sufficient. The Company actively broadened its sources of medium- to long-term funding and incremental financing costs continued to decline. The matching level of asset-liability maturity was maintained within a reasonable alignment, and its liquidity security remained stable. At the same time, supported by the information system, the Company continuously monitored the liquidity of all entities within the Group, comprehensively strengthened the Group's liquidity management, coordinated the advancement of the Group's financing outreach efforts and improved the financing capabilities and liquidity management level of subsidiaries to ensure the medium- to long-term liquidity security of the Group.

3 Management Discussion and Analysis

3.4.8 Management of Concentration Risk

Concentration risk refers to the risk that a single risk exposure or a combination of risk exposures may threaten the overall solvency or financial condition of the Company and result in a material change in the risk profile. The Company mainly monitors the concentration risk related to customers, industries, regions, and related party transactions, etc.

The Company's concentration risk management operates under the principles of "adhering to bottom lines, comprehensive coverage, proactive management, and tailored controls". In strict compliance with regulatory requirements and under the guidance of the Board of Directors and executive management, we identify, monitor, control, stress-test, and report on concentration risks with the goal of keeping concentration risks under control. This enhances asset allocation efficiency while preventing excessive risk exposure.

In the first half of 2026, the Company further emphasized the refined management of concentration risk, and strengthened information sharing, monitoring, and early warning. Taking into account its strategic direction, operating conditions and business development needs, the Company scientifically formulated the risk limit for industries, regions, related party transactions, and other aspects. The Company improved the alignment of business volume with customers' operating conditions, industry development trends, and regional economic scales, and established differentiated strategies for the management of concentration risk to promote the optimization and adjustment of its business structure. The Company further improved the risk management mechanism for key customers by ensuring the timely and accurate statistical reporting of key customers' business information, advancing risk prevention and professional risk warnings. Furthermore, the Company strengthened the relevant assessment mechanism for business units, focused on enhancing the foresight and synergy of risk management for key customers, and broadened the scope and increased the weighting of assessments on concentration risk management of business units, thereby effectively managing and controlling risk exposure to major customers.

3.4.9 Management of Operational Risk

Operational risk refers to the risk of losses resulting from an inadequacy or deficiency of internal processes, working staff and information technology systems or external events.

In the first half of 2026, the Company continued to strengthen its management of operational risk. Based on the requirements of high-level authorities and the actual circumstances of the Company, the Company focused on improving the operational risk data reporting workflow, updated the parameters for key risk monitoring indicators, and developed and launched an online data reporting platform, aiming to enhance the standardization of the reported data. Furthermore, the Company organized specialized training on operational risk, which covered the management requirements of the regulatory authorities and high-level authorities, as well as the key aspects of the Company's operational risk management, in order to enhance the capabilities of relevant personnel to perform their duties.

3 Management Discussion and Analysis

3.4.10 Management of Reputation Risk

Reputation risk refers to the risk that the behaviors of the relevant units, employees or external events of the Company lead to negative evaluation of the Company by stakeholders, the public and the media, thus damaging the brand value, adversely affecting normal operation and even affecting the overall reputation of the Company.

In the first half of 2026, the Company thoroughly implemented regulatory requirements. Adhering to the principles of prevention first, comprehensive coverage, effective response, and close coordination, the Company continued to strengthen the management of reputation risk to foster a favorable public opinion environment supporting the Company's high-quality development. The Company revised its reputation risk management system and optimized management framework and mechanisms. The Company also strengthened the prevention at the source by improving public opinion monitoring and early warning systems, and deepened coordination and collaboration to effectively respond to reputation incidents. By conducting employee training, the Company cultivated a culture featuring "everyone shares responsibility". The Company also promptly addressed concerns from all stakeholders to reasonably guide public expectations. Through actively organizing a series of communication initiatives, the Company safeguarded its positive brand image.

During the Reporting Period, the Company's reputation risks remained generally stable and controllable, and the level of management was steadily improved.

3.4.11 Anti-Money Laundering

Attaching great importance to anti-money laundering, anti-terrorist financing and anti-proliferation financing, the Company has resolutely implemented relevant laws, regulations and regulatory requirements, and continuously enhanced the effectiveness of anti-money laundering in accordance with the "risk-based" guiding principle.

In the first half of 2026, the Company conducted an internal self-assessment of institutional money laundering risks to strengthen money laundering risk identification, address deficiencies in its control measures, and effectively fulfill its statutory anti-money laundering obligations and social responsibilities. In light of new regulatory requirements and its business development, the Company continued to improve the internal control system for anti-money laundering and established a highly practical risk management and control framework with targeted measures. The Company continued to refine the development of its anti-money laundering information systems, further enhancing "manual controls" empowered by "automated controls", thereby promoting higher quality and more efficiency in anti-money laundering efforts. The Company conducted diverse and targeted anti-money laundering training sessions and intensive public awareness campaigns on preventing illegal financial activities, continuously enhancing the professional competence of its staff and contributing to solidifying the frontline defence for financial security.

3 Management Discussion and Analysis

3.5 Capital Management

The Company established a business development model on the basis of capital constraints with reference to relevant requirements on capital supervision issued by the NFRA. In the process of business expansion, the awareness of capital cost was continuously intensified. The Company put emphasis on the return level of risk-leveraged assets, and promoted more efficient and high quality allocation of resources so that the Company could create constant and stable returns for its shareholders by a more intensive operation model with less capital consumption.

In accordance with the Measures for the Capital Management of Financial Asset Management Companies (for Trial Implementation) and the overall development strategy of the Group, the Company, adhering to the principle of making forward-looking planning while focusing on asset allocation, actively explored the capital-saving business delivery model, improved the efficiency of capital utilization, monitored the real-time capital changes of every business sector and every product line, and the stable capital situation was maintained, so as to support the high-quality business development across the Company's business.

The table below sets out the capital adequacy ratio, net capital and risk-weighted assets of the Company as at the dates indicated.

	As at June 30, 2026	As at December 31, 2025
(in millions of RMB)		
Core tier-1 capital adequacy ratio (%)	9.04	9.73
Tier-1 capital adequacy ratio (%)	13.45	13.77
Capital adequacy ratio (%)	13.45	13.77
Net core tier-1 capital	67,083.3	78,746.5
Net tier-1 capital	99,831.3	111,494.5
Net capital	99,831.3	111,494.5
Risk-weighted assets	742,193.6	809,449.8

As at December 31, 2025 and June 30, 2026, the leverage ratio (the ratio of interest-bearing liabilities, as presented in "Management Discussion and Analysis" – "Summary of Financial Position of the Group" – "Liabilities" in this report, to equity, as presented in "Management Discussion and Analysis" – "Summary of Financial Position of the Group" in this report) of the Company both were 6.3:1 respectively.

3.6 Prospects

In the second half of 2026, China's economy is expected to sustain a pattern of overall stability, steady growth, and structural optimization. Exports will maintain a relatively strong resilience, and rapid new growth drivers will continue to underpin high-quality economic development. However, the economy will still face cyclical and structural risks and challenges, including a sluggish recovery in domestic demand, operational pressures on market entities, and prominent structural imbalances in employment. The Chinese government will adhere to the principle of seeking progress while maintaining stability and improving quality and efficiency. By leveraging the synergistic effects of existing and new policies, the Chinese government aims to intensify countercyclical and cross-cyclical adjustments, enhance the endogenous momentum and reliability of the domestic economic cycle, thereby promoting a continuous economic recovery and upward trajectory. Full efforts will be dedicated to stimulating the potential of domestic demand, establishing a sound long-term mechanism for boosting consumption. Anchoring on the core task of cultivating new quality productive forces, the government will optimize the industrial layout in line with local conditions, iteratively upgrade the modern industrial system, and accelerate the transition between old and new growth drivers. Furthermore, the comprehensive deepening of reforms will be advanced in depth to continuously improve the development of a unified national market, eliminate institutional and systemic bottlenecks, and persistently stimulate market vitality and endogenous dynamics.

In the second half of 2026, the macroeconomic policies of China will coordinate efforts to build synergy, with a more proactive fiscal policy and a moderately accommodative monetary policy continuing to be implemented, and practical and effective incremental policy to be formulated and introduced, to promote stable economic growth and a reasonable rebound in price levels, so as to strive to secure a good start to the 15th Five-Year Plan. There remains sufficient room to step up the intensity and the effectiveness of the fiscal policy, and aggregate demand will keep recovering via measures covering boosting consumption and expanding effective investment. The monetary policy will play its dual role in both the aggregate and structural fronts to maintain abundant liquidity, regulate operating practices in the credit market, and stabilize and guide market expectations. Risks in China are generally controllable and converging overall, yet structural and regional hidden risks still exist. Commercial banks and other financial institutions continue to put great efforts in the disposal of non-performing assets. Certain small and medium-sized financial institutions remain under relatively high pressure in operation and risk mitigation, sustaining robust demand for the disposal of non-performing assets. The real estate industry has entered into an adjustment cycle characterized by credit restructuring and in-depth bottoming out. The reform of state-owned enterprises was advanced in depth, the normalized delisting mechanism in the capital market was fully implemented, the pace of the survival of the fittest among market entities was accelerating, which leads to an accelerated release of demands for rescuing distressed enterprises and revitalizing distressed assets. AMCs will strictly adhere to their main responsibilities and core business and deepen reform and transformation, in an effort to fully exert their functional roles of financial relief and counter-cyclical adjustment and properly act as a "firewall" against financial risks and a "stabilizer" of the financial system.

3 Management Discussion and Analysis

The Company will persistently and fully implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and deeply study and implement the guiding principles of the 20th National Congress of CPC and all plenary sessions of the 20th CPC Central Committee, the Central Economic Work Conference, and the Central Financial Work Conference. Focusing on the main theme of financial work of risk prevention, strengthening regulation, and promoting high-quality development, the Company will uphold the political and people-oriented nature of financial work, and foster sound philosophies towards operation, performance, and risk. Leveraging the resource advantages of the shareholders, and based on its functional positioning, the Company will deepen reform and innovation, focus on its main business, improve governance, and pursue differentiated development, so as to take steady and sound steps on the path of endogenous high-quality development. Firstly, the Company will continue to deeply cultivate its main business, leverage its differentiated functional advantages, and deeply participate in risk resolution in key areas. The Company will actively acquire and dispose of financial distressed assets in a prudent manner, serve the reform and risk mitigation as well as the consolidation and quality improvement of small and medium-sized financial institutions, facilitate the orderly risk resolution in the real estate sector, and participate in the resolution of local government debt in an active and prudent manner. Secondly, the Company will further enhance the quality and efficiency of serving the real economy. By utilizing market-oriented and professional means to resolve the risks of the real economy, the Company will promote the intelligent, green and integrated development of traditional industries, and serve energy supply security. The Company will strengthen its layout in key national strategic areas, empower the development of strategic emerging industries, and push forward the solidification and deepening of its services for national strategies. Focusing on key areas such as bankruptcy reorganization, mergers, acquisitions and restructurings, and the revitalization of existing assets, the Company will thoroughly advance the transformation of its business models, and actively explore an asset-light and low-leverage operating model. Thirdly, the Company will strengthen refined management and well balance its development and security. Through establishing bottom-line thinking and extreme-scenario thinking, the Company aims to enhance its comprehensive risk management system, and continuously improve its compliance and internal control management mechanism. The Company will actively expand medium- and long-term funding sources and strengthen the look-through management of subsidiaries. The Company will strengthen professional capacity building and systematically enhance development momentum. In order to continuously construct the new smart finance ecosystem of “Digital Intelligent Cinda”, the Company will put great efforts in promoting its intelligent transformation.

4 Changes in Share Capital and Information on Substantial Shareholders

4.1 Changes in Ordinary Share Capital

As at June 30, 2026, there was no change in the ordinary share capital of the Company compared to that as at December 31, 2025, details of which were as follows:

Class of shares	Number of Shares	Percentage (%)
Domestic Shares	24,596,932,316	64.45
H Shares	13,567,602,831	35.55
Total	38,164,535,147	100.00

4.2 Shareholders of Ordinary Shares

4.2.1 Interests and Short Positions held by Substantial Shareholders and Other Persons

To the knowledge of the Directors, as at June 30, 2026, the following persons had, or were deemed to have, an interest or short position in the shares and underlying shares which have been recorded in the register kept by the Company under Section 336 of the Hong Kong SFO:

Name of substantial shareholders	Capacity	Number of shares held directly and indirectly	Class of shares	Nature of interest	Approximate percentage to the total issued ordinary share capital (%)	Approximate percentage to the relevant class of shares (%)
Huijin	Beneficial owner	22,137,239,084	Domestic Shares	Long position	58.00	90.00
National Council for Social Security Fund, PRC	Beneficial owner	2,459,693,232	Domestic Shares	Long position	6.44	10.00
	Beneficial owner	2,431,615,939	H Shares	Long position	6.37	17.92
China COSCO Shipping Corporation Limited ⁽¹⁾	Interest of controlled corporation	1,907,845,112	H Shares	Long position	5.00	14.06
E Fund Management Co., Ltd.	Investment manager	726,673,000	H Shares	Long position	1.90	5.36
DBS Group Holdings Ltd ⁽²⁾	Interest of controlled corporation	767,673,611	H Shares	Long position	2.01	5.66
	Interest of controlled corporation	741,775,774	H Shares	Short position	1.94	5.47

4 Changes in Share Capital and Information on Substantial Shareholders

Notes:

- (1) As per the Corporate Substantial Shareholder Notice filed by China COSCO Shipping Corporation Limited with the Hong Kong Stock Exchange on December 30, 2016, Oversea Lucky Investment Limited directly held 1,907,845,112 H Shares in the Company. As Oversea Lucky Investment Limited, COSCO SHIPPING Financial Holdings Co., Limited and China Shipping (Group) Company are all controlled corporations directly or indirectly owned by China COSCO Shipping Corporation Limited, for the purpose of Hong Kong SFO, each of COSCO SHIPPING Financial Holdings Co., Limited, China Shipping (Group) Company and China COSCO Shipping Corporation Limited is therefore deemed to be interested in the long position of 1,907,845,112 H Shares held by Oversea Lucky Investment Limited in the Company.
- (2) As per the Corporate Substantial Shareholder Notice filed by DBS Group Holdings Ltd with the Hong Kong Stock Exchange on November 2, 2021, DBS Bank Ltd. directly held 767,673,611 H Shares (Long position) and 741,775,774 H Shares (Short position) in the Company. As DBS Bank Ltd. is a controlled corporation of DBS Group Holdings Ltd, DBS Group Holdings Ltd is therefore deemed to be interested in 767,673,611 H Shares (Long position) and 741,775,774 H Shares (Short position) in the Company held by DBS Bank Ltd.

4.2.2 Controlling Shareholder

As of the date of this report, details of the controlling shareholder of the Company are as follows:

Huijin

Huijin is a wholly state-owned company established on December 16, 2003 pursuant to the Company Law of the People's Republic of China. As a wholly-owned subsidiary of China Investment Corporation and authorized by the State Council, Huijin makes equity investments and exercises its rights and fulfils its obligations to the extent of its capital contribution as an investor in major state-owned financial enterprises on behalf of the State in accordance with applicable laws, aimed at preserving and enhancing the value of state-owned financial assets. Huijin neither engages in other business activities nor intervenes in the daily operation of the major state-owned financial enterprises of which it is the controlling shareholder.

4 Changes in Share Capital and Information on Substantial Shareholders

4.3 Preference Shares

4.3.1 Issuance and Listing of Preference Shares

During the Reporting Period, the Company did not carry out any issuance and listing of preference shares.

4.3.2 Number of Preference Shareholders and Particulars of Preference Shareholding

As at June 30, 2026, the Company had a total of one preference shareholder (or proxy). Particulars of shareholding of the preference shareholder (or proxy) of the Company are as follows:

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Shareholding percentage
CCB Nominees Limited	Foreign legal person	2021 Offshore Preference Shares	–	85,000,000	100.00%

Note:

Particulars of shareholding of preference shareholders were based on the information set out in the register of preference shareholders kept by the Company. Based on the information available to the Company, the register of preference shareholders presented the information on proxies of places. CCB Nominees Limited (a subsidiary of China Construction Bank (Asia) Corporation Limited), as the proxy, is the only registered holder of the 2021 Offshore Preference Shares of the Company.

4.3.3 Dividend Distribution of Preference Shares

Subject to the terms and conditions of the issuance of 2021 Offshore Preference Shares, each of the 2021 Offshore Preference Shares shall entitle the holder thereof to receive non-cumulative payable dividends in arrears that have not been otherwise cancelled each year. The 2021 Offshore Preference Shares will accrue dividends on their liquidation preference during the period from and including the issue date to but excluding the first reset date, at the rate of 4.40% per annum, and thereafter at the relevant reset dividend rate.

The dividend distribution plan of 2021 Offshore Preference Shares was considered and approved at the fifth meeting and the third regular meeting of the Board in 2026, approving the Company to distribute dividends of 2021 Offshore Preference Shares on November 3, 2026, at the rate of 4.40% per annum (after tax). The total amount of dividends is USD74.8 million (after tax). For details of the dividend distribution of 2021 Offshore Preference Shares, please refer to the relevant announcement of the Company dated August 31, 2026.

4 Changes in Share Capital and Information on Substantial Shareholders

4.3.4 Redemption or Conversion of Preference Shares

The Company has set a trigger event term for 2021 Offshore Preference Shares, upon the occurrence of which the offshore preference shares would be irrevocably and compulsorily converted into a certain number of H Shares. The trigger event refers to the earlier of: (a) the CBIRC having concluded that without a decision on the write-off or conversion into ordinary shares, the Company would become non-viable; and (b) the relevant regulatory authorities such as MOF and the People's Bank of China having concluded that without a decision on a public sector injection of capital or equivalent support, the Company would become non-viable. Assuming the trigger event occurs and all 2021 Offshore Preference Shares shall be converted to H Shares at the initial mandatory conversion price, the number will be 2,915,650,442 H Shares.

The resolution on the redemption of the 2021 Offshore Preference Shares was considered and approved at the fourth meeting of the Board in 2026, approving the Company to redeem all of the 2021 Offshore Preference Shares, subject to the approval from the NFRA and satisfying the relevant prerequisite conditions for redemption. The Company has received a reply letter of no objection from the NFRA, and intends to redeem all of the 2021 Offshore Preference Shares on November 3, 2026 pursuant to the terms and conditions of the 2021 Offshore Preference Shares. The aggregate redemption price equals to the sum of USD1,700 million as the aggregate amount of the liquidation preference of the 2021 Offshore Preference Shares and the dividends in an amount of USD74.8 million, a total of USD1,774.8 million. For details, please refer to the relevant announcement of the Company dated August 31, 2026 and September 16, 2026.

Save as disclosed above, during the Reporting Period, the Company did not redeem or convert any preference shares.

4.3.5 Restoration of Voting Rights of Preference Shares

During the Reporting Period, there was no restoration of any voting right of preference shares of the Company.

4.3.6 Accounting Policy Adopted for Preference Shares and Grounds

According to the relevant requirements of the PRC GAAP and IFRS Accounting Standards and the terms of the issuance of 2021 Offshore Preference Shares, the Company classifies 2021 Offshore Preference Shares as equity instruments. Fee, commission and other transaction costs arising from the issuance of 2021 Offshore Preference Shares are deducted from equity. The dividends on 2021 Offshore Preference Shares are recognized as profit distribution at the time of declaration.

5 Directors and Senior Management

5.1 General Information

Directors

As of the Latest Practicable Date, the Board consisted of Mr. Zhang Weidong (Chairman), Mr. Song Weigang and Mr. Zhao Limin as executive Directors, Mr. Zeng Tianming, Ms. Zhang Zhongmin and Mr. Wang Kunhui as non-executive Directors, and Mr. Wang Changyun, Mr. Sun Maosong, Ms. Shi Cuijun, Mr. Wang Zhongze and Mr. Wang Pengcheng as independent non-executive Directors.

Senior Management

As of the Latest Practicable Date, the Senior Management consisted of Mr. Song Weigang as President, Mr. Ling Gan as Senior Management member, Mr. Zhao Limin, Mr. Li Hongjiang and Mr. Liu Xiaopeng as Vice Presidents, Mr. Jiu Zhengchao and Mr. Wang Zhengmin as Assistants to President, Mr. Ai Jiuchao as Board Secretary, and Mr. Yang Yingxun as Chief Financial Officer.

5.2 Information on Changes

Directors

On January 21, 2026, Mr. Wang Changyun and Mr. Sun Maosong were re-elected as independent non-executive Directors at the first extraordinary shareholders' meeting of 2026, for a term of office of three years.

Since May 11, 2026, Mr. Wang Zhongze was elected as an independent non-executive Director at the second extraordinary shareholders' meeting of 2025 and approved by the NFRA. On the same day, Mr. Wang Zhongze obtained the legal opinion under Rule 3.09D of the Hong Kong Listing Rules and confirmed that he was aware of his responsibilities as a Director.

Since May 11, 2026, Mr. Lam Chi Kuen ceased to act as an independent non-executive Director due to the expiration of his term of office.

On June 29, 2026, Ms. Shi Cuijun was re-elected as an independent non-executive Director at the annual shareholders' meeting of 2025, for a term of office of three years.

Since July 4, 2026, Mr. Wang Kunhui was elected as a non-executive Director at the third extraordinary shareholders' meeting of 2025 and approved by the NFRA. On the same day, Mr. Wang Kunhui obtained the legal opinion under Rule 3.09D of the Hong Kong Listing Rules and confirmed that he was aware of his responsibilities as a Director.

5 Directors and Senior Management

Since July 4, 2026, Mr. Wang Pengcheng was elected as an independent non-executive Director at the first extraordinary shareholders' meeting of 2026 and approved by the NFRA. On the same day, Mr. Wang Pengcheng obtained the legal opinion under Rule 3.09D of the Hong Kong Listing Rules and confirmed that he was aware of his responsibilities as a Director.

Since July 4, 2026, Mr. Lu Zhengfei ceased to act as an independent non-executive Director due to the expiration of his term of office.

On July 30, 2026, Mr. Li Jun was elected as a non-executive Director at the third extraordinary shareholders' meeting of 2026. As at the Latest Practicable Date, the qualification of Mr. Li Jun is subject to the approval of the NFRA, and his appointment will become effective from the date of the approval.

Since July 14, 2026, Mr. Zhang Weidong ceased to concurrently serve as the chairman and a non-executive director of NCB Hong Kong.

Since September 1, 2026, Mr. Wang Zhongze has served as an independent non-executive director of World-link Logistics (Asia) Holding Limited.

Except for the above changes, the information regarding the appointments of Directors is consistent with the information disclosed in the 2025 annual report of the Company and the announcements of the Company dated May 14, 2026, June 29, 2026, July 9, 2026 and July 30, 2026, and there is no other change in the information which shall be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

Senior Management

Since January 19, 2026, Mr. Luo Zhenhong ceased to act as the Chief Risk Officer due to reaching the age of retirement.

Since March 31, 2026, as appointed at the 2026 first meeting and the 2026 first regular meeting of the Board, Mr. Song Weigang has been concurrently serving as the Chief Compliance Officer.

Since August 10, 2026, Mr. Liu Xiaopeng was appointed as a Vice President at the 2026 third meeting and the 2026 second regular meeting of the Board, and approved by the NFRA.

Since July 14, 2026, Mr. Li Hongjiang has concurrently served as a non-executive director and chairman of NCB Hong Kong.

Except for the above changes, the information regarding the appointments of Senior Management is consistent with the information disclosed in the 2025 annual report of the Company and the announcement of the Company dated August 13, 2026.

6 Significant Events

6.1 Corporate Governance

In strict compliance with the Company Law of the People's Republic of China, the Code of Corporate Governance of Banking and Insurance Institutions, the Hong Kong Listing Rules, other laws and regulations, regulatory documents and the Articles, the Company continued to optimize its corporate governance structure and refine its internal operation mechanism, and solidly advanced the in-depth integration of the Party building work with corporate governance to fully leverage the core leadership of the Party organization. Combining the business layout with its risk control profile, the Company continued to improve its comprehensive risk management system, strengthen the development of its internal control and compliance system, and leverage the synergistic effects of internal and external audit supervision, so as to drive enhancement in both corporate governance effectiveness and operational efficiency.

During the Reporting Period, the Company strictly adhered to the compliance management requirements for information disclosure and fully discharged its duties. The Company strictly complied with the timeliness requirements for disclosure and ensured the truthfulness, completeness, accuracy and compliance of disclosed information, and responded to investors' concerns in a timely and appropriate manner. The Company proactively established diversified communication platforms, continuously expanded communication channels with various parties including investors and the media for the purpose of presenting its business philosophy and development updates from multiple dimensions, thereby steadily consolidating its market transparency and industry credibility.

Shareholders' Meeting

During the Reporting Period, the Company held three shareholders' meetings in Beijing, including one annual shareholders' meeting and two extraordinary shareholders' meetings, at which nine resolutions were considered and approved, including the work report of the Board for 2025, the final financial account plan for 2025, the profit distribution plan for 2025, the appointment of accounting firms for 2026, the election of Directors and very substantial transactions. The work report of the independent non-executive Directors for 2025, the 2025 annual evaluation report of major shareholder and the report on the management of related party transactions for 2025 were also reviewed at the meetings.

The convening and holding of the shareholders' meeting was in strict compliance with applicable laws and regulations and the Hong Kong Listing Rules. The Directors and Senior Management members attended the relevant meeting. For details of the time, venue, attendance, major issues and voting results of the shareholders' meeting held during the Reporting Period, please refer to the announcement regarding the poll results of the shareholders' meeting disclosed by the Company.

6 Significant Events

Board

As of the Latest Practicable Date, the Board comprised 11 members, including three executive Directors, three non-executive Directors and five independent non-executive Directors. The independent non-executive Directors accounted for more than one-third of the total number of the Board members.

During the Reporting Period, the Board held a total of four meetings, at which 34 resolutions were considered and approved, including the final financial account plan for 2025, the profit distribution plan for 2025, the 2025 annual report (2025 annual results announcement), the risk management report for 2025, the internal control evaluation report for 2025, the internal audit work plans for 2026, the appointment of accounting firms for 2026, the 2025 corporate social responsibility (ESG) report, the evaluation report of substantial shareholders (including major shareholder) for 2025, the annual work report of information technology for 2025, the compliance management report for 2025, the external donation plan for 2026, the amendments to the Scheme on the Authorization of the Shareholders' Meeting to the Board of Directors, the amendments to the Scheme on the Authorization of the Board of Directors to the President, and the formulation of the Administrative Measures for the Authorization of the Board of Directors to the President, and 16 reports were reviewed.

During the Reporting Period, the Board closely aligned with the strategic layout and annual operating targets of the Company. With a focus on the development of its main responsibilities and core business, the Company continuously promoted expansion and innovation across its business scope and comprehensively enhanced the effectiveness of internal governance and control, thereby steadily solidifying its core competitive advantages, and safeguarding the sustained advancement of the high-quality development of the Company.

Senior Management

During the Reporting Period, the Senior Management organized and implemented the operation and management under the Articles and authorizations of the Board. In accordance with the development strategies and operation plans set by the Board, the Senior Management consolidated the Company's core business of distressed assets management, promoted the business transformation and asset structure optimization, enhanced risk management and strengthened the Group synergy to better accomplish various tasks, resulting in good operation management results.

Corporate Governance Code

During the Reporting Period, the Company has fully complied with the code provisions of the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules) and most of the recommended best practices therein.

6.2 Information of Risk Management

The Company endeavors to develop a comprehensive risk management system which is in line with the scale and complexity of its business, and has developed a comprehensive risk management framework consisting of four levels and three lines of defense. The four levels are the Board, the Senior Management, the risk management department and relevant functional departments at the headquarters, branches and subsidiaries. The three lines of defense are the business operation departments, the functional departments of risk management and the internal audit departments. The Board and the Risk Management Committee evaluate the effectiveness of risk management in various aspects, including but not limited to finance, operation and compliance, and consider the risk management report at least once a year. During the Reporting Period, the Company's risk management system is effective and adequate, and the relevant risk is within the acceptable range of the Company. Considering that the above risk management system is designed to manage rather than eliminate the risk of failure to achieve business objectives, it can only provide reasonable assurance that the above objectives will be achieved.

Details of the Company's establishment of the risk management system, risk management structure and control measures during the Reporting Period are set out in the "Management Discussion and Analysis" – "Risk Management" in this report.

6.3 Internal Control

In the first half of 2026, the Company continued to advance the development of its internal control system and carried out a group-wide review of its policies. Against the requirements of establishing and practicing a correct perspective on performance, the Company identified potential deviations in its existing systems, and clarified key working priorities, including the strict implementation of regulatory requirements, active integration into the CIC system, and the strengthened execution of systems, so as to promote the enhancement of governance effectiveness through system building. The Company continuously refined its negative list management mechanism with a focus on key areas of internal management, and formulated the Negative List for Internal Management Compliance to delineate prohibited business and management activities, thereby consistently fostering a compliant and orderly operating ecosystem.

6.4 Internal Audit

The Company has implemented an internal audit system and the headquarters has set up an audit department with full-time auditors to conduct independent and objective supervision, inspection and evaluation of its business operation, risk exposures, financial revenue and expenditure and internal control. Such designated auditors are also responsible for reporting the material deficiencies found in the audit to the Board or the Audit Committee.

6 Significant Events

In the first half of 2026, the Company carried out internal audit work in an orderly manner in accordance with the annual internal audit work plan. Thoroughly implementing the requirements of the regulatory authorities, high-level authorities and the Party Committee of the Company and focusing on the strategic development goals, the Company gave full play to the audit and supervision function, and organized regular audits of certain branches, alongside special audits covering centralized procurement, write-offs of doubtful debts. The Company also strengthened the supervision of the performance of cadres, and completed the audit of the departure and economic responsibility of certain middle and senior management personnel. The Company carried out the internal control evaluation of the Company for 2025, completed the internal control evaluation report, and continuously tracked the problems found in the internal control evaluation and internal control audit and followed up their rectification. Implementing the directives from high-level authorities, the Company continued to improve the development of internal audit mechanisms and deepened centralized management, and strengthened the look-through management of the audit work over its branches and subsidiaries. The Company enhanced the closed-loop management of audit rectifications and the application of audit findings, and steadily advanced the digital development of internal audits. Moreover, the Company proactively organized training programs to enhance the duty performance capabilities of its internal audit team and fortified collaborative supervision, thereby continuously elevating the quality and efficiency of its internal audit work.

6.5 Profit and Dividend Distribution

The Company formulated and implemented the cash dividend policy in line with the requirements of the Articles and resolutions of the shareholders' meeting. The cash dividend policy has a clear distribution standard and proportion with proper decision-making procedures and mechanisms, and was considered and approved by the independent non-executive Directors. Minority shareholders can fully express opinions and suggestions to protect their legitimate interests.

Upon the approval of the annual shareholders' meeting of 2025 held on June 29, 2026, the cash dividends for 2025 would be distributed by the Company to all holders of ordinary shares at RMB0.2801 (tax inclusive) per 10 shares, representing total cash dividends of approximately RMB1.069 billion. On August 21, 2026, the Company distributed cash dividends of RMB0.2801 (tax inclusive) per 10 shares to all holders of ordinary shares whose names appeared on the register of members on July 10, 2026. No interim dividends will be declared for 2026 and no capital reserves will be converted to the share capital of the Company.

Details of the Company's dividend on 2021 Offshore Preference Shares are set out in the section headed "Changes in Share Capital and Information on Substantial Shareholders" – "Preference Shares" in this report.

6.6 Use of Proceeds

All of the proceeds received by the Company in the past issues have been used in accordance with the purposes disclosed in the relevant documents, such as their respective prospectuses, which were to replenish the capital of the Company to support its future business development.

6.7 Material Litigation and Arbitration

During the Reporting Period, the Company was not involved in any litigation and arbitration which may materially and adversely affect its business, financial condition and operating results.

6.8 Major Acquisition and Disposal of Assets and Merger

On November 19, 2025, CICC, Cinda Securities and Dongxing Securities entered into the cooperation agreement in relation to the merger by absorption of Cinda Securities and Dongxing Securities by CICC through a share-for-share exchange. On December 17, 2025, CICC, Cinda Securities and Dongxing Securities entered into the share exchange and merger agreement (the “**Merger Agreement**”) in relation to the Proposed Mergers, which set forth detailed terms and conditions for implementing the Proposed Mergers.

According to the Merger Agreement, CICC will implement the merger by absorption in the following manners: issuing CICC A shares to all holders of Cinda Securities A shares on the basis of the Cinda Securities exchange ratio (i.e. 0.5210 CICC A shares for every Cinda Securities A share) in exchange for all issued shares of Cinda Securities; and issuing CICC A shares to all holders of Dongxing Securities A shares on the basis of the Dongxing Securities exchange ratio (i.e. 0.4376 CICC A shares for every Dongxing Securities A share) in exchange for all issued shares of Dongxing Securities. On June 8, 2026, the Proposed Mergers have been approved by the second extraordinary shareholders’ meeting of 2026 of the Company, as well as the shareholders’ meetings of the relevant parties, including CICC, Cinda Securities and Dongxing Securities, etc.

As at the Latest Practicable Date, the Company holds 2,551,400,000 Cinda Securities A shares, representing approximately 78.67% equity interest in Cinda Securities. It is expected that immediately upon the closing of the share exchange, the Company will no longer hold any Cinda Securities A shares and will receive 1,329,279,400 CICC A shares, representing approximately 16.76% equity interest in CICC (calculated based on the enlarged shareholding ratio). Save as disclosed above, acting as a Cinda Securities put option provider, the Company will acquire Cinda Securities A shares for an amount not exceeding RMB0.5 billion in exchange for CICC A shares. From the closing date onwards, CICC after the completion of the Proposed Mergers will inherit and assume all assets, liabilities, businesses, personnel, contracts, qualifications and all other rights and obligations of each of Cinda Securities and Dongxing Securities, Cinda Securities will cease to be a subsidiary of the Company, and each of Cinda Securities and Dongxing Securities will eventually be deregistered as a legal person. For details, please refer to the announcements and circulars of the Company dated November 19, 2025, December 17, 2025, May 18, 2026, May 22, 2026 and June 8, 2026. The Company will make further disclosure on the progress of the Proposed Mergers in accordance with the requirements of the Hong Kong Listing Rules.

6 Significant Events

During the Reporting Period, save as disclosed above, the Company did not have any other major acquisition or disposal of assets or merger, nor did it have any major investment required to be disclosed under Rule 32(4A) of Appendix D2 to the Hong Kong Listing Rules.

6.9 Implementation of Share Plan

During the Reporting Period, the Company did not implement any share incentive plan. As of the date of this report, the Company did not have any subsisting share incentive plan.

6.10 Material Custody, Contracting and Leasing

During the Reporting Period, the Company did not enter into any material contract relating to the custody, contracting and leasing of assets of other companies or custody, contracting and leasing of assets of the Company by other companies.

6.11 Sanctions Imposed on the Company and Directors and Senior Management

During the Reporting Period, to the knowledge of the Company, none of the Company or any of the incumbent Directors and Senior Management were subject to any investigation or administrative sanctions by securities regulatory authorities, publicly censured by any stock exchange, any penalty with material impact on the Company's operation imposed by other regulatory authorities, or prosecuted for criminal liabilities by judicial authorities.

6.12 Purchase, Sale and Redemption of Listed Securities

Details of the proposed redemption of the 2021 Offshore Preference Shares by the Company during the Reporting Period are set out in "Changes in Share Capital and Information on Substantial Shareholders" – "Preference Shares" in this report.

Save as the aforesaid, during the Reporting Period, neither the Company nor its subsidiaries have purchased, sold or redeemed any listed securities (including the sale of treasury shares) of the Company. As at June 30, 2026, neither the Company nor its subsidiaries held any treasury shares.

6.13 Securities Transactions by Directors and Senior Management

The Company has formulated the code regarding the securities transactions by Directors and Senior Management, which is no less lenient than the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules, to regulate such behaviors. The Company has made enquiries to all Directors who confirmed that they had complied with such code and the requirements set out therein during the Reporting Period.

6.14 Directors' and Chief Executive Officer's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at June 30, 2026, none of the Directors or chief executive officer had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Hong Kong SFO) as recorded in the register kept by the Company pursuant to Section 352 of the Hong Kong SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules.

6.15 Review of Interim Report

The Interim Condensed Consolidated Financial Statements for 2026 prepared by the Company according to IFRS Accounting Standards have been reviewed by Ernst & Young in accordance with International Standards on Review Engagements.

This report has been considered and approved by the Board and the Audit Committee.

6.16 Statement for Changes of Accounting Firms in the Preceding Three Years

On June 26, 2024, the term of engagement of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, as the Company's then accounting firms, was terminated on the date of conclusion of the annual shareholders' meeting of 2023. As considered and approved at the second meeting and second regular meeting of the Board of 2024 and the annual shareholders' meeting of 2023, the Company engaged Ernst & Young Hua Ming LLP and Ernst & Young (collectively "**Ernst & Young**") as the domestic and international accounting firms for 2024, to undertake the audit of the annual financial statements, review of the interim financial statements, audit of internal control and other relevant services of the Company for 2024.

The annual shareholders' meeting of 2025 held on June 29, 2026 approved the re-appointment of Ernst & Young as the domestic and overseas auditor of the Company for the year 2026, to undertake the audit of the annual financial statements, review of the interim financial statements, audit of internal control and other relevant services of the Company for 2026. In 2026, Ernst & Young has provided audit services to the Company for three consecutive years.

7 Review Report and Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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Report on Review of Interim Condensed Consolidated Financial Statements



Ernst & Young

27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

To the board of directors of China Cinda Asset Management Co., Ltd.

(Established in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial statements of China Cinda Asset Management Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the interim condensed consolidated statement of financial position as at June 30, 2026, the related interim condensed consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. 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") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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" as issued by the International Auditing and Assurance Standards Board. A review of interim condensed consolidated financial statements consists of making enquiries, 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.

Conclusion

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

Ernst & Young
Certified Public Accountants

Hong Kong

August 31, 2026

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	Note IV	For the six months ended June 30,	
		2026 (Unaudited)	2025 (Unaudited)
Continuing Operations			
Fair value changes on distressed debt assets	1	4,201,317	2,428,240
Fair value changes on other financial instruments	2	3,916,796	2,131,416
Investment income	3	198,030	167,933
Interest income	4	11,086,734	14,217,192
Revenue from sales of inventories	5	1,438,016	2,137,966
Commission and fee income	6	1,801,481	1,657,483
Net gains on disposal of subsidiaries, associates and joint ventures	7	615,284	754,415
Other income and other net gains or losses	8	(630,878)	7,935,578
Total		22,626,780	31,430,223
Interest expense	9	(16,112,898)	(18,765,127)
Employee benefits		(1,691,382)	(1,890,617)
Purchases and changes in inventories	5	(1,441,351)	(1,939,454)
Commission and fee expense		(116,026)	(103,859)
Taxes and surcharges		(231,446)	(215,297)
Depreciation and amortization expenses		(1,139,588)	(1,119,922)
Other expenses		(980,362)	(1,094,553)
Credit impairment losses	10	(3,076,717)	(7,912,400)
Impairment losses on other assets	11	(643,137)	(3,159,153)
Total		(25,432,907)	(36,200,382)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

	Note IV	For the six months ended June 30,	
		2026 (Unaudited)	2025 (Unaudited)
Change in net assets attributable to other holders of consolidated structured entities		103,776	13,746
Loss before share of results of associates and joint ventures and tax		(2,702,351)	(4,756,413)
Share of results of associates and joint ventures	27	2,833,210	1,034,454
Profit/(Loss) before tax from continuing operations		130,859	(3,721,959)
Income tax expense	12	(480,410)	3,599,420
Loss for the period from continuing operations		(349,551)	(122,539)
Discontinued operation			
Profit after tax for the period from a discontinued operation	58	1,097,286	1,027,723
Profit for the period		747,735	905,184
Profit attributable to:			
Equity holders of the Company		784,376	2,280,581
Non-controlling interests		(36,641)	(1,375,397)
Earnings per share attributable to ordinary equity holders of the Company (Expressed in RMB Yuan per share)	13		
– Basic		0.01	0.05
– Diluted		0.01	0.05
Earnings per share attributable to ordinary equity holders of the Company from continuing operations (Expressed in RMB Yuan per share)	13		
– Basic		(0.01)	0.03
– Diluted		(0.01)	0.03

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Profit for the period	747,735	905,184
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value changes on debt instruments at fair value through other comprehensive income		
Fair value changes arising during the period	(183,569)	483,075
Amounts reclassified to profit or loss upon disposal	(346,458)	147,938
Amounts of profit or loss upon impairment	(8,114)	(6,108)
	(538,141)	624,905
Exchange differences arising on translation of foreign operations	(202,312)	(303,578)
Share of other comprehensive income of associates and joint ventures	(7,952)	(63,699)
Subtotal	(748,405)	257,628
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes on equity instruments designated as at fair value through other comprehensive income	(1,027,854)	1,805,590
Share of other comprehensive income of associates and joint ventures	57,743	83,235
Subtotal	(970,111)	1,888,825
Other comprehensive income for the period, net of income tax	(1,718,516)	2,146,453
Total comprehensive income for the period	(970,781)	3,051,637
Total comprehensive income attributable to:		
Equity holders of the Company	(815,248)	4,518,783
Non-controlling interests	(155,533)	(1,467,146)
	(970,781)	3,051,637

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	Note IV	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Assets			
Cash and balances with central banks	15	11,557,972	16,003,923
Deposits with banks and financial institutions	16	66,849,564	117,649,471
Deposits with exchanges and others		1,757	4,312,151
Placements with banks and financial institutions	17	22,644,041	27,177,242
Financial assets at fair value through profit or loss	18	535,774,074	583,799,267
Financial assets held under resale agreements	19	22,702,615	6,253,972
Financial assets at fair value through other comprehensive income	20	194,657,291	226,035,998
Loans and advances to customers	21	353,208,970	366,286,667
Financial assets at amortized cost	22	58,800,268	65,032,154
Accounts receivable	23	4,428,500	4,873,668
Properties held for sale	24	75,624,707	73,205,607
Investment properties	25	12,297,698	11,353,251
Interests in associates and joint ventures	27	106,336,544	109,102,093
Property and equipment	29	16,159,215	14,287,907
Goodwill	30	22,080,731	22,952,514
Other intangible assets		3,884,395	4,303,287
Deferred tax assets	31	17,600,488	16,497,294
Assets held for sale	58	119,140,148	–
Other assets	32	50,547,535	52,100,374
Total assets		1,694,296,513	1,721,226,840

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	Note IV	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Liabilities			
Borrowings from the central bank	33	6,020,455	7,895,532
Accounts payable to brokerage clients		—	28,658,852
Financial liabilities at fair value through profit or loss	34	9,785,418	10,767,374
Financial assets sold under repurchase agreements	35	34,192,067	41,728,339
Placements from banks and financial institutions	36	16,537,973	40,985,573
Borrowings	37	656,706,263	664,734,771
Due to customers	38	345,771,491	365,793,934
Deposits from banks and financial institutions	39	19,460,058	13,894,190
Accounts payable	40	5,124,022	5,738,847
Tax payable		2,209,939	2,534,252
Bonds issued	41	221,439,142	250,732,463
Contract liabilities	42	9,086,075	7,121,088
Deferred tax liabilities	31	1,944,048	2,334,854
Liabilities held for sale	58	90,030,617	—
Other liabilities	43	55,280,143	54,649,796
Total liabilities		1,473,587,711	1,497,569,865

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	Note IV	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Equity			
Share capital	44	38,164,535	38,164,535
Other equity instruments	45	32,748,001	32,748,001
Capital reserve	46	24,202,681	24,201,458
Other comprehensive income	47	(2,844,760)	(1,218,751)
Surplus reserve		11,026,557	11,026,557
General reserve	48	18,390,632	18,136,024
Retained earnings		71,808,404	72,840,840
Equity attributable to equity holders of the Company		193,496,050	195,898,664
Non-controlling interests		27,212,752	27,758,311
Total equity		220,708,802	223,656,975
Total equity and liabilities		1,694,296,513	1,721,226,840

The interim condensed consolidated financial statements are authorized for issue by the Board of Directors and signed on its behalf by:

张卫东

宋刚

CHAIRMAN

PRESIDENT

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	(Unaudited)									
	Equity attributable to equity holders of the Company									Total
	Share capital (Note IV.44)	Other equity instruments (Note IV.45)	Capital reserve (Note IV.46)	Other comprehensive income (Note IV.47)	Surplus reserve	General reserve (Note IV.48)	Retained earnings	Subtotal	Non-controlling interests	
As at January 1, 2026	38,164,535	32,748,001	24,201,458	(1,218,751)	11,026,557	18,136,024	72,840,840	195,898,664	27,758,311	223,656,975
Profit for the period	-	-	-	-	-	-	784,376	784,376	(36,641)	747,735
Other comprehensive income for the period	-	-	-	(1,599,624)	-	-	-	(1,599,624)	(118,892)	(1,718,516)
Total comprehensive income for the period	-	-	-	(1,599,624)	-	-	784,376	(815,248)	(155,533)	(970,781)
Share-based payments	-	-	62	-	-	-	-	62	300	362
Acquisition of additional interests in subsidiaries	-	-	111	-	-	-	-	111	(29,642)	(29,531)
Appropriation to general reserve	-	-	-	-	-	254,608	(254,608)	-	-	-
Dividends recognized as distribution (Note IV.13, Note IV.14)	-	-	-	-	-	-	(1,588,589)	(1,588,589)	-	(1,588,589)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(50,205)	(50,205)
Dividends paid to capital securities issued by subsidiaries	-	-	-	-	-	-	-	-	(310,479)	(310,479)
Other comprehensive income transferred to retained earnings	-	-	-	(26,385)	-	-	26,385	-	-	-
Share of associates' equity changes other than comprehensive income and distribution	-	-	1,050	-	-	-	-	1,050	-	1,050
As at June 30, 2026	38,164,535	32,748,001	24,202,681	(2,844,760)	11,026,557	18,390,632	71,808,404	193,496,050	27,212,752	220,708,802

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

	(Unaudited)									
	Equity attributable to equity holders of the Company								Non- controlling interests	Total
	Share capital (Note IV.44)	Other equity instruments (Note IV.45)	Capital reserve (Note IV.46)	Other comprehensive income (Note IV.47)	Surplus reserve	General reserve (Note IV.48)	Retained earnings	Subtotal		
As at January 1, 2025	38,164,535	32,748,001	24,173,754	(1,839,516)	11,026,557	17,919,314	71,990,650	194,183,295	28,972,123	223,155,418
Profit for the period	–	–	–	–	–	–	2,280,581	2,280,581	(1,375,397)	905,184
Other comprehensive income for the period	–	–	–	2,238,202	–	–	–	2,238,202	(91,749)	2,146,453
Total comprehensive income for the period	–	–	–	2,238,202	–	–	2,280,581	4,518,783	(1,467,146)	3,051,637
Share-based payments	–	–	185	–	–	–	–	185	707	892
Acquisition of additional interests in subsidiaries	–	–	32	–	–	–	–	32	(842)	(810)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	1,837,854	1,837,854
Capital contributions from non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	460	460
Disposal of interests in subsidiaries without loss of control	–	–	–	–	–	–	–	–	20,182	20,182
Appropriation to general reserve	–	–	–	–	–	109,936	(109,936)	–	–	–
Dividends recognized as distribution (Note IV.13, Note IV.14)	–	–	–	–	–	–	(1,430,587)	(1,430,587)	–	(1,430,587)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(42,854)	(42,854)
Dividends paid to capital securities issued by subsidiaries	–	–	–	–	–	–	–	–	(264,847)	(264,847)
Share of associates' equity changes other than comprehensive income and distribution	–	–	17,749	–	–	–	–	17,749	–	17,749
As at June 30, 2025	38,164,535	32,748,001	24,191,720	398,686	11,026,557	18,029,250	72,730,708	197,289,457	29,055,637	226,345,094

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operations	130,859	(3,721,959)
Profit before tax from a discontinued operation	1,515,161	1,131,819
Profit/(Loss) before tax	1,646,020	(2,590,140)
Adjustments for:		
Impairment losses on other assets	643,137	3,159,153
Credit impairment losses	3,086,845	7,885,285
Depreciation of property and equipment, investment properties and right-of-use assets	962,227	959,144
Amortization of intangible assets and other long-term assets	282,085	281,506
Share of results of associates and joint ventures	(2,836,460)	(1,039,658)
Net gains or losses on disposal of property and equipment, investment properties and other intangible assets	(78,684)	17,832
Net gains on disposal of subsidiaries, associates and joint ventures	(615,284)	(754,415)
Fair value changes on financial assets	(2,372,435)	(1,621,857)
Investment income	(767,719)	(685,368)
Interest income	(3,780,131)	(4,706,815)
Borrowing costs	6,421,318	7,064,563
Gains from investments in associates	—	(7,227,290)
Operating cash flows before movements in working capital	2,590,919	741,940
(Increase)/Decrease in balances with central banks and deposits with banks and financial institutions	(2,402,167)	1,402,525
Decrease/(Increase) in financial assets at fair value through profit or loss	4,095,685	(30,808,419)
Decrease/(Increase) in placements with banks and financial institutions	3,638,436	(2,232,107)
Decrease/(Increase) in financial assets held under resale agreements	1,197,146	(1,268,499)
Decrease in financial assets at amortized cost	5,584,079	2,185,817
(Increase)/Decrease in loans and advances to customers	(5,527,971)	507,836
Increase in accounts receivable	(520,638)	(134,481)
Decrease/(Increase) in properties held for sale	696,862	(2,141,038)
Decrease in amounts due to customers and deposits from banks and financial institutions	(14,456,575)	(6,587,682)
Increase in accounts payable to brokerage clients	2,716,394	125,466
Increase in financial assets sold under repurchase agreements	8,248,881	6,490,583
(Decrease)/Increase in borrowings	(10,901,565)	48,482,221
Decrease in accounts payable	(483,555)	(919,321)
Increase in contract liabilities	1,970,861	2,565,374
Decrease/(Increase) in other operating assets	4,122,928	(5,782,518)
Increase in other operating liabilities	1,739,243	12,697,178
Cash inflow from operations	2,308,963	25,324,875
Income taxes paid	(1,877,159)	(1,664,432)
NET CASH INFLOW FROM OPERATING ACTIVITIES	431,804	23,660,443

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
INVESTING ACTIVITIES		
Cash receipts from disposals and recovery of investment securities	167,151,964	129,035,100
Dividends received from investment securities	4,744,427	4,017,910
Dividends received from associates and joint ventures	3,036,705	1,778,001
Interest received from investment securities	3,780,131	3,476,375
Cash receipts from disposals of property and equipment, investment properties and other intangible assets	78,977	96,829
Net cash flows from disposals of associates and joint ventures	2,769,873	5,614,896
Cash payments to acquire investment securities	(168,085,208)	(120,314,591)
Net cash outflows due to acquisition of subsidiaries	(569,887)	(12,272)
Net cash flows from consolidated structured entities	(588,234)	469,679
Cash payments for purchase of property and equipment, investment properties and other intangible assets	(2,774,533)	(352,997)
Cash payments for establishment and acquisition of interests in associates and joint ventures	(368,561)	(16,287,026)
NET CASH INFLOW FROM INVESTING ACTIVITIES	9,175,654	7,521,904
FINANCING ACTIVITIES		
Capital contribution from non-controlling interests of subsidiaries of the Company	—	460
Proceeds from disposal of partial interests in subsidiaries that does not involve loss of control	—	20,182
Cash payment to acquire additional interests in subsidiaries	(29,531)	(810)
Cash receipts from borrowings raised	44,728,192	11,655,733
Cash receipts from bonds issued	25,477,496	37,109,545
Cash repayments of borrowings	(42,422,664)	(16,498,476)
Cash repayments of bonds	(30,789,387)	(59,883,120)
Interest expenses on borrowings and bonds	(7,049,111)	(7,771,015)
Cash paid for dividend distribution	(519,600)	(519,600)
Dividends paid to non-controlling interests of subsidiaries	(188,303)	(292,293)
Cash payments for other financing activities	(372,803)	(369,085)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(11,165,711)	(36,548,479)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

	Note IV	For the six months ended June 30,	
		2026 (Unaudited)	2025 (Unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,558,253)	(5,366,132)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		114,117,732	109,297,715
Effect of foreign exchange changes		(3,862,493)	(1,491,691)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	49	108,696,986	102,439,892
Net cash flows from operating activities include:			
Interest received		9,019,753	9,637,361
Interest paid		(10,246,913)	(12,301,397)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

I. GENERAL INFORMATION

China Cinda Asset Management Co., Ltd. (the “Company”) was transformed from China Cinda Asset Management Corporation (the “Former Cinda”), 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 April 19, 1999 as approved by the State Council of the PRC (the “State Council”). On June 29, 2010, China Cinda Asset Management Co., Ltd. was established after the completion of the financial restructuring of the Former Cinda as approved by the State Council. On February 14, 2025, the Company was notified by its controlling shareholder, the MOF, that the MOF proposed to transfer all of the domestic shares of the Company held by the MOF to Central Huijin Investment Ltd. (“Huijin”) at no consideration. On September 4, 2025, the Company was notified that the transfer was completed. The MOF no longer holds the Company’s shares, and Huijin directly owns approximately 58% of the total issued shares of the Company, becoming the controlling shareholder of the Company. The Company remains as a state-owned holding financial institution.

The Company has financial services certificate No. J0004H111000001 issued by the National Financial Regulatory Administration (“NFRA” and the former China Banking and Insurance Regulatory Commission, “CBIRC”), and business license No. 91110000710924945A issued by the State Administration of Industry and Commerce of the PRC. The registered office of the Company is located at No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, the PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited on December 12, 2013.

The Company and its subsidiaries are collectively referred to as the Group. The principal activities of the Group comprise acquiring and entrusting to manage, investing and disposal of both financial and non-financial institution distressed assets; receivership; foreign investment; securities and futures dealing; financial bond issuance; inter-bank borrowing and lending; commercial financing for other financial institutions; approved asset securitization business; financial institutions custody; closing and liquidation of business; consulting and advisory business on finance, investment, legal and risk management; asset and project evaluation; banking business; fund management; asset management; trusts; financial leasing services; real estate and industrial investments and other businesses approved by the National Financial Regulatory Administration or other regulatory bodies.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

II. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

1. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” 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 interim condensed consolidated financial statements have been prepared on a going concern basis.

The interim condensed consolidated financial statements of the Group do 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 December 31, 2025.

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand, except when otherwise indicated.

2. Principal accounting policies

Except as described below, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended December 31, 2025.

3. Standards and amendments effective in 2026

In the current interim period, the Group has applied the following applicable amendments to IFRS Accounting Standards that are effective for the Group’s annual period beginning on January 1, 2026:

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

The adoption of the above standards and amendments did not have a significant impact on the Group’s consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

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

4. Standards and amendments that are not yet effective in 2026

The Group has not early applied the following new and amended IFRS Accounting Standards that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No mandatory effective date yet determined but available for adoption
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2029
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	Effective upon the initial application of IFRS 18

The Group is in the process of assessing the impact of these standards and amendments on the consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

III. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION

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

The 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 consolidated financial statements for the year ended December 31, 2025.

IV. EXPLANATORY NOTES

1. Fair value changes on distressed debt assets

The amounts represent fair value changes on distressed debt assets at fair value through profit or loss during the period (see Note IV.18 Financial assets at fair value through profit or loss).

The fair value changes comprise both realized gains or losses from disposal of distressed debt assets at fair value through profit or loss and unrealized fair value changes on such assets. Any interest income arising from such assets is included in fair value changes.

2. Fair value changes on other financial instruments

The amounts represent fair value changes on both financial assets at fair value through profit or loss (excluding distressed debt assets at fair value through profit or loss) and financial liabilities at fair value through profit or loss during the period (see Note IV.18 Financial assets at fair value through profit or loss and Note IV.34 Financial liabilities at fair value through profit or loss).

The fair value changes comprise realized gains and losses on disposal and unrealized fair value changes, from financial assets at fair value through profit or loss (excluding distressed debt assets at fair value through profit or loss), loans and advances to customers at fair value through profit or loss and financial liabilities at fair value through profit or loss. Any interest or dividend income arising from such instruments is included in fair value changes.

For the six months ended June 30, 2026 and 2025, the fair value changes on financial liabilities at fair value through profit or loss were insignificant.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

3. Investment income

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Net realized gains on disposal of		
– Financial assets at fair value through other comprehensive income	187,611	138,106
– Loans and advances to customers at amortized cost	–	35,045
Dividend income from		
– Financial assets at fair value through other comprehensive income	14,379	17,422
Others	(3,960)	(22,640)
Total	198,030	167,933

4. Interest income

The table below sets out the components of the interest income of the Group for the periods indicated.

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Loans and advances to customers		
– Corporate and personal loans and advances	5,450,059	6,535,440
– Finance lease receivables	1,327,498	1,462,701
Financial assets at fair value through other comprehensive income	3,064,205	3,011,037
Financial assets at amortized cost	43,853	1,968,972
Deposits with banks and financial institutions	565,009	421,524
Placements with banks and financial institutions	352,176	544,393
Financial assets held under resale agreements	131,205	174,764
Others	152,729	98,361
Total	11,086,734	14,217,192

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

5. Revenue from sales of inventories and purchases and changes in inventories

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Revenue from sales of inventories	1,438,016	2,137,966
Purchases and changes in inventories	(1,441,351)	(1,939,454)
Gross profit from sales of inventories	(3,335)	198,512

Timing of recognition of revenue from sales of properties held for sale:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Recognized at a point in time		
Sales of properties held for sale	1,421,878	2,121,298
Recognized over time		
Primary land development	16,138	16,668

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at June 30 are as follows:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Amounts expected to be recognized as revenue:		
Within one year	7,397,702	1,407,112
After one year	1,508,179	4,753,816
Total	8,905,881	6,160,928

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

6. Commission and fee income

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Trustee services	647,403	531,078
Insurance brokerage services	414,971	354,292
Banking business	253,168	285,105
Agency business	196,564	222,260
Consultancy and financial advisory services	124,105	119,401
Fund and asset management business	119,645	118,799
Others	45,625	26,548
Total	1,801,481	1,657,483

7. Net gains on disposal of subsidiaries, associates and joint ventures

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Net gains on disposal of associates and joint ventures	615,284	754,415

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

8. Other income and other net gains or losses

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Losses on exchange differences	(1,362,397)	(126,684)
Rental income	500,974	629,654
Penalty income	119,196	139,452
Net gains or losses on disposal of other assets	72,208	(17,703)
Government grants and compensation	44,562	52,884
Net gains from hotel operation	4,722	16,015
Others	(10,143)	14,670
Income from investments in associates (1)	—	7,227,290
Total	(630,878)	7,935,578

(1) Income from investment in associates includes income recognized by the Group 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.

9. Interest expense

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Borrowings	(7,680,472)	(8,465,207)
Bonds issued	(4,424,813)	(5,347,197)
Due to customers	(3,225,446)	(4,512,894)
Financial assets sold under repurchase agreements	(319,250)	(62,104)
Deposits from banks and financial institutions	(300,683)	(167,790)
Placements from banks and financial institutions	(142,415)	(166,762)
Lease liabilities	(11,831)	(19,862)
Others	(7,988)	(23,311)
Total	(16,112,898)	(18,765,127)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

10. Credit impairment losses

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Financial assets at amortized cost		
– Distressed debt assets	(52,033)	(949,451)
– Other debt investments	(594,919)	(4,077,483)
Loans and advances to customers	(1,612,294)	(2,292,838)
Accounts receivable	(19,967)	(50,147)
Financial assets at fair value through other comprehensive income	(5,566)	(41,030)
Financial assets held under resale agreements	(66,062)	(56,050)
Other credit impairment losses	(725,876)	(445,401)
Total	(3,076,717)	(7,912,400)

11. Impairment losses on other assets

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Properties held for sale	(423,184)	(1,621,550)
Foreclosed assets	(112,323)	(292,854)
Interests in associates and joint ventures	(105,150)	(212,986)
Assets held for sale	–	(991,109)
Goodwill	–	(31,619)
Others	(2,480)	(9,035)
Total	(643,137)	(3,159,153)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

12. Income tax expense

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Current income tax:		
– PRC Enterprise Income Tax	(1,333,016)	(880,344)
– PRC Land Appreciation Tax	17,987	(11,509)
– Hong Kong Profits Tax	(280,108)	(249,536)
– Overseas taxation	(3,698)	(1,009)
(Underprovision)/Overprovision in prior years	50,910	(98,935)
Subtotal	(1,547,925)	(1,241,333)
Deferred income tax (Note IV.31)	1,067,515	4,840,753
Total tax (charge)/credit for the period from continuing operations	(480,410)	3,599,420
Total tax charge for the period from a discontinued operation	(417,875)	(104,096)
Total	(898,285)	3,495,324

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

Hong Kong Profits Tax was calculated at 16.5% (for the six months ended June 30, 2025: 16.5%) of the estimated assessable profit for the period.

Certain jurisdictions where the Group's overseas entities are located implemented the Pillar Two legislation during the reporting period. The Group has assessed the impact of Top-up Tax under the Pillar Two legislation. The legislation in the aforementioned jurisdictions has no significant impact on the Group's financial position and operating results as at June 30, 2026.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

13. Earnings per share attributable to equity holders of the Company

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

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Earnings:		
Profit attributable to equity holders of the Company	784,376	2,280,581
From continuing operations	(48,091)	1,478,650
From a discontinued operation	832,467	801,931
Profit attributable to equity holders of the Company	784,376	2,280,581
Less: Dividends on Undated Capital Bonds declared	519,600	519,600
Profit attributable to ordinary equity holders of the Company	264,776	1,760,981
Attributable to:		
Continuing operations	(567,691)	959,050
Discontinued operation	832,467	801,931
Number of shares:		
Weighted average number of shares in issue for the purpose of basic earnings per share (in thousand)	38,164,535	38,164,535
Weighted average number of shares in issue for the purpose of diluted earnings per share (in thousand)	38,164,535	38,164,535
Basic earnings per share (RMB Yuan)	0.01	0.05
Diluted earnings per share (RMB Yuan)	0.01	0.05
Basic earnings per share from continuing operations (RMB Yuan)	(0.01)	0.03
Diluted earnings per share from continuing operations (RMB Yuan)	(0.01)	0.03

There were no potentially dilutive shares outstanding for the six months ended June 30, 2026 and June 30, 2025.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

14. Dividends

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Final dividends of 2025	1,068,989	–
Final dividends of 2024	–	910,987
Dividends recognized as distribution during the period	1,068,989	910,987

The resolution on the profit distribution plan for 2025 was duly approved by the shareholders at the 2025 Annual Shareholders' Meeting held on June 29, 2026. In accordance with the plan, the dividend of RMB1,068.99 million was distributed during the year. The cash dividends for 2025 of the Company were distributed on August 21, 2026.

15. Cash and balances with central banks

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Cash	522,968	467,338
Mandatory reserve deposits with central banks (1)	4,323,177	4,978,499
Surplus reserve deposits with central banks	4,179,690	7,037,626
Other deposits with central banks	2,532,137	3,520,460
Total	11,557,972	16,003,923
Including: Restricted		
– Balances with central banks	4,323,177	4,978,499

- (1) In accordance with relevant regulations, Nanyang Commercial Bank, Limited, a subsidiary of the bank operations, is required to place mandatory reserve deposits with the People's Bank of China (the "PBOC") for customer deposits in both RMB and foreign currencies. As at June 30, 2026, the mandatory deposits were calculated at 5.5% of customer deposits denominated in RMB (December 31, 2025: 5.5%) and 4.0% of customer deposits denominated in foreign currencies (December 31, 2025: 4.0%). Mandatory reserve deposits are not available for use by the Group in its daily operations.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

16. Deposits with banks and financial institutions

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Deposits with banks		
– House accounts	64,685,933	88,253,065
– Cash held on behalf of clients	–	23,548,668
Clearing settlement funds		
– House accounts	–	787,767
– Clients	–	3,053,995
Deposits with other financial institutions		
– House accounts	2,073,663	1,925,737
Interest receivable	93,114	106,132
Subtotal	66,852,710	117,675,364
Less: Allowance for impairment losses	3,146	25,893
Total	66,849,564	117,649,471
Including: Restricted	2,562,239	30,216,494

Pledged bank deposits represent deposits that have been pledged to secure bank borrowings. As at June 30, 2026, the Group's pledged bank deposits amounted to RMB1,863.46 million (December 31, 2025: RMB724.19 million).

The Group's clearing settlement funds bear interest at prevailing market interest rates and mainly deposited in the China Securities Depository and Clearing Corporation Limited. As at June 30, 2026, the Group's restricted clearing settlement funds amounted to RMB3,613.44 million (December 31, 2025: RMB3,054.00 million). The settlement funds were entirely sourced from Cinda Securities Co., Ltd. ("Cinda Securities") and have been classified as assets held for sale at the end of the period, please refer to Note IV.58 Discontinued operation.

As at June 30, 2026 and as at December 31, 2025, the Group's deposits with banks and financial institutions were all in Stage I.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

17. Placements with banks and financial institutions

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Banks	17,888,295	24,357,573
Other financial institutions	4,629,279	2,707,461
Interest receivable	145,032	131,393
Subtotal	22,662,606	27,196,427
Less: Allowance for impairment losses	18,565	19,185
Total	22,644,041	27,177,242

As at June 30, 2026 and as at December 31, 2025, the Group's placements with banks and financial institutions were all in Stage I.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

18. Financial assets at fair value through profit or loss

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Financial assets classified as at fair value through profit or loss		
Listed investments:		
Equity investments	16,407,007	16,331,266
Debt securities		
– Corporate bonds	12,374,537	35,814,354
– Financial institution bonds	826,773	1,030,723
– Public sector and quasi-government bonds	117,059	273,286
– Government bonds	13,150	427,357
Structured entity investments	8,003,376	11,178,515
Corporate convertible bonds	39,424	62,719
Asset-backed securities	8	12,756
Certificates of deposit	–	407,575
Subtotal	37,781,334	65,538,551
Unlisted investments:		
Distressed debt assets	259,829,664	258,081,728
Structured entity investments	129,896,014	139,202,048
Equity investments	63,616,043	71,345,099
Debt instruments	24,308,031	22,169,244
Security investments	10,511,679	14,753,834
Wealth management products	5,156,422	7,278,315
Derivative financial assets (1)	1,619,116	1,374,440
Others	3,055,771	4,056,008
Subtotal	497,992,740	518,260,716
Total	535,774,074	583,799,267

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

18. Financial assets at fair value through profit or loss (Continued)

(1) Derivative financial instruments

	As at June 30, 2026 (Unaudited)			As at December 31, 2025 (Audited)		
	Contractual/ Notional amount	Fair value Assets	Liabilities	Contractual/ Notional amount	Fair value Assets	Liabilities
Exchange rate derivatives						
Spot and forwards, currency swaps, and cross-currency interest rate swaps	182,578,387	1,467,967	(675,331)	260,423,322	841,011	(989,566)
Currency options	2,919,672	11,418	(11,092)	2,437,159	7,147	(5,332)
Subtotal	185,498,059	1,479,385	(686,423)	262,860,481	848,158	(994,898)
Interest rate derivatives						
Interest rate swaps, interest rate options, and interest rate futures	15,235,436	132,104	(127,347)	23,141,295	111,273	(143,198)
Equity derivatives	-	-	-	786,386	108,603	(1,507)
Commodity derivatives and others	50,615	7,627	(6,815)	1,042,678	306,406	(32,317)
Total (i)	200,784,110	1,619,116	(820,585)	287,830,840	1,374,440	(1,171,920)

Please refer to Note IV.55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis for fair value measurement of derivative financial instruments.

(i) The derivative financial instruments include hedging instruments designated by the Group.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

19. Financial assets held under resale agreements

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
By collateral type		
Bonds	22,348,263	4,437,372
Stocks	435,156	1,869,256
Interest receivable	81,533	74,118
Subtotal	22,864,952	6,380,746
Less: Allowance for impairment losses	162,337	126,774
Total	22,702,615	6,253,972

As at June 30, 2026, the Group's assets held under resale agreements in Stages I, II and III amounted to RMB22,363.10 million, nil and RMB501.85 million, respectively (December 31, 2025: RMB5,878.90 million, nil and RMB501.85 million, respectively). The allowance for impairment losses amounted to RMB0.89 million, nil and RMB161.45 million, respectively (December 31, 2025: RMB30.79 million, nil and RMB95.98 million, respectively).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

20. Financial assets at fair value through other comprehensive income

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Debt investments at fair value through other comprehensive income		
Debt securities		
– Government bonds	74,828,088	98,763,448
– Public sector and quasi-government bonds	2,399,288	1,946,567
– Financial institution bonds	82,511,691	78,104,941
– Corporate bonds	25,229,952	22,794,777
– Medium-term notes	–	3,369,790
Asset-backed securities	–	437,734
Certificates of deposit	600,161	2,156,737
Interest receivable	1,356,220	1,754,982
Subtotal	186,925,400	209,328,976
Equity investments designated as at fair value through other comprehensive income		
Equity instruments	7,731,891	16,707,022
Subtotal	7,731,891	16,707,022
Total	194,657,291	226,035,998

As at June 30, 2026, the Group's debt investments at fair value through other comprehensive income in Stages I, II and III amounted to RMB186,925.40 million, nil and nil, respectively (December 31, 2025: RMB205,053.51 million, RMB4,275.47 million and nil, respectively). The allowance for impairment losses amounted to RMB94.14 million, nil and nil, respectively (December 31, 2025: RMB105.57 million, RMB10.27 million and nil, respectively).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

20. Financial assets at fair value through other comprehensive income (Continued)

As at June 30, 2026, the Group's equity investments were irrevocably designated as at fair value through other comprehensive income as the Group considers these investments to be strategic or non-trading business model in nature. For the six months ended June 30, 2026, the Group received dividends at the amount of RMB301.32 million, among which, the dividends income from equity investments designated as financial assets at fair value through other comprehensive was RMB286.94 million which have been classified as assets held for sale (for the six months ended June 30, 2025: RMB298.13 million) from equity investments designated as at fair value through other comprehensive income.

21. Loans and advances to customers

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
At amortized cost		
Corporate loans and advances	236,867,643	231,143,719
Personal loans and advances		
– Mortgages	18,149,678	19,684,057
– Personal consumption loans	21,381,324	20,637,077
Loans to margin clients	–	16,390,668
Finance lease receivables	70,188,549	73,874,803
Subtotal	346,587,194	361,730,324
Interest accrued	1,596,275	2,125,948
Total loans and advances to customers at amortized cost	348,183,469	363,856,272
At fair value through profit or loss		
Corporate loans and advances	17,367,140	14,821,680
Total loans and advances to customers	365,550,609	378,677,952
Less: Allowance for impairment losses on loans and advances to customers at amortized cost	12,341,639	12,391,285
Net loans and advances to customers	353,208,970	366,286,667

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

21. Loans and advances to customers (Continued)

Loans and advances at amortized cost are as follows:

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at June 30, 2026				
Gross loans and advances	316,585,560	14,598,913	16,998,996	348,183,469
Less: Allowances for impairment losses	3,531,227	2,449,216	6,361,196	12,341,639
Net loans and advances to customers	313,054,333	12,149,697	10,637,800	335,841,830
As at December 31, 2025				
Gross loans and advances	332,181,865	14,704,372	16,970,035	363,856,272
Less: Allowances for impairment losses	3,614,555	2,249,327	6,527,403	12,391,285
Net loans and advances to customers	328,567,310	12,455,045	10,442,632	351,464,987

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

21. Loans and advances to customers (Continued)

The movements of allowance for loans and advances to customers are as follows:

	For the six months ended June 30, 2026			Total
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	
As at January 1	3,614,555	2,249,327	6,527,403	12,391,285
Convert to Stage I	9,090	(6,572)	(2,518)	–
Convert to Stage II	(15,173)	15,173	–	–
Convert to Stage III	(1,487)	(29,686)	31,173	–
Impairment losses recognized	893,098	626,852	1,923,901	3,443,851
Impairment losses reversed	(847,811)	(462,568)	(640,597)	(1,950,976)
Stage conversion	(8,783)	63,696	64,506	119,419
Write-off and transfer out	(100,115)	(1,186)	(1,188,879)	(1,290,180)
Recovery of loans and advances written off in previous years	–	–	77,500	77,500
Unwinding of discount on allowance	–	–	(389,606)	(389,606)
Exchange differences	(12,147)	(5,820)	(41,687)	(59,654)
As at June 30	3,531,227	2,449,216	6,361,196	12,341,639

The gross carrying amount of loans and advances to customers transferred from Stage III to Stage I or from Stage II to Stage I due to the modification of the contractual cash flows for the six months ended June 30, 2026 was not significant.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

21. Loans and advances to customers (Continued)

	For the year ended December 31, 2025			Total
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	
As at January 1	2,912,100	2,861,185	8,413,262	14,186,547
Convert to Stage I	215,765	(215,451)	(314)	–
Convert to Stage II	(68,232)	68,232	–	–
Convert to Stage III	(6,691)	(76,976)	83,667	–
Impairment losses recognized	1,922,278	406,459	5,116,931	7,445,668
Impairment losses reversed	(1,196,202)	(809,646)	(275,169)	(2,281,017)
Stage conversion	(158,722)	17,178	76,210	(65,334)
Write-off and transfer out	–	–	(6,142,983)	(6,142,983)
Recovery of loans and advances				
written off in previous years	–	–	183,215	183,215
Unwinding of discount on allowance	–	–	(925,403)	(925,403)
Exchange differences	(5,741)	(1,654)	(2,013)	(9,408)
As at December 31	3,614,555	2,249,327	6,527,403	12,391,285

The gross carrying amount of loans and advances to customers transferred from Stage III to Stage I or from Stage II to Stage I due to the modification of the contractual cash flows in the year of 2025 was not significant.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

21. Loans and advances to customers (Continued)

Finance lease receivables are analyzed as follows:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Minimum finance lease receivables:		
Within 1 year (inclusive)	28,996,544	30,878,348
1 year to 2 years (inclusive)	20,743,009	21,205,351
2 years to 3 years (inclusive)	11,948,922	13,878,581
3 years to 4 years (inclusive)	6,251,205	6,304,459
4 years to 5 years (inclusive)	3,272,339	3,053,264
Over 5 years	3,890,475	3,847,346
Gross amount of finance lease receivables	75,102,494	79,167,349
Less: Unearned finance income	4,913,945	5,292,546
Net amount of finance lease receivables	70,188,549	73,874,803
Less: Allowance for impairment losses	4,246,368	4,209,978
Carrying amount of finance lease receivables	65,942,181	69,664,825
Present value of minimum lease receivables:		
Within 1 year (inclusive)	27,122,146	28,788,448
1 year to 2 years (inclusive)	19,408,980	19,785,959
2 years to 3 years (inclusive)	11,194,437	13,078,582
3 years to 4 years (inclusive)	5,820,702	5,871,413
4 years to 5 years (inclusive)	3,049,434	2,817,789
Over 5 years	3,592,850	3,532,612
Total	70,188,549	73,874,803
Including:		
Finance lease receivables pledged for borrowings	5,158,539	4,178,350

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

22. Financial assets at amortized cost

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Distressed debt assets		
– Acquired from financial institutions	1,109,866	1,109,866
– Acquired from non-financial institutions	24,600,224	28,345,528
Subtotal	25,710,090	29,455,394
Interest accrued	170,042	928,082
Gross of distressed debt assets	25,880,132	30,383,476
Less: Allowance for impairment losses	8,788,747	9,286,358
Net of distressed debt assets	17,091,385	21,097,118
Other debt investments	46,802,808	49,254,525
Interest accrued	6,567,721	6,031,598
Gross of other debt investments	53,370,529	55,286,123
Less: Allowance for impairment losses	11,661,646	11,351,087
Net of other debt investments	41,708,883	43,935,036
Total	58,800,268	65,032,154

Distressed debt assets are as follows:

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at June 30, 2026				
Gross distressed debt assets	897,598	1,938,350	23,044,184	25,880,132
Less: Allowance for impairment losses	79,133	228,393	8,481,221	8,788,747
Net distressed debt assets	818,465	1,709,957	14,562,963	17,091,385

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

22. Financial assets at amortized cost (Continued)

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at December 31, 2025				
Gross distressed debt assets	3,171,828	11,064,074	16,147,574	30,383,476
Less: Allowance for impairment losses	68,824	3,039,347	6,178,187	9,286,358
Net distressed debt assets	3,103,004	8,024,727	9,969,387	21,097,118

The movements of allowance for distressed debt assets are as follows:

	For the six months ended June 30, 2026			
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at January 1	68,824	3,039,347	6,178,187	9,286,358
Convert to Stage II	(3,714)	3,714	–	–
Convert to Stage III	–	(2,470,003)	2,470,003	–
Impairment losses recognized	79,133	213,622	6,206,118	6,498,873
Impairment losses reversed	(65,110)	(569,344)	(6,002,261)	(6,636,715)
Stage conversion	–	11,057	178,818	189,875
Write-off and transfer out	–	–	(21,393)	(21,393)
Unwinding of discount on allowance	–	–	(528,251)	(528,251)
As at June 30	79,133	228,393	8,481,221	8,788,747

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

22. Financial assets at amortized cost (Continued)

	For the year ended December 31, 2025			Total
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	
As at January 1	481,250	2,564,718	4,924,381	7,970,349
Convert to Stage I	96,368	–	(96,368)	–
Convert to Stage II	(267,135)	267,135	–	–
Convert to Stage III	(75,583)	(551,365)	626,948	–
Impairment losses recognized	413	477,332	669,714	1,147,459
Impairment losses reversed	(71,786)	(293,483)	(37,938)	(403,207)
Stage conversion	(94,703)	575,010	1,184,200	1,664,507
Write-off and transfer out	–	–	(286,096)	(286,096)
Unwinding of discount on allowance	–	–	(806,654)	(806,654)
As at December 31	68,824	3,039,347	6,178,187	9,286,358

23. Accounts receivable

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Accounts receivable from sales of properties	2,578,644	2,629,690
Commission and fee receivables	1,011,952	940,055
Accounts receivable relating to equity assets	711,637	1,114,205
Accounts receivable relating to distressed debt assets	484,501	488,002
Others	361,518	412,005
Gross amount of accounts receivable	5,148,252	5,583,957
Less: Allowance for impairment losses	719,752	710,289
Net amount of accounts receivable	4,428,500	4,873,668

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

23. Accounts receivable (Continued)

The aging analysis of accounts receivable relating to distressed debt assets and equity assets is as follows:

	As at June 30, 2026 (Unaudited)				As at December 31, 2025 (Audited)			
	Gross amount	%	Allowance for impairment losses	Carrying amount	Gross amount	%	Allowance for impairment losses	Carrying amount
Within 1 year (inclusive)	80,460	7	(791)	79,669	721,831	45	(10,437)	711,394
1 year to 2 years (inclusive)	266,465	22	(50,251)	216,214	31,826	2	–	31,826
2 years to 3 years (inclusive)	20,304	2	–	20,304	15,741	1	–	15,741
Over 3 years	828,909	69	(149,655)	679,254	832,809	52	(176,492)	656,317
Total	1,196,138	100	(200,697)	995,441	1,602,207	100	(186,929)	1,415,278

The movements of allowance for impairment losses are as follows:

	For the six months ended June 30, 2026 (Unaudited)	For the year ended December 31, 2025 (Audited)
At beginning of the period/year	710,289	471,925
Impairment losses recognized	48,869	318,360
Impairment losses reversed	(28,902)	(79,490)
Amounts written off and transferred out and others	(10,504)	(506)
At end of the period/year	719,752	710,289

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

24. Properties held for sale

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Completed properties	21,762,883	23,631,572
Properties under development	63,423,048	59,388,347
Others	14,137	12,662
Subtotal	85,200,068	83,032,581
Less: Allowance for impairment losses	9,575,361	9,826,974
Total	75,624,707	73,205,607
Including:		
Pledged for borrowings	28,674,084	22,668,434

25. Investment properties

For the six months ended June 30, 2026, the Group has newly added investment properties amount of RMB1,391.11 million at cost (for the six months ended June 30, 2025: RMB2,739.89 million), and did not disposed of any investment properties (for the six months ended June 30, 2025: nil).

As at June 30, 2026, the net book value of investment properties which the Group pledged for borrowings amounted to RMB3,972.22 million (December 31, 2025: RMB3,930.14 million).

As at June 30, 2026, the net book value of investment properties for which the Group has not obtained certificates of land use rights or certificates of property ownership was RMB14.96 million (December 31, 2025: RMB48.95 million).

26. Interests in consolidated structured entities

The Group had consolidated certain structured entities including private equity funds, trusts, asset management plans and mutual funds. The judgments used by the Group to determine whether control exists are the same as those that are applied to preparation of the consolidated financial statements for the year ended December 31, 2025.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

26. Interests in consolidated structured entities (Continued)

The financial impact of each of the private equity funds, trusts, asset management plans and mutual funds on the Group's financial position as at June 30, 2026 and December 31, 2025, and results and cash flows for the six months ended June 30, 2026 and the year ended December 31, 2025, though consolidated, is not significant individually and therefore not disclosed separately.

Equity and interests held by other holders are presented as change in net assets attributable to other holders of consolidated structured entities in the interim condensed consolidated statement of profit or loss and included in other liabilities in the interim condensed consolidated statement of financial position as set out in Note IV.43 Other liabilities.

27. Interests in associates and joint ventures

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Interests in associates		
Carrying amount of listed companies (i)	63,607,991	64,182,570
Carrying amount of unlisted companies	28,125,950	29,913,885
Allowance for impairment losses	(656,514)	(757,394)
Net carrying amount of associates	91,077,427	93,339,061
Interests in joint ventures		
Carrying amount of unlisted companies	15,444,448	15,843,213
Allowance for impairment losses	(185,331)	(80,181)
Net carrying amount of joint ventures	15,259,117	15,763,032
Net carrying amount	106,336,544	109,102,093
	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Share of results of associates and joint ventures	2,833,210	1,034,454

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

27. Interests in associates and joint ventures (Continued)

(i) Shanghai Pudong Development Bank Co., Ltd.

The Group can exercise significant influence on the financial and operating policy decisions of Shanghai Pudong Development Bank Co., Ltd. (“the Investee Bank”) by appointing a director to its board of directors. The Group has accounted for this investment by equity method as an associate.

As at June 30, 2025, the Group held 918 million ordinary shares of the Investee Bank, representing 3.03% of total issued ordinary shares of the Investee Bank. On June 30, 2025, the Board of Directors of the Investee Bank approved the Group’s proposal to nominate its representative as a non-executive director of the Board of Directors of the Investee Bank, which granted the Group the power to participate in the financial and operating policy decisions of the Investee Bank and the Group is able to exercise significant influence over the Investee Bank from that date. Therefore, the Group accounted for its investment in the Investee Bank as an investment in an associate from June 30, 2025 (the “Acquisition Date”) and applied the equity method of accounting. The Group assessed the fair value of the identifiable net assets of the Investee Bank at the Acquisition Date. The Group’s share of the fair value of the identifiable net assets at the Acquisition Date was RMB20,134 million, and the difference between the investment cost and the Group’s share of the fair value of the identifiable net assets was RMB7,228 million. The Group recognized the difference as other income and adjusted the carrying amount of its investment in the associate accordingly.

In addition, in the second half of 2025, the Group made a series of investments increasing its ownership interest in the Investee Bank by 743 million ordinary shares. In aggregate, the Group’s share of the fair value of the identifiable net assets was RMB16,326 million, and the difference between the investment costs and the Group’s share of the fair value of the identifiable net assets was RMB6,272 million. The Group recognized the difference as other income and adjusted the carrying amount of its investment in the associate accordingly. As at December 31, 2025, the Group held 1,661 million ordinary shares of the Investee Bank, representing 4.99% of total issued ordinary shares of the Investee Bank. The shareholding includes the initial acquisition on June 30, 2025 and the series of investments made in the second half of 2025. The difference between the investment costs and the Group’s share of the fair value of the identifiable net assets was RMB13,500 million in total.

As at June 30, 2026, the Group held 1,661 million ordinary shares of the Investee Bank, representing 4.99% of total issued ordinary shares of the Investee Bank, with a carrying amount of RMB37,342 million (December 31, 2025: RMB36,500 million).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

28. Interests in unconsolidated structured entities

Structured entities over which the Group had power by virtue of the Group serving as general partner, manager or trustee during the period include private equity funds, mutual funds, trusts, asset management plans, wealth management products and asset-backed securities. Except for the structured entities over which the Group has consolidated as detailed in Note IV.26 Interests in consolidated structured entities, in the opinion of the directors of the Company, the variable returns to which the Group is exposed over the structured entities that the Group has interests in are not significant nor the Group has the control over these entities. The Group therefore did not consolidate these structured entities.

29. Property and equipment

For the six months ended June 30, 2026, the Group acquired property and equipment with an aggregate amount of RMB2,690.93 million at cost (for the six months ended June 30, 2025: RMB1,002.58 million), and disposed of property and equipment with an aggregate amount of RMB0.32 million at net book value (for the six months ended June 30, 2025: RMB111.27 million).

As at June 30, 2026, the net book value of the Group's construction in progress amounted to RMB238.37 million (December 31, 2025: RMB220.26 million).

As at June 30, 2026, the net book value of the Group's property for which the Group has not obtained certificates of land use rights or certificates of property ownership amounted to RMB347.44 million (December 31, 2025: RMB356.08 million).

As at June 30, 2026, the net book value of property and equipment which the Group pledged for borrowings amounted to RMB1,434.23 million (December 31, 2025: RMB1,389.97 million).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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IV. EXPLANATORY NOTES (Continued)

30. Goodwill

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Carrying amount		
At beginning of the period/year	23,862,907	24,452,636
Exchange differences and others	(896,281)	(589,729)
At end of the period/year	22,966,626	23,862,907
Allowance for impairment losses		
At beginning of the period/year	(910,393)	(889,017)
Charge for the period/year	—	(37,268)
Exchange differences and others	24,498	15,892
At end of the period/year	(885,895)	(910,393)
Net book value		
At beginning of the period/year	22,952,514	23,563,619
At end of the period/year	22,080,731	22,952,514

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

31. Deferred taxation

For the purpose of presentation in the interim condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Deferred tax assets		
– Continuing operations	17,600,488	16,497,294
– Discontinued operation	39,772	–
	17,640,260	16,497,294
Deferred tax liabilities		
– Continuing operations	(1,944,048)	(2,334,854)
Deferred taxation	15,696,212	14,162,440

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

31. Deferred taxation (Continued)

The movements of deferred tax assets and deferred tax liabilities are set out below:

	As at January 1, 2026	(Unaudited)				As at June 30, 2026
		Credit/ (charge) to profit or loss	Charge to other comprehensive income/ (expense)	Discontinued operation	Others	
Allowance for impairment losses	13,464,230	183,799	–	(63,145)	(7,219)	13,577,665
Withholding land appreciation tax	277,226	(94,203)	–	–	–	183,023
Asset revaluation	(1,028,625)	17,357	–	–	32,873	(978,395)
Fair value adjustments in business combination	(518,482)	38,072	–	–	16,834	(463,576)
Staff costs accrued but not paid	745,799	(47,145)	–	(9,789)	(673)	688,192
Interest capitalized on properties held for sale	149,607	(17,980)	–	–	–	131,627
Provisions	104,691	2,773	–	(13,847)	(120)	93,497
Changes in fair value of financial instruments at FVTPL	3,497,074	764,892	–	(33,013)	4,429	4,233,382
Temporary differences related to the cost of associates and joint ventures (i)	(7,118,714)	(260,788)	(8,627)	–	(2,147)	(7,390,276)
Changes in fair value and impairment losses on financial assets at FVOCI	(23,707)	(8)	345,896	285,929	3,668	611,778
Tax losses	1,477,622	(285,568)	–	–	–	1,192,054
Partnership enterprise apportionment	1,141,418	260,468	–	(1,117)	–	1,400,769
Discontinued operation	–	(13,241)	168,272	(115,258)	(1)	39,772
Others	1,994,301	505,846	–	(49,760)	(73,687)	2,376,700
Total	14,162,440	1,054,274	505,541	–	(26,043)	15,696,212

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

31. Deferred taxation (Continued)

The movements of deferred tax assets and deferred tax liabilities are set out below: (Continued)

	As at January 1, 2025	Credit/ (charge) to profit or loss	(Audited) Charge to other comprehensive income/ (expense)	Others	As at December 31, 2025
Allowance for impairment losses	11,020,657	2,460,965	10,404	(27,796)	13,464,230
Withholding land appreciation tax	331,876	(54,650)	–	–	277,226
Asset revaluation	(1,088,768)	37,995	–	22,148	(1,028,625)
Fair value adjustments in business combination	(593,322)	70,762	–	4,078	(518,482)
Staff costs accrued but not paid	847,955	(103,505)	1,768	(419)	745,799
Interest capitalized on properties held for sale	191,191	(41,584)	–	–	149,607
Provisions	70,031	34,715	–	(55)	104,691
Changes in fair value of financial instruments at FVTPL	3,030,547	463,611	–	2,916	3,497,074
Temporary differences related to the cost of associates and joint ventures (i)	(7,414,663)	309,259	7,095	(20,405)	(7,118,714)
Changes in fair value and impairment losses on financial assets at FVOCI	246,068	8	(271,114)	1,331	(23,707)
Tax losses	499,291	978,331	–	–	1,477,622
Partnership enterprise apportionment	1,143,311	(1,893)	–	–	1,141,418
Others	1,299,311	727,793	–	(32,803)	1,994,301
Total	9,583,485	4,881,807	(251,847)	(51,005)	14,162,440

- (i) The temporary differences related to the costs of associates and joint ventures are temporary differences arising from the difference between the book value and the tax base for the associates and joint ventures not held for a long term by the Group.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

32. Other assets

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Assets acquired in satisfaction of debts	21,611,612	20,515,823
Other receivables	14,180,031	15,392,984
Prepayments	4,012,746	4,919,517
Prepaid taxes	3,154,131	2,893,893
Dividends receivable	2,300,613	1,912,233
Right-of-use assets	1,355,970	1,418,194
Precious metals	736,518	808,710
Interest receivable	327,053	1,423,351
Assets with continuing involvement	303,776	303,776
Long-term prepaid expenses	303,447	327,739
Others	2,261,638	2,184,154
Total	50,547,535	52,100,374

33. Borrowings from the central bank

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Borrowings from the central bank (1)	5,032,646	6,905,783
Interest payable (2)	987,809	989,749
Total	6,020,455	7,895,532

(1) As at June 30, 2026, the borrowings from the People's Bank of China include real – estate relief projects amounting to RMB4,945 million (December 31, 2025: RMB6,890 million).

(2) As at June 30, 2026, the interest payable included outstanding interest RMB986 million on the loans from the People's Bank of China for purchasing the non-performing assets of commercial banks (December 31, 2025: RMB986 million).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
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IV. EXPLANATORY NOTES (Continued)

34. Financial liabilities at fair value through profit or loss

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Short positions in exchange fund bills and notes	5,716,601	6,492,339
Structured payment obligations for distressed assets	3,248,232	3,103,115
Derivative financial liabilities (Note IV.18.(1))	820,585	1,171,920
Total	9,785,418	10,767,374

35. Financial assets sold under repurchase agreements

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
By collateral type:		
Debt securities	32,529,641	39,430,236
Finance lease receivables	1,500,000	1,000,000
Fund	—	1,274,429
Subtotal	34,029,641	41,704,665
Interest payable	162,426	23,674
Total	34,192,067	41,728,339

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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IV. EXPLANATORY NOTES (Continued)

36. Placements from banks and financial institutions

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Banks	16,302,474	32,198,417
Other financial institutions	200,000	8,700,000
Subtotal	16,502,474	40,898,417
Interest payable	35,499	87,156
Total	16,537,973	40,985,573

37. Borrowings

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Borrowings from banks and financial institutions		
Unsecured loans	627,247,521	635,105,445
Loans secured by properties	18,417,585	19,391,431
Other secured loans	8,682,051	8,171,992
Other borrowings		
Unsecured loans	46,000	22,000
Other secured loans	461,488	311,418
Subtotal	654,854,645	663,002,286
Interest payable	1,851,618	1,732,485
Total	656,706,263	664,734,771

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
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IV. EXPLANATORY NOTES (Continued)

37. Borrowings (Continued)

Loans secured by properties were collateralized by investment properties, properties held for sale, property and equipment and finance lease receivables, at an aggregate carrying amount of RMB34,455 million as at June 30, 2026 (December 31, 2025: RMB27,989 million).

Other secured loans were collateralized by certificates of time deposit, finance lease receivables, financial assets at fair value through profit or loss, non-listed equity investments and interests in associates and joint ventures at an aggregate carrying amount of RMB5,060 million as at June 30, 2026 (December 31, 2025: RMB4,106 million). The variable rates of borrowings used by the Group were floating based on the benchmark interest rates of deposits or loans published by Secured Overnight Financing Rate (SOFR), Hong Kong Inter-bank Offered Rate ("HIBOR"), Loan Prime Rate (LPR).

The ranges of effective interest rates per annum (which are also equal to contractual interest rates) on the Group's borrowings are as follows:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Effective interest rates		
Fixed-rate borrowings	1.60%-12.00%	1.49%-12.00%
Variable-rate borrowings	1.82%-5.68%	2.20%-6.58%

38. Due to customers

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Demand deposits		
Corporate	56,593,497	53,160,026
Personal	38,858,687	41,528,142
Time deposits		
Corporate	89,516,755	104,176,852
Personal	152,096,953	164,201,000
Guarantee deposits	6,686,751	301,171
Subtotal	343,752,643	363,367,191
Interest payable	2,018,848	2,426,743
Total	345,771,491	365,793,934

Notes to the Interim Condensed Consolidated Financial Statements

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IV. EXPLANATORY NOTES (Continued)

39. Deposits from banks and financial institutions

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Banks	1,521,376	3,876,052
Other financial institutions	17,758,862	9,913,925
Subtotal	19,280,238	13,789,977
Interest payable	179,820	104,213
Total	19,460,058	13,894,190

40. Accounts payable

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Accounts payable associated with real estate business (1)	4,558,409	4,850,490
Asset purchase payable	225,980	196,673
Others	339,633	691,684
Total	5,124,022	5,738,847

(1) Accounts payable associated with real estate business mainly comprise construction costs payable to contractors.

No aging analysis is disclosed, as in the opinion of the Group, the aging analysis of these items does not give additional value to the users of the condensed interim financial statements in view of the nature of these items.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
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IV. EXPLANATORY NOTES (Continued)

41. Bonds issued

Bond type	Notes	As at June 30, 2026					As at December 31, 2025
		Face value	Currency	term	Bond rate/ Expected return rate	Book value (Unaudited)	Book value (Audited)
Financial bonds	(1)	84,100,000	CNY	5-10 years	2.20%-5.50%	85,350,331	87,380,510
Corporate bonds	(2)(3)(4)	26,772,000	CNY	2-5 years	2.04%-4.55%	27,138,046	48,842,603
Asset-backed securities		5,285,540	CNY	10 months-3 years	0.00%-3.50%	5,323,876	5,277,147
Mid-term notes	(5)	15,020,000	CNY	2-5 years	2.39%-4.00%	15,232,553	13,841,680
USD guaranteed senior notes	(6)	9,825,000	USD	3-30 years	2.81%-6.07%	66,431,010	70,787,744
Certificates of deposit	(7)	2,470,000	CNY	3 months-1 year	1.45%-1.68%	2,456,013	3,733,105
Certificates of deposit	(7)	180,000	USD	6 months-1 year	0.00%-4.00%	1,216,933	–
Certificates of deposit	(7)	1,780,000	HKD	3 months	0.00%-1.53%	1,537,208	–
Beneficiary certificates	(8)	–	CNY	1 month-1 year	1.97%-2.50%	–	4,209,028
Private placement notes		800,000	CNY	5 years	2.16%-2.29%	800,632	–
RMB guaranteed senior notes	(9)	11,050,000	CNY	3 months-5 years	1.69%-2.66%	11,097,621	11,648,762
Subordinated notes		700,000	USD	10 years	6.00%	4,854,919	5,011,884
Total						221,439,142	250,732,463

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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IV. EXPLANATORY NOTES (Continued)

41. Bonds issued (Continued)

- (1) Nanyang Commercial Bank (China) Co., Ltd. ("NCBC"), a subsidiary of China Cinda (HK) Holdings Co., Ltd. ("Cinda Hong Kong"), issued financial bonds with a total face value of RMB200 million in March 2023, at a fixed coupon rate of 3.00%, paid annually, which matured in March 2026. NCBC issued financial bonds with a total face value of RMB200 million in June 2023, at a fixed coupon rate of 2.90%, paid annually, which matured in June 2026.
- (2) Cinda Real Estate Co., Ltd. ("Cinda Real Estate"), a subsidiary of Cinda Investment Co., Ltd. ("Cinda Investment"), issued two tranches of corporate bonds with a total face value of RMB2,770 million in January 2021, at fixed coupon rates, paid annually, which matured in January 2026. Cinda Real Estate issued two tranches of corporate bonds with a total face value of RMB3,030 million in March 2021, at fixed coupon rates, paid annually, which matured in March 2026.

Cinda Real Estate issued corporate bonds with a face value of RMB1,700 million in March 2026, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the first, second, third and fourth years.

Cinda Real Estate issued corporate bonds with a face value of RMB1,700 million in June 2026, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the second and fourth years.

- (3) Well Kent International Industry (Shenzhen) Co., Ltd. ("Well Kent (Shenzhen)"), a subsidiary of Cinda Hong Kong, issued corporate bonds with a face value of RMB1,500 million in March 2022, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the second year. The issuer adjusted the interest rate and performed a partial sellback in March 2024, with a sold-back amount of RMB1,200 million. A face value of RMB300 million matured in March 2026.

Well Kent (Shenzhen) issued corporate bonds with a face value of RMB500 million in June 2022, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the second year. The issuer adjusted the interest rate in June 2024, which matured in June 2026.

Well Kent (Shenzhen) issued corporate bonds with a face value of RMB100 million in March 2024, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the second year. The issuer and investors selected to perform full redemption in March 2026.

Well Kent (Shenzhen) issued corporate bonds with a face value of RMB1,000 million in April 2024, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the second year. The issuer and investors selected to perform full redemption in April 2026.

Well Kent (Shenzhen) issued two tranches of corporate bonds with a total face value of RMB1,200 million in April 2026, at fixed coupon rates, paid annually. The face value of Tranche I is RMB400 million, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the second year. The face value of Tranche II is RMB800 million, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the third year.

- (4) The Company's subsidiary, Cinda Securities issued corporate bonds with a total face value of RMB18,300 million at the end of December 31, 2025. Cinda Securities issued corporate bonds with a total face value of RMB4,000 million in six months ended June 30, 2026. A total face value of RMB5,000 million matured in six months ended June 30, 2026. As at June 30, 2026, a total of RMB17,300 million of these corporate bonds were reclassified to liabilities held for sale.

Notes to the Interim Condensed Consolidated Financial Statements

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IV. EXPLANATORY NOTES (Continued)

41. Bonds issued (Continued)

- (5) Cinda Investment, a subsidiary of the Company, issued medium-term notes with a face value of RMB1,500 million in April 2023, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the third year. The issuer and investors selected to perform full redemption in April 2026.

Cinda Investment issued two tranches of medium-term notes with a total face value of RMB1,100 million in April 2026, at fixed coupon rates, paid annually. The face value of Tranche I is RMB600 million, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the third year. The face value of Tranche II is RMB500 million, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the second and fourth years.

Cinda Real Estate, a subsidiary of Cinda Investment, issued medium-term notes with a total face value of RMB1,820 million in March 2026, at fixed coupon rates, paid annually, with the issuer's option to adjust the coupon rate and the investor's option to sell back at the end of the first year.

- (6) China Cinda Financial Co., Ltd., a subsidiary of Cinda Hong Kong, issued USD guaranteed senior notes with a total face value of USD10,125 million during March 2017 to November 2025. Among these, USD guaranteed senior notes with a total face value of USD300 million matured in January 2026.

- (7) NCBC, a subsidiary of Cinda Hong Kong issued interbank certificates of deposit with a total face value of RMB3,690 million during July to December 2025, which matured gradually during January to March 2026.

NCBC issued interbank certificates of deposit with a total face value of RMB7,990 million during January to March 2026. Among these, interbank certificates of deposit with a total face value of RMB5,570 million matured gradually during February to June 2026.

Nanyang Commercial Bank, Limited ("NCB"), a subsidiary of Cinda Hong Kong, issued interbank certificates of deposit with a total face value of USD180 million during April to May 2026.

NCB issued interbank certificates of deposit with a total face value of HKD1,780 million during April to June 2026.

- (8) Cinda Securities, a subsidiary of the Company, issued beneficial certificates with a total face value of RMB11,600 million between October 2024 and November 2025, at fixed coupon rates ranging from 1.97% to 2.50%. A total of RMB7,400 million of these beneficial certificates matured in 2025. A total of RMB1,000 million of these beneficial certificates matured in six months ended June 30, 2026. As at June 30, 2026, a total of RMB3,200 million of these beneficial certificates were reclassified to liabilities held for sale.

- (9) China Cinda (2020) I Management Ltd., a subsidiary of Cinda Hong Kong, issued RMB guaranteed senior notes with a total face value of RMB12,550 million during May 2023 to June 2026, at fixed coupon rates, payable semi-annually. At any time prior to maturity, either the issuer or Cinda Hong Kong may redeem the bonds in whole or in part. Among these, RMB guaranteed senior notes with a total face value of RMB1,500 million matured in May 2026.

Notes to the Interim Condensed Consolidated Financial Statements

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IV. EXPLANATORY NOTES (Continued)

42. Contract liabilities

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Sales proceeds received in advance (1)	8,905,881	6,878,797
Others	180,194	242,291
Total	9,086,075	7,121,088

(1) Sales proceeds received in advance

	For the six months ended June 30, 2026 (Unaudited)	2025 (Unaudited)
At beginning of the period	6,878,797	3,558,660
Deferred during the period	3,446,835	4,759,513
Recognized as revenue during the period	(1,419,751)	(2,157,245)
At end of the period	8,905,881	6,160,928

As at June 30, 2026 and December 31, 2025, the Group's contract liabilities mainly comprised sales proceeds received in advance by Cinda Real Estate, a subsidiary of the Company.

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IV. EXPLANATORY NOTES (Continued)

43. Other liabilities

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Other payables	13,576,943	13,848,625
Payables to interest holders of consolidated structured entities	10,478,342	12,344,699
Receipts in advance associated with disposal of distressed assets	6,766,757	6,004,948
Long-term payable	6,124,658	6,122,789
Risk deposit	4,105,011	4,700,134
Items in the process of clearance and settlement	3,985,521	1,136,037
Staff costs payable	3,387,000	3,990,730
Provisions	1,451,994	1,162,226
Sundry taxes payable	1,236,881	1,016,791
Dividends payable	1,078,414	51,508
Deferred income	847,080	877,133
Lease liabilities	828,242	908,374
Receipts in advance	586,552	608,364
Liabilities with continuing involvement	303,776	303,776
Notes payable	225,686	1,074,919
Others	297,286	498,743
Total	55,280,143	54,649,796

44. Share capital

	For the six months ended June 30, 2026 (Unaudited)	For the year ended December 31, 2025 (Audited)
Authorized, issued and fully paid:		
At beginning of the period/year	38,164,535	38,164,535
At end of the period/year	38,164,535	38,164,535

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

44. Share capital (Continued)

A summary of the movements of the Company's issued shares (in thousands of shares) during the six months ended June 30, 2026 and the year ended December 31, 2025 is as follows:

	2026 (Unaudited)			
	As at January 1	Issuance	Transfer	As at June 30
Domestic shares				
– Huijin	22,137,239	–	–	22,137,239
– NCSSF	2,459,693	–	–	2,459,693
H shares	13,567,603	–	–	13,567,603
Total	38,164,535	–	–	38,164,535

	2025 (Audited)			
	As at January 1	Issuance	Transfer	As at December 31
Domestic shares				
– Huijin	–	–	22,137,239	22,137,239
– MOF	22,137,239	–	(22,137,239)	–
– NCSSF	2,459,693	–	–	2,459,693
H shares	13,567,603	–	–	13,567,603
Total	38,164,535	–	–	38,164,535

As at June 30, 2026 and December 31, 2025, there were no shares subject to the lock-up restriction of the Company.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

45. Other equity instruments

For the six months ended June 30, 2026, the movements of the Company's other equity instruments were as follows:

	2026 (Unaudited)							
	As at January 1		Increase		Decrease		As at June 30	
	Quantity	Carrying	Quantity	Carrying	Quantity	Carrying	Quantity	Carrying
	(shares)	amount	(shares)	amount	(shares)	amount	(shares)	amount
	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)
Preference Shares								
– 2021 Offshore Preference Shares	85,000	10,838,023	–	–	–	–	85,000	10,838,023
Undated Capital Bonds								
– 2021 Undated Capital Bonds	100,000	9,957,577	–	–	–	–	100,000	9,957,577
– 2022 Undated Capital Bonds	120,000	11,952,401	–	–	–	–	120,000	11,952,401
Total	305,000	32,748,001	–	–	–	–	305,000	32,748,001

For the year ended December 31, 2025, the movements of the Company's other equity instruments were as follows:

	2025 (Audited)							
	As at January 1		Increase		Decrease		As at December 31	
	Quantity	Carrying	Quantity	Carrying	Quantity	Carrying	Quantity	Carrying
	(shares)	amount	(shares)	amount	(shares)	amount	(shares)	amount
	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)	(In '000)
Preference Shares								
– 2021 Offshore Preference Shares	85,000	10,838,023	–	–	–	–	85,000	10,838,023
Undated Capital Bonds								
– 2021 Undated Capital Bonds	100,000	9,957,577	–	–	–	–	100,000	9,957,577
– 2022 Undated Capital Bonds	120,000	11,952,401	–	–	–	–	120,000	11,952,401
Total	305,000	32,748,001	–	–	–	–	305,000	32,748,001

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

45. Other equity instruments (Continued)

The term of the above bonds is perpetual and aligns with the Company's ongoing existence. Five years after the issuance date, and subject to the satisfaction of the redemption conditions and prior approval from the NFRA, the Company may redeem the bonds in whole or in part on each interest payment date. Upon the occurrence of a write-down trigger event, the Company has the right, without requiring the consent of the bondholders, to write down all or part of the outstanding bonds issued in accordance with the total nominal value. The claims of the bondholders rank subordinate to those of general creditors and subordinated creditors, but senior to all classes of shareholders, and pari passu with other additional tier 1 capital instruments of the Company that have the same ranking.

The above bonds pay non-cumulative interest. The Company may, at its discretion, cancel all or part of the interest payments without constituting a default. Any such cancelled interest may be used by the Company to service other maturing obligations. However, the Company shall not distribute dividends to ordinary shareholders until it resumes full dividend payments to bondholders.

The net proceeds from the issuance of the bonds, after deduction of issuance costs, were fully used to strengthen the Company's Additional Tier 1 capital.

46. Capital reserve

The balance of capital reserve mainly represents share premium arising from the Company's initial public offering of H shares and other previous shares issuances in current period and prior years.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

47. Other comprehensive income

Other comprehensive income attributable to equity holders of the Company is set out below:

	For the six months ended June 30, 2026 (Unaudited)	For the year ended December 31, 2025 (Audited)
At beginning of the period/year	(1,218,751)	(1,839,516)
Items that may be reclassified subsequently to profit or loss:		
Fair value changes on debt instruments at fair value through other comprehensive income		
Fair value changes arising during the period	(263,046)	1,267,222
Amounts reclassified to profit or loss upon disposal	(357,609)	(491,534)
Amounts of profit or loss upon impairment	(6,823)	2,983
Income tax effect	97,898	(254)
	(529,580)	778,417
Exchange differences arising on translation of foreign operations	(173,859)	(779,628)
Share of other comprehensive income of associates and joint ventures	(3,178)	(39,091)
Income tax effect	2,479	10,193
	(699)	(28,898)
	(704,138)	(30,109)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

47. Other comprehensive income (Continued)

	For the six months ended June 30, 2026 (Unaudited)	For the year ended December 31, 2025 (Audited)
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of supplementary retirement benefits	–	(10,715)
Income tax effect	–	1,768
	–	(8,947)
Fair value changes on equity instruments designated as at fair value through other comprehensive income	(1,332,743)	820,070
Other comprehensive income transferred to retained earnings	(26,385)	33,814
Income tax effect	379,514	(239,817)
	(979,614)	614,067
Share of other comprehensive income of associates and joint ventures	68,850	48,852
Income tax effect	(11,107)	(3,098)
	57,743	45,754
	(921,871)	650,874
Other comprehensive income for the period/year	(1,626,009)	620,765
At end of the period/year	(2,844,760)	(1,218,751)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

48. General reserve

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Caijin [2012] No. 20) issued by the MOF, the Company is required to maintain a general reserve at no less than 1.5% of its risk assets at the end of the reporting period, and the minimum requirement can be achieved over a period of no more than five years, starting from July 1, 2012.

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

For the six months ended June 30, 2026, the Group transferred RMB254.61 million to the general reserve pursuant to the regulatory requirements in the PRC (for the six months ended June 30, 2025, the Group transferred RMB109.94 million to the general reserve).

49. Cash and cash equivalents

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents represent as the following:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Cash	522,968	467,338
Balances with central banks	6,711,827	10,558,086
Deposits with banks and financial institutions	64,197,358	87,352,738
Placements with banks and financial institutions	13,158,213	14,053,600
Financial assets held under resale agreements	19,030,410	1,685,970
Assets held for sale (1)	5,076,210	—
Cash and cash equivalents	108,696,986	114,117,732

(1) The amount is comprised of Cinda Securities' cash, deposits with banks and financial institutions and financial assets held under resale agreements which were classified as assets held for sale.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

50. Contingent liabilities and commitments

(1) Legal proceedings

The Group is involved as a defendant in certain lawsuits arising from its normal business operations. As at June 30, 2026 and December 31, 2025, the total claim amounts of pending litigations for the Group were RMB7,009.11 million and RMB12,426.43 million, and provisions of RMB714.76 million and RMB286.38 million for the Group were made based on court judgments or the advice of legal counsels. The Group believe that the final result of these lawsuits will not have a material impact on the financial position or operations of the Group.

(2) Credit commitments

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Bank bill acceptance	33,044,402	37,430,480
Loan commitments (i)	13,187,016	13,665,527
Letters of guarantee issued	5,585,073	4,478,938
Letters of credit issued	4,812,587	4,827,633
Undrawn credit card commitments	288,647	371,395
Total	56,917,725	60,773,973
Impairment of credit commitments	(81,634)	(67,379)

These credit commitments mainly arise from the banking business of the Group.

- (i) Loan commitments mainly represent undrawn loan facilities contracted and granted to customers. Unconditionally revocable loan commitments are not included in loan commitments. As at June 30, 2026, the unconditionally revocable loan commitments of the Group amounted to RMB168,776.76 million (December 31, 2025: RMB166,396.31 million).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

50. Contingent liabilities and commitments (Continued)

(3) Capital commitments

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Contracted but not provided for		
– Commitments for the acquisition of property and equipment	127,460	52,236
– Construction and installation contracts that have been signed, ongoing or ready to be fulfilled	1,657,043	342,726
– Investment commitments that have been signed but not yet recognized in the financial statements	3,056,920	3,056,920
Total	4,841,423	3,451,882

(4) Other commitments

As a result of the purchase commitments and guarantees provided by the Group, the Group has the ability to use its power over the structured entities to affect their returns and is exposed to significant variable returns and the structured entities. These structured entities have been consolidated into the Group's financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

51. Transfers of financial assets

(1) Repurchase agreements

The Group entered into repurchase agreements with certain counterparties on its financial assets, in which the Group was subject to simultaneous agreements with commitments to repurchase these financial assets at specified future dates and prices. As stipulated in the repurchase agreements, there was no transfer of the legal ownership of these financial assets to the counterparties during the covered period. However, the Group is not allowed to sell or pledge these financial assets during the covered period unless both parties mutually agree with such arrangement. Accordingly, the Group has determined that it retains substantially all the risks and rewards of these financial assets, and therefore, these financial assets have not been derecognized from the financial statements but are regarded as “collateral” for the secured lending from the counterparties. Normally, the counterparties could only claim from the collateral when there is an event of default on the secured lending.

	Carrying amount of pledged assets		Related liabilities	
	June 30 2026	December 31 2025	June 30 2026	December 31 2025
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial assets at amortized cost	4,625,161	10,202,458	4,627,418	9,959,313
Financial assets at fair value through profit or loss	—	7,422,291	—	7,642,053
Financial assets at fair value through other comprehensive income	28,327,530	25,588,825	28,062,179	23,125,108
Finance lease receivables	2,709,015	1,669,032	1,502,470	1,001,865
Total	35,661,706	44,882,606	34,192,067	41,728,339

IV. EXPLANATORY NOTES (Continued)

51. Transfers of financial assets (Continued)

(2) Asset-backed securities

The Group enters into securitization transactions, by which it transfers financial assets to structured entities which issue asset-backed securities to investors. The Group assessed, among other factors, whether or not to derecognize the transferred assets by evaluating the extent to which it retains the risks and rewards of the assets and whether it has relinquished its control over these assets.

With respect to the securitization of financial assets that do not qualify for derecognition, the relevant financial assets are not derecognized, and the consideration paid by third parties is recorded as a financial liability. As at June 30, 2026, the Group's carrying amount of transferred assets that did not qualify for derecognition was RMB2,929.92 million (December 31, 2025: RMB3,520.80 million), and the carrying amount of their associated liabilities was RMB5,322.69 million (December 31, 2025: RMB5,276.28 million).

With respect to the securitization of financial assets that qualified for derecognition, the Group derecognized the transferred financial assets in their entirety. The corresponding total carrying amount of asset-backed securities held by the Group in the securitization transactions was nil as at June 30, 2026 and December 31, 2025.

(3) Continuing involvement

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the financial assets transferred to third parties or to structured entities, and retained control of the financial assets, the transferred financial assets are recognized to the extent of the Group's continuing involvement. For the six months ended June 30, 2026 and June 30, 2025, the Group has not recognized any transferred financial assets in which the Group had continuing involvement. As at June 30, 2026, the Group continued to recognize assets of RMB303.78 million (As at December 31, 2025: RMB303.78 million). The Group also recognized other assets and other liabilities of the same amount arising from such continuing involvement.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

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

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 financial statements of the Group. Segment income, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Distressed asset management operations

The distressed asset management segment comprises the relevant business operated by the Company and certain of its subsidiaries, including (1) management and disposal of distressed debt assets acquired from financial institutions and non-financial enterprises; (2) operation, management and disposal of debt to equity swap assets; (3) restructuring, special opportunity business and other debt businesses and equity businesses related to distressed assets and distressed entities in the comprehensive operation method; and (4) custody businesses.

Financial services operations

The Group's financial services segment comprises the relevant business of the Group, including the provision of financial services in sectors such as banking, trust and lease businesses. These operations were mainly carried out by the subsidiaries of the Company.

As at June 30, 2026, Cinda Securities met the criteria for a discontinued operation, the Group's financial services segment no longer includes the relevant business of securities, futures, and public offering fund. The comparative consolidated statement of profit or loss of segment has been re-presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period.

There is no significant customer concentration of the Group's business. There is no customer contributing more than 10% of the Group's revenue.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

52. Segment information (Continued)

	(Unaudited)			
	Distressed asset management	Financial services	Elimination	Consolidated
For the six months ended June 30, 2026				
Fair value changes on distressed debt assets	4,201,317	–	–	4,201,317
Fair value changes on other financial instruments	3,821,595	46,899	48,302	3,916,796
Investment income	389,462	359,974	(551,406)	198,030
Interest income	1,796,527	9,300,762	(10,555)	11,086,734
Revenue from sales of inventories	1,438,016	–	–	1,438,016
Commission and fee income	136,190	1,674,633	(9,342)	1,801,481
Net gains or losses on disposal of subsidiaries, associates and joint ventures	615,284	–	–	615,284
Other income and other net gains or losses	(871,712)	279,410	(38,576)	(630,878)
Total	11,526,679	11,661,678	(561,577)	22,626,780
Interest expense	(9,948,045)	(6,206,149)	41,296	(16,112,898)
Employee benefits	(814,315)	(877,067)	–	(1,691,382)
Purchases and changes in inventories	(1,441,351)	–	–	(1,441,351)
Commission and fee expense	(52,260)	(64,458)	692	(116,026)
Taxes and surcharges	(184,200)	(47,246)	–	(231,446)
Depreciation and amortization expenses	(481,608)	(692,909)	34,929	(1,139,588)
Other expenses	(586,355)	(402,423)	8,416	(980,362)
Credit impairment losses	(1,828,903)	(1,247,814)	–	(3,076,717)
Impairment losses on other assets	(643,137)	–	–	(643,137)
Total	(15,980,174)	(9,538,066)	85,333	(25,432,907)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

52. Segment information (Continued)

	(Unaudited)			
	Distressed asset management	Financial services	Elimination	Consolidated
Change in net assets attributable to other holders of consolidated structured entities	93,167	–	10,609	103,776
Profit before share of results of associates and joint ventures and tax	(4,360,328)	2,123,612	(465,635)	(2,702,351)
Share of results of associates and joint ventures	2,833,210	–	–	2,833,210
Profit before tax from continuing operations	(1,527,118)	2,123,612	(465,635)	130,859
Income tax expense	(100,911)	(360,117)	(19,382)	(480,410)
Profit for the period from continuing operations	(1,628,029)	1,763,495	(485,017)	(349,551)
Profit after tax for the period from a discontinued operation				1,097,286
Profit for the period	(1,628,029)	2,889,112	(513,348)	747,735
Profit attributable to:				
Equity holders of the Company	(1,006,841)	2,574,597	(783,380)	784,376
Non-controlling interests	(621,188)	314,515	270,032	(36,641)
Capital expenditure	536,482	2,767,654	–	3,304,136

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
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IV. EXPLANATORY NOTES (Continued)

52. Segment information (Continued)

	(Unaudited)			
	Distressed asset management	Financial services	Elimination	Consolidated
As at June 30, 2026 (Unaudited)				
Segment assets	936,898,248	626,401,077	(5,743,448)	1,557,555,877
Including: Interests in associates and joint ventures	106,336,544	–	–	106,336,544
Assets held for sale	–	119,140,148	–	119,140,148
Unallocated assets				17,600,488
Total assets				1,694,296,513
Segment liabilities	826,728,518	559,070,737	(5,583,223)	1,380,216,032
Liabilities held for sale	–	90,030,617	–	90,030,617
Unallocated liabilities				3,341,062
Total liabilities				1,473,587,711

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

52. Segment information (Continued)

	(Unaudited)			
	Distressed asset management	Financial services	Elimination	Consolidated
For the six months ended June 30, 2025				
Fair value changes on distressed debt assets	2,428,240	–	–	2,428,240
Fair value changes on other financial instruments	1,916,120	155,926	59,370	2,131,416
Investment income	80,997	467,922	(380,986)	167,933
Interest income	3,849,061	10,544,316	(176,185)	14,217,192
Revenue from sales of inventories	2,137,966	–	–	2,137,966
Commission and fee income	162,962	1,500,052	(5,531)	1,657,483
Net gains or losses on disposal of subsidiaries, associates and joint ventures	754,415	–	–	754,415
Other income and other net gains or losses	7,541,831	438,439	(44,692)	7,935,578
Total	18,871,592	13,106,655	(548,024)	31,430,223
Interest expense	(11,327,830)	(7,660,245)	222,948	(18,765,127)
Employee benefits	(854,446)	(1,036,171)	–	(1,890,617)
Purchases and changes in inventories	(1,939,544)	–	90	(1,939,454)
Commission and fee expense	(24,174)	(82,614)	2,929	(103,859)
Taxes and surcharges	(167,359)	(47,938)	–	(215,297)
Depreciation and amortization expenses	(486,468)	(667,393)	33,939	(1,119,922)
Other expenses	(621,856)	(480,246)	7,549	(1,094,553)
Credit impairment losses	(6,712,844)	(1,199,556)	–	(7,912,400)
Impairment losses on other assets	(3,009,153)	(150,000)	–	(3,159,153)
Total	(25,143,674)	(11,324,163)	267,455	(36,200,382)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
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IV. EXPLANATORY NOTES (Continued)

52. Segment information (Continued)

	Distressed asset management	(Unaudited) Financial services	Elimination	Consolidated
Change in net assets attributable to other holders of consolidated structured entities	13,746	–	–	13,746
Profit before share of results of associates and joint ventures and tax	(6,258,336)	1,782,492	(280,569)	(4,756,413)
Share of results of associates and joint ventures	1,034,454	–	–	1,034,454
Profit before tax from continuing operations	(5,223,882)	1,782,492	(280,569)	(3,721,959)
Income tax expense	3,904,595	(279,866)	(25,309)	3,599,420
Profit for the period from continuing operations	(1,319,287)	1,502,626	(305,878)	(122,539)
Profit after tax for the period from a discontinued operation				1,027,723
Profit for the period	(1,319,287)	2,536,012	(311,541)	905,184
Profit attributable to:				
Equity holders of the Company	344,957	2,493,851	(558,227)	2,280,581
Non-controlling interests	(1,664,244)	42,161	246,686	(1,375,397)
Capital expenditure	141,287	307,978	–	449,265

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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IV. EXPLANATORY NOTES (Continued)

52. Segment information (Continued)

	(Unaudited)			
	Distressed asset management	Financial services	Elimination	Consolidated
As at December 31, 2025 (Audited)				
Segment assets	952,409,731	757,344,412	(5,024,597)	1,704,729,546
Including: Interests in associates and joint ventures	108,701,557	400,536	–	109,102,093
Unallocated assets				16,497,294
Total assets				1,721,226,840
Segment liabilities	830,128,120	668,882,823	(4,988,559)	1,494,022,384
Unallocated liabilities				3,547,481
Total liabilities				1,497,569,865

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
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IV. EXPLANATORY NOTES (Continued)

53. Related party transactions

(1) Huijin

Group

As at June 30, 2026, Huijin directly owned 58.00% (December 31, 2025: 58.00%) of the share capital of the Company. Huijin does not engage in any commercial activities beyond its role as a state-owned investment holding entity. It does not interfere in the day-to-day operations of the state-owned key financial institutions it controls.

The Group enters into transactions with Huijin and its entities under normal commercial terms and in the normal course of business.

The Group had the following balances with Huijin and Huijin's affiliates:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Deposits with banks and financial institutions	53,560,453	74,382,836
Financial assets at fair value through other comprehensive income	1,403,354	11,214,995
Loans and advances to customers	10,710,690	6,702,527
Financial assets at fair value through profit or loss	4,964,465	3,823,187
Deposits with exchanges and others	716,703	886,833
Placements with banks and financial institutions	1,936,405	–
Financial assets held under resale agreements	4,073,554	420,029
Financial assets at amortized cost	–	20,700
Other assets	21,349	43,582
Borrowings	(140,403,565)	(134,857,765)
Placements from banks and financial institutions	(18,009,590)	(29,251,434)
Financial assets sold under repurchase agreements	(2,755,025)	(7,120,487)
Deposits from banks and financial institutions	(542,513)	(5,555,641)
Bonds issued	(5,212,500)	(5,228,001)
Other liabilities	(1,842)	(4,608)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

53. Related party transactions (Continued)

(1) Huijin (Continued)

Group (Continued)

The Group entered into the following transactions with Huijin and Huijin's affiliates:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Interest income	592,070	N/A
Commission and fee income	12,217	N/A
Fair value changes on other financial instruments	7,676	N/A
Investment income	1,763	N/A
Commission and fee expense	(1,149)	N/A
Other expenses	(168)	N/A
Interest expense	(1,556,841)	N/A

Company

The Company had the following balances with Huijin and Huijin's affiliates:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Deposits with banks and financial institutions	25,732,326	40,962,273
Financial assets held under resale agreements	3,043,266	—
Financial assets at fair value through profit or loss	1,446,854	1,542,366
Borrowings	(133,377,735)	(130,127,538)
Other liabilities	—	(955)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

53. Related party transactions (Continued)

(1) Huijin (Continued)

Company (Continued)

The Company entered into the following transactions with Huijin and Huijin's affiliates:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Interest income	399,100	N/A
Fair value changes on other financial instruments	2,750	N/A
Interest expense	(1,315,177)	N/A
Other expenses	(168)	N/A

(2) Subsidiaries

The Company had the following balances with its subsidiaries:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Amounts due from subsidiaries	58,319,200	56,541,480
Right-of-use assets	385,540	378,689
Property and equipment	12,471	12,762
Bonds issued	(87,762)	(112,793)
Lease liabilities	(369,831)	(362,029)
Other payables	(132,528)	(136,846)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

53. Related party transactions (Continued)

(2) Subsidiaries (Continued)

The Company had entered into the following transactions with its subsidiaries:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Interest income	767,048	743,564
Dividend income	462,307	345,684
Rental income	15,741	15,183
Credit impairment losses	638	(922,289)
Depreciation expenses of right-of-use assets	(77,201)	(71,466)
Interest expense	(33,560)	(39,246)
Other expenses	(59,496)	(20,405)
Commission and fee expense	(75)	(2,003)
Depreciation and amortization expenses	(291)	(291)

(3) Associates and joint ventures

The Group had the following balances and transactions with its associates and joint ventures, entities that it does not control but exercises significant influence or joint control. These transactions were carried out in the ordinary course of business.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

53. Related party transactions (Continued)

(3) Associates and joint ventures (Continued)

Group

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

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Deposits with banks and financial institutions	2,481,746	5,013,625
Loans and advances to customers	7,704,223	9,864,467
Financial assets at fair value through profit or loss	42,667	–
Other assets	520,947	325,393
Dividend receivable	762,448	405,715
Placements from banks and financial institutions	(884,198)	(670,093)
Borrowings	(60,000)	(101,410)
Contract liabilities	(472)	(1,023)
Due to customers	(281,860)	–
Other liabilities	(108,475)	(113,025)

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

	For the six months ended June 30, 2026 (Unaudited)	2025 (Unaudited)
Fair value changes on other financial instruments	777	–
Interest income	192,791	241,330
Interest expense	(8,162)	–

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

53. Related party transactions (Continued)

(3) Associates and joint ventures (Continued)

Company

The Company had the following balances with its associates and joint ventures:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Deposits with banks and financial institutions	1,003,607	2,003,173
Dividend receivable	64,591	405,715
Other liabilities	—	(47)

The Company had the following transactions with its associates and joint ventures:

	For the six months ended June 30, 2026 (Unaudited)	2025 (Unaudited)
Interest income	644	—

(4) Government-related entities

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

Management 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 depend on whether or not the customers are government related entities.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

53. Related party transactions (Continued)

(5) Annuity scheme

The Group had the following transactions with the annuity scheme set up by the Company:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Contribution to annuity scheme	108,490	118,106

(6) Key management remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and executive officers. The aggregate compensation paid/payable to senior management for employment services is as follows:

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Emoluments of key management personnel	3,679	4,280

- (7) During the period, the Group and the Company did not conduct any connected transactions or continuing connected transactions required to be reported, announced or approved by independent shareholders under Chapter 14A "Connected Transactions" of the Listing Rules.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management

The types of risk to which the Group is exposed include credit risk, market risk and liquidity risk. Market risk includes interest rate risk, foreign exchange risk and price risk. The Group's primary objectives and policies of risk management and risk management framework are the same as those set out in the Group's consolidated financial statements for the year ended December 31, 2025.

54.1 Credit risk

54.1.1 Credit risk management

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligation. Credit risk can also arise from operational failures that result in an unauthorized or inappropriate advance, commitment or investment of funds. The Group's major credit risks arise from distressed debt assets at amortized cost, loans and advances to customers and other debt or security investments held by the Group.

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 related 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 June 30, 2026 and comprehensively considered the impacts of current economic conditions on expected credit losses, including performing forward-looking forecasts to key macroeconomic indicators and assessment of scenario weights.

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

54.1.2 Maximum exposure to credit risk before taking into account any collateral held or other credit enhancements

The maximum exposure to credit risk represents the credit risk exposure to the Group at the end of the reporting period without taking into account any collateral held or other credit enhancements. The exposure to credit risk at the end of each reporting period mainly arises from distressed debt assets acquired from financial institutions and non-financial institutions, loans and advances to customers and treasury operations.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.2 Maximum exposure to credit risk before taking into account any collateral held or other credit enhancements (Continued)

The maximum exposure to credit risk at the end of each reporting period is as follows:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
On-balance sheet		
Balances with central banks	11,035,004	15,536,585
Deposits with banks and financial institutions	66,849,564	117,649,471
Deposits with exchanges and others	1,757	4,312,151
Placements with banks and financial institutions	22,644,041	27,177,242
Financial assets at fair value through profit or loss	148,361,002	183,805,005
Financial assets held under resale agreements	22,702,615	6,253,972
Financial assets at fair value through other comprehensive income	186,925,400	209,328,976
Financial assets at amortized cost	58,800,268	65,032,154
Loans and advances to customers	353,208,970	366,286,667
Accounts receivable	4,428,500	4,873,668
Other assets	18,636,563	20,525,930
Subtotal	893,593,684	1,020,781,821
Off-balance sheet		
Bank acceptance bills	33,044,402	37,430,480
Loan commitments	13,187,016	13,665,527
Letters of guarantee issued and other credit commitments	10,686,307	9,677,966
Subtotal	56,917,725	60,773,973
Total	950,511,409	1,081,555,794

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.2 Maximum exposure to credit risk before taking into account any collateral held or other credit enhancements (Continued)

Among the distressed debt assets at fair value through profit or loss, the distressed assets contain certain elements of credit risk. The risks that such assets are exposed to are the same as those set out in the Group's consolidated financial statements for the year ended December 31, 2025. The carrying amount of distressed debt assets at fair value through profit or loss of the Group as at June 30, 2026 amounted to RMB259,829.66 million (December 31, 2025: RMB258,081.73 million).

The Group implements specific policies and credit enhancement practices to mitigate credit risk exposure to an acceptable level. The most typical practice is by obtaining guarantee deposits, collateral and/or guarantees. The amount and type of acceptable collateral are determined by credit risk evaluations of counterparties. The Group implements guidelines on the acceptability of specific classes of collateral and evaluation parameters. The main types of collateral obtained are land and properties or other assets of the borrowers. The Group monitors the market value of collateral periodically and requests for additional collateral in accordance with the underlying agreement when necessary.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.3 Risk concentration of distressed debt assets and loans and advances to customers at amortized cost

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Distressed debt assets	25,880,132	30,383,476
Loans and advances to customers	348,183,469	363,856,272
Subtotal	374,063,601	394,239,748
Allowance for impairment losses		
Distressed debt assets	(8,788,747)	(9,286,358)
Loans and advances to customers	(12,341,639)	(12,391,285)
Subtotal	(21,130,386)	(21,677,643)
Net carrying amounts		
Distressed debt assets	17,091,385	21,097,118
Loans and advances to customers	335,841,830	351,464,987
Total	352,933,215	372,562,105

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.3 Risk concentration of distressed debt assets and loans and advances to customers at amortized cost (Continued)

By geographical area

Area	As at June 30, 2026 (Unaudited)		As at December 31, 2025 (Audited)	
	Gross amount	%	Gross amount	%
Overseas	162,241,962	43.4	155,221,913	39.4
Bohai Rim	42,206,927	11.3	49,735,055	12.6
Yangtze River Delta	42,327,864	11.3	48,555,559	12.3
Pearl River Delta	34,174,150	9.1	42,608,768	10.8
Central Region	45,079,550	12.0	44,069,349	11.2
Western Region	41,729,275	11.2	44,557,624	11.3
Northeastern Region	6,303,873	1.7	9,491,480	2.4
Total	374,063,601	100.0	394,239,748	100.0

Notes:

Overseas:	Including Hong Kong and other overseas regions.
Bohai Rim:	Including Beijing, Tianjin, Hebei and Shandong.
Yangtze River Delta:	Including Shanghai, Jiangsu and Zhejiang.
Pearl River Delta:	Including Guangdong, Shenzhen and Fujian.
Central Region:	Including Shanxi, Henan, Hunan, Hubei, Anhui, Jiangxi and Hainan.
Western Region:	Including Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Guangxi, Gansu, Qinghai, Xinjiang, Ningxia and Inner Mongolia.
Northeastern Region:	Including Liaoning, Jilin and Heilongjiang.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.3 Risk concentration of distressed debt assets and loans and advances to customers at amortized cost (Continued)

By industry

Industry	As at June 30, 2026 (Unaudited) Gross		As at December 31, 2025 (Audited) Gross	
	amount	%	amount	%
Corporate business				
Real estate	70,716,440	18.9	76,647,545	19.4
Manufacturing	59,151,083	15.7	68,589,408	17.4
Leasing and commercial services	32,204,241	8.6	42,264,364	10.7
Finance	47,027,802	12.6	35,304,511	9.0
Production and supply of power, heat, gas and water	21,634,087	5.8	24,227,705	6.1
Wholesale and retail trade	27,656,771	7.4	15,176,774	3.8
Construction	17,904,838	4.8	16,981,235	4.3
Mining	13,034,379	3.5	12,112,008	3.1
Others	45,118,420	12.1	45,664,670	11.6
Subtotal	334,448,061	89.4	336,968,220	85.4
Personal business				
Mortgage	18,194,735	4.9	19,728,207	5.0
Personal consumption loans	21,420,805	5.7	20,703,449	5.3
Subtotal	39,615,540	10.6	40,431,656	10.3
Loans to margin clients	—	—	16,839,872	4.3
Total	374,063,601	100.0	394,239,748	100.0

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For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.3 Risk concentration of distressed debt assets and loans and advances to customers at amortized cost (Continued)

By security type

	As at June 30, 2026 (Unaudited)		As at December 31, 2025 (Audited)	
	Gross amount	%	Gross amount	%
Unsecured	150,592,029	40.3	146,245,326	37.1
Guaranteed	72,294,736	19.3	67,867,037	17.2
Mortgaged	87,900,919	23.5	95,572,716	24.2
Pledged	63,275,917	16.9	84,554,669	21.5
Total	374,063,601	100.0	394,239,748	100.0

54.1.4 Past due distressed debt assets and loans and advances to customers at amortized cost

	Gross amount as at June 30, 2026 (Unaudited)				
	Up to 90 days (Including 90 days)	91 to 360 days (Including 360 days)	361 days to 3 years (Including 3 years)	Over 3 years	Total
Distressed debt assets	928,900	8,487,279	6,133,224	4,613,606	20,163,009
Loans and advances to customers	2,014,694	2,721,289	10,114,442	3,254,732	18,105,157
Total	2,943,594	11,208,568	16,247,666	7,868,338	38,268,166

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For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.4 Past due distressed debt assets and loans and advances to customers at amortized cost (Continued)

	Gross amount as at December 31, 2025 (Audited)				Total
	Up to 90 days	91 to 360 days	361 days to 3 years	Over 3 years	
	(Including 90 days)	(Including 360 days)	(Including 3 years)		
Distressed debt assets	3,654,814	3,500,761	4,230,155	3,928,798	15,314,528
Loans and advances to customers	1,307,446	1,571,827	11,117,022	2,587,652	16,583,947
Total	4,962,260	5,072,588	15,347,177	6,516,450	31,898,475

54.1.5 Credit quality of distressed debt assets and loans and advances to customers at amortized cost

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Neither past due nor impaired	331,713,180	357,619,826
Past due but not impaired (1)	2,307,241	3,502,313
Impaired (2)	40,043,180	33,117,609
Subtotal	374,063,601	394,239,748
Allowance for impairment losses	(21,130,386)	(21,677,643)
Net carrying amount	352,933,215	372,562,105

Notes to the Interim Condensed Consolidated Financial Statements

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(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.5 Credit quality of distressed debt assets and loans and advances to customers at amortized cost (Continued)

(1) Past due but not impaired

	Gross amount as at June 30, 2026 (Unaudited)					Total
	Up to 90 days (Including 90 days)	91 to 360 days (Including 360 days)	361 days to 3 years (Including 3 years)	Over 3 years		
Distressed debt assets	835,226	–	–	–		835,226
Loans and advances to customers	1,472,015	–	–	–		1,472,015
Total	2,307,241	–	–	–		2,307,241

	Gross amount as at December 31, 2025 (Audited)					Total
	Up to 90 days (Including 90 days)	91 to 360 days (Including 360 days)	361 days to 3 years (Including 3 years)	Over 3 years		
Distressed debt assets	2,907,308	–	–	–		2,907,308
Loans and advances to customers	595,005	–	–	–		595,005
Total	3,502,313	–	–	–		3,502,313

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For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.5 Credit quality of distressed debt assets and loans and advances to customers at amortized cost (Continued)

(2) Impaired

	As at June 30, 2026 (Unaudited)		
	Gross amount	Allowance for impairment losses	Net carrying amount
Distressed debt assets	23,044,184	(8,481,221)	14,562,963
Loans and advances to customers	16,998,996	(6,361,196)	10,637,800
Total	40,043,180	(14,842,417)	25,200,763

	As at December 31, 2025 (Audited)		
	Gross amount	Allowance for impairment losses	Net carrying amount
Distressed debt assets	16,147,574	(6,178,187)	9,969,387
Loans and advances to customers	16,970,035	(6,527,403)	10,442,632
Total	33,117,609	(12,705,590)	20,412,019

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Distressed debt assets		
Impaired	23,044,184	16,147,574
– Portion covered	23,044,184	16,147,574
Impaired as % of total distressed debt assets	89.0	53.1
Fair value of collateral	23,383,111	16,630,520
Loans and advances to customers		
Impaired	16,998,996	16,970,035
– Portion covered	13,191,156	13,809,746
– Portion not covered	3,807,840	3,160,289
Impaired as % of total loans and advances to customers	4.9	4.7
Fair value of collateral	13,758,129	16,312,721

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.5 Credit quality of distressed debt assets and loans and advances to customers at amortized cost (Continued)

(2) Impaired (Continued)

Impaired distressed debt assets and loans and advances to customers by geographical area are analyzed as follows:

	As at June 30, 2026 (Unaudited)		As at December 31, 2025 (Audited)	
	Gross amount	%	Gross amount	%
Distressed debt assets				
Bohai Rim	8,804,105	38.2	9,087,473	56.3
Western Region	2,176,911	9.4	2,175,180	13.5
Central Region	8,031,572	34.9	2,054,181	12.7
Yangtze River Delta	1,949,649	8.5	749,649	4.6
Pearl River Delta	2,081,947	9.0	2,081,091	12.9
Total	23,044,184	100.0	16,147,574	100.0
Loans and advances to customers				
Pearl River Delta	8,919,771	52.5	8,982,329	52.9
Bohai Rim	1,253,115	7.4	1,086,417	6.4
Yangtze River Delta	2,792,784	16.4	2,937,213	17.3
Overseas	3,190,988	18.8	3,194,305	18.8
Central Region	110,856	0.6	50,855	0.3
Western Region	715,890	4.2	705,952	4.2
Northeastern Region	15,592	0.1	12,964	0.1
Total	16,998,996	100.0	16,970,035	100.0

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For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.6 Credit quality of investment products

The tables below set forth the credit quality of investment products, including mixed fund investments, debt investments and trust products.

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Neither past due nor impaired (1)	219,144,739	242,619,335
Past due but not impaired (2)	—	563,216
Impaired (3)	21,151,190	21,432,548
Subtotal	240,295,929	264,615,099
Allowance for impairment losses	(11,661,646)	(11,351,087)
Net carrying amounts	228,634,283	253,264,012

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For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.1 Credit risk (Continued)

54.1.6 Credit quality of investment products (Continued)

(1) Neither past due nor impaired

	As at June 30, 2026 (Unaudited)			As at December 31, 2025 (Audited)		
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
Government bonds	–	75,142,601	75,142,601	–	99,274,391	99,274,391
Public sector and quasi-government bonds	–	2,436,498	2,436,498	–	1,970,578	1,970,578
Financial institution bonds	20,570	83,287,153	83,307,723	21,219	79,035,319	79,056,538
Corporate bonds	–	25,455,587	25,455,587	–	23,022,589	23,022,589
Trust products and rights to trust assets	5,974,989	–	5,974,989	8,396,372	–	8,396,372
Asset-backed securities	–	–	–	–	439,745	439,745
Debt investments	26,223,780	–	26,223,780	24,872,768	–	24,872,768
Certificates of deposit	–	603,561	603,561	–	2,167,456	2,167,456
Medium-term notes	–	–	–	–	3,418,898	3,418,898
Subtotal	32,219,339	186,925,400	219,144,739	33,290,359	209,328,976	242,619,335
Allowance for impairment losses	(3,765,274)	–	(3,765,274)	(3,468,875)	–	(3,468,875)
Total	28,454,065	186,925,400	215,379,465	29,821,484	209,328,976	239,150,460

As at June 30, 2026, the carrying amount of neither past due nor impaired investment products at fair value through other comprehensive income was RMB186,925.40 million, and the allowance of RMB94.14 million was recognized in other comprehensive income.

As at December 31, 2025, the carrying amount of neither past due nor impaired investment products at fair value through other comprehensive income was RMB209,328.98 million, and the allowance of RMB115.84 million was recognized in other comprehensive income.

(2) Past due but not impaired

As at June 30, 2026, the Group had no investment products measured at amortized cost that are overdue but not impaired.

As at December 31, 2025, the gross amount of past due but not impaired investment products at amortized cost of the Group was RMB563.22 million with the allowances of RMB110.28 million recognized.

(3) Impaired

As at June 30, 2026, the carrying amount of the impaired investment products at fair value through other comprehensive income was nil. The carrying amount of the impaired other debt instruments at amortized cost was RMB21,151.19 million, and the allowances of RMB7,896.37 million was recognized.

As at December 31, 2025, the carrying amount of the impaired investment products at fair value through other comprehensive income was nil. The gross amount of the impaired other debt instruments at amortized cost was RMB21,432.55 million, and the allowances of RMB7,771.93 million was recognized.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.2 Market risk

Interest rate risk

At the end of the reporting period, the Group's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing date and maturity date are as follows:

	As at June 30, 2026 (Unaudited)						Total
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest- bearing	
Cash and balances with central banks	8,505,131	–	–	–	–	3,052,841	11,557,972
Deposits with banks and financial institutions	50,566,644	12,509,526	1,619,998	408,460	–	1,744,936	66,849,564
Placements with banks and financial institutions	16,090,007	723,305	5,685,697	–	–	145,032	22,644,041
Deposits with exchanges and others	1,757	–	–	–	–	–	1,757
Financial assets at fair value through profit or loss	1,498,227	6,139,543	17,315,065	57,532,846	5,943,684	447,344,709	535,774,074
Financial assets at fair value through other comprehensive income	12,812,602	19,144,091	49,296,727	95,862,241	8,453,518	9,088,112	194,657,291
Loans and advances to customers	143,557,245	50,620,932	125,802,989	29,703,250	1,195,015	2,329,539	353,208,970
Financial assets at amortized cost	14,081,067	2,478,905	5,775,368	25,590,368	2,090,342	8,784,218	58,800,268
Accounts receivable	5,051	3,025	679,229	–	–	3,741,195	4,428,500
Financial assets held under resale agreements	21,565,716	347,338	708,028	–	–	81,533	22,702,615
Other financial assets	373,319	136,351	–	–	–	18,126,893	18,636,563
Total financial assets	269,056,766	92,103,016	206,883,101	209,097,165	17,682,559	494,439,008	1,289,261,615

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.2 Market risk (Continued)

Interest rate risk (Continued)

	As at June 30, 2026 (Unaudited)						Total
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest- bearing	
Borrowings from central bank	-	(10,646)	(5,022,000)	-	-	(987,809)	(6,020,455)
Due to customers	(159,808,556)	(96,110,560)	(83,076,111)	(4,757,415)	-	(2,018,849)	(345,771,491)
Deposits from banks and financial institutions	(2,221,106)	(3,930,617)	(13,128,515)	-	-	(179,820)	(19,460,058)
Placements from banks and financial institutions	(7,562,736)	(7,332,635)	(1,607,103)	-	-	(35,499)	(16,537,973)
Financial liabilities at fair value through profit or loss	(3,166,502)	(1,389,885)	(961,067)	-	-	(4,267,964)	(9,785,418)
Financial assets sold under repurchase agreements	(15,948,587)	(8,379,501)	(8,201,553)	(1,500,000)	-	(162,426)	(34,192,067)
Borrowings	(36,520,512)	(63,458,164)	(294,756,438)	(256,707,604)	(3,411,927)	(1,851,618)	(656,706,263)
Bonds issued	(602,577)	(2,608,368)	(60,169,711)	(145,481,939)	(9,447,669)	(3,128,878)	(221,439,142)
Accounts payable	-	-	-	-	-	(5,124,022)	(5,124,022)
Other financial liabilities	(6,107)	(21,256)	(1,267,637)	(701,948)	(43,874)	(40,348,828)	(42,389,650)
Total financial liabilities	(225,836,683)	(183,241,632)	(468,190,135)	(409,148,906)	(12,903,470)	(58,105,713)	(1,357,426,539)
Interest rate gap	43,220,083	(91,138,616)	(261,307,034)	(200,051,741)	4,779,089	436,333,295	(68,164,924)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.2 Market risk (Continued)

Interest rate risk (Continued)

	As at December 31, 2025 (Audited)						Total
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest- bearing	
Cash and balances with central banks	12,019,278	–	–	–	–	3,984,645	16,003,923
Deposits with banks and financial institutions	101,401,001	6,565,015	6,834,140	400,000	–	2,449,315	117,649,471
Placements with banks and financial institutions	18,488,166	2,888,881	5,668,802	–	–	131,393	27,177,242
Deposits with exchanges and others	4,291,000	–	–	–	–	21,151	4,312,151
Financial assets at fair value through profit or loss	8,253,297	12,456,562	23,738,517	68,496,311	2,294,658	468,559,922	583,799,267
Financial assets at fair value through other comprehensive income	12,658,845	21,420,877	54,550,880	103,675,758	16,725,937	17,003,701	226,035,998
Loans and advances to customers	205,148,265	46,672,869	77,944,599	33,901,341	649,493	1,970,100	366,286,667
Financial assets at amortized cost	13,380,131	4,249,761	18,506,163	18,793,141	2,088,607	8,014,351	65,032,154
Accounts receivable	16,439	222,530	131,818	663,959	–	3,838,922	4,873,668
Financial assets held under resale agreements	4,670,851	105,404	393,973	1,009,626	–	74,118	6,253,972
Other financial assets	–	1,454	9,626	–	–	20,514,850	20,525,930
Total financial assets	380,327,273	94,583,353	187,778,518	226,940,136	21,758,695	526,562,468	1,437,950,443

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.2 Market risk (Continued)

Interest rate risk (Continued)

	As at December 31, 2025 (Audited)					Non-interest- bearing	Total
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years		
Borrowings from central bank	(4,211,384)	(2,698,090)	–	–	–	(986,058)	(7,895,532)
Accounts payable to brokerage clients	(28,501,804)	–	–	–	–	(157,048)	(28,658,852)
Due to customers	(163,523,258)	(100,811,211)	(82,645,926)	(16,316,792)	(70,008)	(2,426,739)	(365,793,934)
Deposits from banks and financial institutions	(8,377,557)	(3,063,152)	(2,349,268)	–	–	(104,213)	(13,894,190)
Placements from banks and financial institutions	(25,028,934)	(8,971,558)	(6,897,925)	–	–	(87,156)	(40,985,573)
Financial liabilities at fair value through profit or loss	(451,039)	(4,237,630)	(1,618,088)	–	–	(4,460,617)	(10,767,374)
Financial assets sold under repurchase agreements	(36,827,789)	(1,474,522)	(2,402,354)	(1,000,000)	–	(23,674)	(41,728,339)
Borrowings	(40,794,986)	(58,272,088)	(309,067,665)	(251,527,969)	(3,339,578)	(1,732,485)	(664,734,771)
Bonds issued	(7,909,625)	(5,337,096)	(29,656,118)	(187,441,542)	(15,663,932)	(4,724,150)	(250,732,463)
Accounts payable	–	–	–	–	–	(5,738,847)	(5,738,847)
Other financial liabilities	(30,639)	(88,476)	(1,484,020)	(5,641,021)	(9,020)	(34,798,774)	(42,051,950)
Total financial liabilities	(315,657,015)	(184,953,823)	(436,121,364)	(461,927,324)	(19,082,538)	(55,239,761)	(1,472,981,825)
Interest rate gap	64,670,258	(90,370,470)	(248,342,846)	(234,987,188)	2,676,157	471,322,707	(35,031,382)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.2 Market risk (Continued)

Foreign exchange risk

Foreign exchange risk is the risk of loss due to changes in currency exchange rates. The Group takes on exposure to the effects of fluctuations in the prevailing foreign exchange rates on its financial position and operating performance. The Group conducts the majority of its businesses in RMB, with certain foreign currency transactions in United States dollars ("USD"), Hong Kong dollars ("HKD") and other currencies.

The tables below indicate the potential effect on profit before tax of a 5% appreciation or depreciation of RMB spot and forward exchange rate against all other currencies.

The Group

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
5% appreciation	(380,695)	(420,666)
5% depreciation	380,695	420,666

Price risk

Price risk is the risk that the fair values of equity investments fluctuate as a result of changes in the levels of equity indices and the value of relative securities. The risk is reflected as the variation of the Group's profit or loss and net assets arising from fair value changes of financial assets measured at fair value changes, and also the variation of the Group's other comprehensive income and net assets arising from the fair value changes of financial assets measured at other comprehensive income.

The following tables illustrate the potential impact of an increase or decrease of 1 percent in price of equity investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on profit before tax and equity.

	As at June 30, 2026		As at December 31, 2025	
	Profit before tax	Equity	Profit before tax	Equity
+1 percent	1,275,834	77,319	1,419,125	167,070
-1 percent	(1,275,834)	(77,319)	(1,419,125)	(167,070)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.3 Liquidity risk

Analysis of the remaining maturity of the financial assets and financial liabilities

	As at June 30, 2026 (Unaudited)							Total
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Cash and balances with central banks	9,075,244	2,482,728	–	–	–	–	–	11,557,972
Deposits with banks and financial institutions	–	50,578,974	2,030,570	12,509,526	1,322,034	408,460	–	66,849,564
Placements with banks and financial institutions	–	–	16,192,799	727,926	5,723,316	–	–	22,644,041
Deposits with exchanges and others	1,757	–	–	–	–	–	–	1,757
Financial assets at fair value through profit or loss	424,442,068	21,053,259	1,767,752	6,130,226	17,717,996	58,515,109	6,147,664	535,774,074
Loans and advances to customers	13,939,412	1,072,775	46,420,153	42,909,709	91,442,593	116,412,036	41,012,292	353,208,970
Accounts receivable	61,095	3,558,890	5,911	3,074	693,498	106,032	–	4,428,500
Financial assets held under resale agreements	340,393	–	21,296,334	352,518	713,370	–	–	22,702,615
Financial assets at fair value through other comprehensive income	7,731,891	–	12,826,471	19,212,457	49,572,792	96,803,082	8,510,598	194,657,291
Financial assets at amortized cost	22,608,503	–	256,782	2,478,905	5,775,368	25,590,368	2,090,342	58,800,268
Other financial assets	9,141,425	5,748,211	3,277,389	153,859	4,974	309,428	1,277	18,636,563
Total financial assets	487,341,788	84,494,837	104,074,161	84,478,200	172,965,941	298,144,515	57,762,173	1,289,261,615

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.3 Liquidity risk (Continued)

Analysis of the remaining maturity of the financial assets and financial liabilities (Continued)

	As at June 30, 2026 (Unaudited)							Total
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Borrowings from central bank	-	(987,775)	-	(10,646)	(5,022,034)	-	-	(6,020,455)
Due to customers	-	(102,114,519)	(59,704,983)	(95,737,612)	(81,061,198)	(7,153,179)	-	(345,771,491)
Deposits from banks and financial institutions	-	(1,208,435)	(1,097,199)	(3,942,548)	(13,211,876)	-	-	(19,460,058)
Placements from banks and financial institutions	-	-	(7,576,211)	(7,350,378)	(1,611,384)	-	-	(16,537,973)
Financial liabilities at fair value through profit or loss	-	(359,015)	(3,412,161)	(1,547,033)	(1,108,936)	(3,328,838)	(29,435)	(9,785,418)
Financial assets sold under repurchase agreements	-	-	(15,987,110)	(8,455,442)	(8,247,045)	(1,502,470)	-	(34,192,067)
Borrowings	-	(326,749)	(36,456,683)	(63,764,870)	(295,621,287)	(257,116,282)	(3,420,392)	(656,706,263)
Bonds issued	-	-	(849,663)	(2,882,349)	(62,662,304)	(145,481,939)	(9,562,887)	(221,439,142)
Accounts payable	-	(5,124,022)	-	-	-	-	-	(5,124,022)
Other financial liabilities	(1,687,019)	(29,739,154)	(3,949,747)	(417,542)	(1,761,229)	(4,652,782)	(182,177)	(42,389,650)
Total financial liabilities	(1,687,019)	(139,859,669)	(129,033,757)	(184,108,420)	(470,307,293)	(419,235,490)	(13,194,891)	(1,357,426,539)
Net position	485,654,769	(55,364,832)	(24,959,596)	(99,630,220)	(297,341,352)	(121,090,975)	44,567,282	(68,164,924)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.3 Liquidity risk (Continued)

Analysis of the remaining maturity of the financial assets and financial liabilities (Continued)

	As at December 31, 2025 (Audited)							Total
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Cash and balances with central banks	12,023,358	3,980,565	–	–	–	–	–	16,003,923
Deposits with banks and financial institutions	–	96,672,015	6,607,036	6,603,419	7,367,001	400,000	–	117,649,471
Placements with banks and financial institutions	–	–	18,619,559	2,888,881	5,668,802	–	–	27,177,242
Deposits with exchanges and others	4,312,151	–	–	–	–	–	–	4,312,151
Financial assets at fair value through profit or loss	438,456,199	27,973,933	8,575,653	12,251,030	24,071,141	69,721,618	2,749,693	583,799,267
Loans and advances to customers	13,376,170	847,119	43,773,643	35,624,483	99,251,719	132,123,418	41,290,115	366,286,667
Accounts receivable	391,305	3,434,038	17,586	224,234	133,011	673,494	–	4,873,668
Financial assets held under resale agreements	405,866	–	4,332,364	109,277	394,717	1,011,748	–	6,253,972
Financial assets at fair value through other comprehensive income	15,248,718	–	12,718,931	21,613,822	54,798,922	104,796,019	16,859,586	226,035,998
Financial assets at amortized cost	18,961,354	–	2,433,128	4,249,761	18,506,163	18,793,141	2,088,607	65,032,154
Other financial assets	8,843,884	8,439,802	2,906,830	11,490	13,384	310,181	359	20,525,930
Total financial assets	512,019,005	141,347,472	99,984,730	83,576,397	210,204,860	327,829,619	62,988,360	1,437,950,443

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.3 Liquidity risk (Continued)

Analysis of the remaining maturity of the financial assets and financial liabilities (Continued)

	As at December 31, 2025 (Audited)							Total
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Borrowings from central bank	-	(986,058)	(4,211,384)	(2,698,090)	-	-	-	(7,895,532)
Accounts payable to brokerage clients	-	(28,658,852)	-	-	-	-	-	(28,658,852)
Due to customers	-	(95,672,546)	(70,277,451)	(100,811,211)	(73,294,903)	(16,186,373)	(9,551,450)	(365,793,934)
Deposits from banks and financial institutions	-	(1,052,903)	(7,367,781)	(3,098,693)	(2,374,813)	-	-	(13,894,190)
Placements from banks and financial institutions	-	-	(25,071,146)	(8,986,047)	(6,928,380)	-	-	(40,985,573)
Financial liabilities at fair value through profit or loss	-	(356,587)	(747,465)	(4,563,040)	(1,929,323)	(3,170,959)	-	(10,767,374)
Financial assets sold under repurchase agreements	-	(153,310)	(36,690,672)	(1,475,879)	(2,406,613)	(1,001,865)	-	(41,728,339)
Borrowings	-	(339,793)	(40,928,533)	(58,324,931)	(309,891,692)	(251,909,565)	(3,340,257)	(664,734,771)
Bonds issued	-	-	(7,936,016)	(5,353,216)	(29,762,226)	(191,760,611)	(15,920,394)	(250,732,463)
Accounts payable	-	(5,738,847)	-	-	-	-	-	(5,738,847)
Other financial liabilities	(8,062,544)	(20,295,442)	(1,259,950)	(387,626)	(4,026,171)	(7,867,528)	(152,689)	(42,051,950)
Total financial liabilities	(8,062,544)	(153,254,338)	(194,490,398)	(185,698,733)	(430,614,121)	(471,896,901)	(28,964,790)	(1,472,981,825)
Net position	503,956,461	(11,906,866)	(94,505,668)	(102,122,336)	(220,409,261)	(144,067,282)	34,023,570	(35,031,382)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.4 Risk management of distressed assets

Risk of distressed assets represents the potential loss that may arise from a counterparty's failure to meet its obligation or changes in market conditions that lead to a decline in the asset value. Risk of distressed assets can also arise from operational failures due to unauthorized or inappropriate purchase, disposal or management activities, which result in the recoverable amount of the distressed assets lower than their carrying amounts.

Such distressed assets include acquisition-operation distressed assets, restructured distressed assets and equity instruments obtained through debt-to-equity swap.

The types of risk, their risk management procedures, fair value measurement techniques and impairment assessment are similar to those described in the consolidated financial statements for the year ended December 31, 2025.

54.5 Capital management

The Group's objectives on capital management are as follows:

- Ensure compliance with regulatory requirements;
- Optimize capital allocation among the group entities;
- Improve efficiency of capital employment;
- Safeguard the Group's ability to continue as a going concern to support the Group's development.

In accordance with the requirements of the Regulation Governing Capital of Financial Asset Management Companies (Provisional) (Yinjianfa [2017] No. 56), issued by the National Financial Regulatory Administration (the former CBIRC) in 2017, the Group manages its capital based on the required minimum capital. Compliance with the requirement of minimum capital is the primary goal of capital management of the Group.

Minimum capital of the Group is the total of minimum capital of the Company and its subsidiaries after taking into account of the percentage of shareholding and making deduction as required by relevant rules and regulations. The Group is required to meet this minimum capital requirement stipulated by the NFRA.

Notes to the Interim Condensed Consolidated Financial Statements

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(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

54. Financial risk management (Continued)

54.5 Capital management (Continued)

The Company is required to maintain a minimum of core Tier I, common Tier I and Tier II Capital Adequacy Ratio ("CAR") at 9%, 10% and 12.5%, respectively. CAR is calculated by dividing the corresponding qualified capital of the Company by its risk-weighted assets. As at June 30, 2026 and December 31, 2025, the Company complied with the regulatory requirements on the minimum CAR.

55. Fair values of financial instruments

55.1 Fair values of financial assets and financial liabilities that are not measured at fair value

Except as detailed in the following table, the Company considered that the carrying amounts of financial assets and financial liabilities in the interim condensed consolidated financial statements approximate their fair values.

	As at June 30, 2026 (Unaudited)	
	Carrying amount	Fair value
Financial assets		
Financial assets at amortized cost		
– Distressed debt assets	17,091,385	17,591,677
– Other debt investments	41,708,883	41,701,099
Total	58,800,268	59,292,776
Financial liabilities		
Borrowings	(656,706,263)	(651,823,051)
Bonds issued	(221,439,142)	(225,296,052)
Total	(878,145,405)	(877,119,103)

Notes to the Interim Condensed Consolidated Financial Statements

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IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.1 Fair values of financial assets and financial liabilities that are not measured at fair value (Continued)

	As at December 31, 2025 (Audited)	
	Carrying amount	Fair value
Financial assets		
Financial assets at amortized cost		
– Distressed debt assets	21,097,118	21,966,168
– Other debt investments	43,935,036	43,927,021
Total	65,032,154	65,893,189
Financial liabilities		
Borrowings	(664,734,771)	(660,348,489)
Bonds issued	(250,732,463)	(255,157,951)
Total	(915,467,234)	(915,506,440)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.1 Fair values of financial assets and financial liabilities that are not measured at fair value (Continued)

	As at June 30, 2026 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortized cost				
– Distressed debt assets	–	–	17,591,677	17,591,677
– Other debt investments	–	20,567	41,680,532	41,701,099
Total	–	20,567	59,272,209	59,292,776
Financial liabilities				
Borrowings	–	–	(651,823,051)	(651,823,051)
Bonds issued	–	(225,296,052)	–	(225,296,052)
Total	–	(225,296,052)	(651,823,051)	(877,119,103)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.1 Fair values of financial assets and financial liabilities that are not measured at fair value (Continued)

	As at December 31, 2025			
	(Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortized cost				
– Distressed debt assets	–	–	21,966,168	21,966,168
– Other debt investments	–	20,859	43,906,162	43,927,021
Total	–	20,859	65,872,330	65,893,189
Financial liabilities				
Borrowings	–	–	(660,348,489)	(660,348,489)
Bonds issued	–	(255,157,951)	–	(255,157,951)
Total	–	(255,157,951)	(660,348,489)	(915,506,440)

The fair values of the financial assets and financial liabilities included in Level 2 and Level 3 above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties.

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

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

Assets and liabilities measured at fair value are classified into the following three levels based on the degree of fair value observability:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Valuation techniques are used, for which certain inputs that have a significant impact on the valuation are based on unobservable for the asset or liability.

The following is a description of the fair value of financial instruments measured at fair value which are determined using valuation techniques. They have incorporated the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Fair values of financial assets

Financial investments valued using valuation techniques include bonds, structured entity investments, equity investments, distressed debt assets, loans and advances to customers, derivative financial assets and other financial assets. When valuing these investments, the Group primarily utilizes observable data or a combination of both observable and unobservable data. Observable valuation parameters include assumptions regarding current interest rates and quoted prices from active markets.

The fair value of the Group's Level 2 bond investments is determined based on valuation results provided by China Central Depository & Clearing Co., Ltd., with all significant valuation parameters affecting the valuation result derived from observable market information.

Valuation techniques for the Group's Level 3 financial investments primarily include discounted cash flow models, income approaches, market multiples methods, comparable transaction cases, and option pricing models. Unobservable valuation parameters include assumptions regarding expected default rates, discount rates, market multiples, discount for lack of marketability (DLOM), expected recoverable amounts, expected future cash flow, expected recovery date, comparable transaction price and volatility rates.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial liabilities at fair value through profit or loss

The Group's liabilities classified as Level 2, measured at fair value with changes recognized in profit or loss, include short positions in exchange fund bills and notes and certain over-the-counter derivative financial liabilities, which are calculated using inputs other than quoted prices that are observable for the asset or liability, for example: (i) interest rates and yield curves observable at commonly quoted intervals; (ii) implied volatilities; and (iii) credit spreads. The Group's liabilities classified as Level 3 mainly consist of structured payment obligations for Distressed Assets, which are valued using a discounted cash flow model; the model parameters include expected recoverable amounts, expected recovery date and discount rates commensurate with the expected risk profile.

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

	As at June 30, 2026 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets at fair value through profit or loss	22,451,151	29,957,200	483,365,723	535,774,074
– Bonds	3,163,714	20,426,657	292,259	23,882,630
– Structured entity investments	7,543,485	4,395,250	125,960,655	137,899,390
– Equity investments	11,441,215	–	68,581,835	80,023,050
– Distressed debt assets	–	–	259,829,664	259,829,664
– Derivative financial assets	302,737	1,314,940	1,439	1,619,116
– Other	–	3,820,353	28,699,871	32,520,224
Loans and advances to customers	–	–	17,367,140	17,367,140
Financial assets at fair value through other comprehensive income	6,735,651	186,925,400	996,240	194,657,291
– Bonds	–	186,925,400	–	186,925,400
– Equity instruments	6,735,651	–	996,240	7,731,891
Total assets	29,186,802	216,882,600	501,729,103	747,798,505

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	As at June 30, 2026 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
– Short positions in exchange fund bills and notes	–	(5,716,601)	–	(5,716,601)
– Derivative financial liabilities	–	(820,585)	–	(820,585)
– Structured payment obligations for distressed assets	–	–	(3,248,232)	(3,248,232)
Total liabilities	–	(6,537,186)	(3,248,232)	(9,785,418)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	As at December 31, 2025			
	(Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets at fair value through profit or loss	30,333,499	61,340,562	492,125,206	583,799,267
– Bonds	3,433,573	45,777,900	3,163,556	52,375,029
– Structured entity investments	11,000,566	7,463,406	131,916,591	150,380,563
– Equity investments	15,494,376	–	72,181,989	87,676,365
– Distressed debt assets	–	–	258,081,728	258,081,728
– Derivative financial assets	404,984	969,456	–	1,374,440
– Other	–	7,129,800	26,781,342	33,911,142
Loans and advances to customers	–	–	14,821,680	14,821,680
Financial assets at fair value through other comprehensive income	15,384,768	209,609,383	1,041,847	226,035,998
– Bonds	1,177,897	208,151,079	–	209,328,976
– Equity instruments	14,206,871	1,458,304	1,041,847	16,707,022
Total assets	45,718,267	270,949,945	507,988,733	824,656,945

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	As at December 31, 2025			
	(Audited)			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
– Short positions in exchange fund bills and notes	–	(6,492,339)	–	(6,492,339)
– Derivative financial liabilities	(33)	(1,169,340)	(2,547)	(1,171,920)
– Structured payment obligations for distressed assets	–	–	(3,103,115)	(3,103,115)
Total liabilities	(33)	(7,661,679)	(3,105,662)	(10,767,374)

There were no transfers between Level 1 and Level 2 for the financial assets and the financial liabilities measured at fair value during the period/year.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis: (Continued)

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

Business type	Valuation technique(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Distressed debt assets	Discounted cash flow models	Expected recoverable amounts	The higher the recoverable amounts, the higher the fair value
		Expected recovery date	The earlier the recovery date, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value
Unlisted equity investments	Discounted cash flow models	Expected recoverable amounts	The higher the recoverable amounts, the higher the fair value
		Expected recovery date	The earlier the recovery date, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis: (Continued)

Business type	Valuation technique(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
	Market multiples methods	Market multiplier.	The higher the market multiplier, the higher the fair value
		Discount for lack of marketability (DLOM)	The lower the DLOM, the higher the fair value
	Comparable transaction cases	Comparable transaction price	The higher the price, the higher the fair value
	Income approach	Expected future cash flow	The more the future cash flow, the higher the fair value
		Discount for lack of marketability (DLOM)	The lower the DLOM, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rate, the higher the fair value
Restricted listed equity investments	Option pricing model	Stock volatility	The lower the stock volatility, the higher the fair value

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis: (Continued)

Business type	Valuation technique(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Debt securities	Discounted cash flow models	Default rates of recovery	The lower the default rates of recovery, the higher the fair value
		Expected recoverable amounts	The higher the expected recoverable amount, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value
Structured entity investments	Discounted cash flow models	Expected recoverable amounts	The higher the recoverable amounts, the higher the fair value
		Expected recovery date	The earlier the recovery date, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value
	Market multiples methods	Market multiplier.	The higher the market multiplier, the higher the fair value
		Discount for lack of marketability (DLOM)	The lower the DLOM, the higher the fair value
	Comparable transaction cases	Comparable transaction price	The higher the DLOM, the higher the fair value

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis: (Continued)

Business type	Valuation technique(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Derivative financial assets	Discounted cash flow models	Expected recoverable amounts	The higher the recoverable amounts, the higher the fair value
		Expected recovery date	The earlier the recovery date, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value
Other financial assets	Discounted cash flow models	Expected recoverable amounts	The higher the recoverable amounts, the higher the fair value
		Expected recovery date	The earlier the recovery date, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.2 Fair values of financial assets and financial liabilities that are measured at fair value on a recurring basis: (Continued)

Business type	Valuation technique(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Loans and advances to customers	Discounted cash flow models	Expected recoverable amounts	The higher the recoverable amounts, the higher the fair value
		Expected recovery date	The earlier the recovery date, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value
Structured payment obligations for Distressed Assets	Discounted cash flow models	Expected recoverable amounts	The higher the recoverable amounts, the higher the fair value
		Expected recovery date	The earlier the recovery date, the higher the fair value
		Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.3 Reconciliation of Level 3 fair value measurements

	(Unaudited)		
	Financial assets at FVTPL	Financial assets at FVOCI	Financial liabilities at FVTPL
As at January 1, 2026	492,125,206	1,041,847	(3,105,662)
Recognized in profit or loss	4,295,269	—	98
Recognized in other comprehensive income	—	(3,667)	—
Purchases/additions	29,875,984	—	(309,074)
Settlements/disposals at cost	(42,822,184)	—	166,406
Transfer out from Level 3	(108,552)	(41,940)	—
As at June 30, 2026	483,365,723	996,240	(3,248,232)
Unrealized gains or losses for the period included in profit or loss for assets/liabilities held as at the end of the period	1,721,614	—	—

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

55. Fair values of financial instruments (Continued)

55.3 Reconciliation of Level 3 fair value measurements (Continued)

	Financial assets at FVTPL	(Audited) Financial assets at FVOCI	Financial liabilities at FVTPL
As at January 1, 2025	476,786,998	1,002,311	(1,860,024)
Recognized in profit or loss	19,664,070	–	15,892
Recognized in other comprehensive income	–	9,556	–
Purchases/additions	121,764,746	29,980	(1,268,158)
Settlements/disposals at cost	(125,159,032)	–	6,628
Transfer in Level 3	3,240	–	–
Transfer out from Level 3	(934,816)	–	–
As at December 31, 2025	492,125,206	1,041,847	(3,105,662)
Unrealized gains or losses for the year			
included in profit or loss for assets/liabilities			
held at the end of the year	2,549,584	–	(2,548)

For the six months ended June 30, 2026 and the year ended December 31, 2025, certain restricted equity investments became tradable and quoted prices were available in active markets, these equity investments were transferred from Level 3 to Level 1 of the fair value hierarchy during the reporting period.

Total gains or losses for the six months ended June 30, 2026 and the year ended December 31, 2025 included in the statement of profit or loss as well as total gains or losses included in the statement of profit or loss relating to financial instruments held as at June 30, 2026 and December 31, 2025 are presented in “fair value changes on distressed debt assets”, “fair value changes on other financial instruments” and “credit impairment losses” depending on the nature or category of the related financial instruments.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

56. Acquisition of subsidiaries

During the six months ended June 30, 2026, Cinda Real Estate acquired a subsidiary which holds a 100% interest. Cinda Real Estate controls the company by virtue of its ability to appoint a majority of the board of directors and to exercise controlling shareholder's voting rights. Therefore, this company is included in the scope of consolidation. Its information is set out below:

Consideration paid:

	For the six months ended June 30, 2026
Cash consideration paid	570,000

Analysis of net assets of the subsidiaries acquired:

	As at the date of acquisition
Net assets	570,000

Net cash flows arising on acquisition:

	For the six months ended June 30, 2026
Cash consideration paid	(570,000)
Cash and cash equivalents balances acquired	113
Net cash outflow	(569,887)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

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IV. EXPLANATORY NOTES (Continued)

57. Disposal of subsidiaries

During the six months ended June 30, 2026, the Group did not dispose of any of its subsidiaries, and therefore no impact was caused on the operating results and cash flow of the Group.

During the six months ended June 30, 2025, the Group did not dispose of any of its subsidiaries, and therefore no impact was caused on the operating results and cash flow of the Group.

58. Discontinued operation

On November 19, 2025, China International Capital Corporation Limited ("CICC"), Cinda Securities and Dongxing Securities Co., Ltd. ("Dongxing Securities") signed a cooperation agreement regarding the share exchange merger of CICC acquiring and merging with Cinda Securities and Dongxing Securities. On December 17, 2025, CICC, Cinda Securities and Dongxing Securities signed a share exchange merger agreement ("Proposed Mergers"). On June 8, 2026, the Proposed Mergers have been approved by the Company's second extraordinary shareholders' meeting, as well as by the shareholders' meetings of Cinda Securities, CICC, Dongxing Securities and other parties. As at June 30, 2026, the Group has classified Cinda Securities as a disposal group held for sale. Cinda Securities represented the Group's security business which is a separate major line of group business, met the criteria for a discontinued operation.

58.1 Profit from the discontinued operation

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Fair value changes on other financial instruments	608,198	510,303
Investment income (1)	569,689	552,480
Interest income (2)	916,981	802,652
Commission and fee income (4)	1,349,373	1,044,416
Other income and other net gains	16,773	22,091
Total	3,461,014	2,931,942

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

58. Discontinued operation (Continued)

58.1 Profit from the discontinued operation (Continued)

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Interest expense (3)	(604,703)	(599,892)
Employee benefits	(572,689)	(597,170)
Commission and fee expense (5)	(416,407)	(294,826)
Business tax and surcharges	(14,555)	(10,919)
Depreciation and amortisation expenses	(104,724)	(120,728)
Other expenses	(171,491)	(194,220)
Expected credit losses	(10,128)	27,115
Total	(1,894,697)	(1,790,640)
Change in net assets attributable to other holders of consolidated structured entities	(54,406)	(14,687)
Profit before share of results of associates and joint ventures and tax	1,511,911	1,126,615
Share of results of associates and joint ventures	3,250	5,204
Profit before tax from the discontinued operation	1,515,161	1,131,819
Income tax charge from the discontinued operation	(417,875)	(104,096)
Profit after tax for the period from the discontinued operation	1,097,286	1,027,723
Earnings per share attributable to ordinary equity holders of the Company from the discontinued operation (Expressed in RMB Yuan per share)		
– Basic	0.02	0.02
– Diluted	0.02	0.02

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

58. Discontinued operation (Continued)

58.1 Profit from the discontinued operation (Continued)

(1) Investment income

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Net realized gains on disposal of		
– Financial assets at fair value through other comprehensive income	285,509	280,310
Dividend income from		
– Financial assets at fair value through other comprehensive income	286,940	280,711
Others	(2,760)	(8,541)
Total	569,689	552,480

(2) Interest income

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Loans and advances to customers	377,761	326,567
Financial assets at fair value through other comprehensive income	259,240	258,416
Deposits with banks and financial institutions	243,320	195,065
Financial assets held under resale agreements	36,660	22,604
Total	916,981	802,652

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

58. Discontinued operation (Continued)

58.1 Profit from the discontinued operation (Continued)

(3) Interest expense

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Borrowings	(14,195)	(13,817)
Bonds issued	(258,613)	(218,878)
Placements from banks and financial institutions	(176,199)	(148,600)
Financial assets sold under repurchase agreements	(123,393)	(184,307)
Accounts payable to brokerage clients	(26,733)	(26,861)
Lease liabilities	(4,568)	(6,133)
Others	(1,002)	(1,296)
Total	(604,703)	(599,892)

(4) Commission and fee income

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Securities and futures brokerage	862,083	623,016
Fund and asset management business	409,725	360,847
Securities underwriting	37,925	23,541
Consultancy and financial advisory	26,683	21,087
Others	12,957	15,925
Total	1,349,373	1,044,416

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

58. Discontinued operation (Continued)

58.1 Profit from the discontinued operation (Continued)

(5) Commission and fee expense

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Securities and futures brokerage	(292,773)	(200,416)
Fund and asset management business	(112,575)	(92,019)
Insurance sales	(3,302)	–
Others	(7,757)	(2,391)
Total	(416,407)	(294,826)

58.2 Net cash flows from the discontinued operation

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Operating	1,122,886	1,163,686
Investing	4,595,356	(701,039)
Financing	(2,257,569)	(1,172,448)
Net cash inflow/(outflow)	3,460,673	(709,801)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026
(Amounts in thousands of RMB, unless otherwise stated)

IV. EXPLANATORY NOTES (Continued)

58. Discontinued operation (Continued)

58.3 Assets and liabilities held for sale

	As at June 30, 2026 (Unaudited)
Assets	
Deposits with banks and financial institutions	33,916,072
Deposits with exchanges and others	4,034,918
Financial assets at fair value through profit or loss	32,978,249
Financial assets held under resale agreements	761,187
Financial assets at fair value through other comprehensive income	26,903,688
Loans and advances to customers	18,548,038
Interests in associates and joint ventures	388,706
Other assets	1,609,290
Total	119,140,148
Liabilities	
Accounts payable to brokerage clients	31,375,246
Placements from banks and financial institutions	18,568,059
Financial liabilities at fair value through profit or loss	62,549
Financial assets sold under repurchase agreements	15,922,336
Borrowings	769,794
Bonds issued	20,671,061
Other liabilities	2,661,572
Total	90,030,617

58.4 Other comprehensive income from the discontinued operation

	As at June 30, 2026 (Unaudited)
Other comprehensive income	402,517

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

(Amounts in thousands of RMB, unless otherwise stated)

V. COMPARATIVE AMOUNTS

The Group has adjusted certain comparative amounts for disclosure purposes in the consolidated financial statements. The comparative consolidated statement of profit or loss has been re-presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period.

VI. EVENTS AFTER THE REPORTING PERIOD

As at August 16, 2026, in accordance with the relevant terms of the prospectus, the Company exercised the conditional redemption right and fully redeemed the RMB10 billion undated capital bonds issued in the inter-bank bond market in August 2021.

The meeting of the Board of Directors approved the proposal on the redemption of the Offshore Preference Shares on June 29, 2026, approving that the Company will redeem all of the Offshore Preference Shares on November 3, 2026 (the “Redemption”), subject to satisfying the relevant requirements. In August 2026, the Company has received a letter from the National Financial Regulatory Administration that raised no objection to the Redemption. In accordance with the terms and conditions of the Offshore Preference Shares, the Company proposes to redeem all of the Offshore Preference Shares on November 3, 2026.

The meeting of the Board of Directors approved the resolution on the dividend allocation of Offshore Preference Shares on August 31, 2026, allowing the Company to distribute dividends of Offshore Preference Shares on November 3, 2026, at the rate of 4.40% per annum (after tax). The aggregate dividend distribution amounted to USD74.80 million (after tax).

VII. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by the Board of Directors of the Company on August 31, 2026.



China Cinda Asset Management Co., Ltd.
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