China Cinda Asset Management Co., Ltd.
中國信達資產管理股份有限公司

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

(Stock Code: 01359 and 04621 (Preference Shares))

2024 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of China Cinda Asset Management Co., Ltd. (the "**Company**") announces the audited results of the Company and its subsidiaries for the year ended December 31, 2024. This announcement, containing the full text of the 2024 Annual Report of the Company, complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of annual results. The Company's 2024 Annual Report will be released and available for viewing on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.cinda.com.cn in late April 2025.

By Order of the Board
China Cinda Asset Management Co., Ltd.
ZHANG Weidong
Chairman

Beijing, the PRC
March 25, 2025

As at the date of this announcement, the Board consists of Mr. ZHANG Weidong, Mr. LIANG Qiang and Mr. ZHAO Limin as executive Directors, Mr. CHEN Xiaowu, Mr. ZENG Tianming and Ms. ZHANG Zhongmin as non-executive Directors, and Mr. LU Zhengfei, Mr. LAM Chi Kuen, Mr. WANG Changyun, Mr. SUN Maosong and Ms. SHI Cuijun as independent non-executive Directors.

COMPANY PROFILE

China Cinda Asset Management Corporation, the predecessor of the Company, was the first AMC established in April 1999 pursuant to the approval of the State Council to effectively tackle financial risks and maintain the stability of the financial system as well as to facilitate the reform and development of state-owned banks and enterprises. In June 2010, China Cinda Asset Management Corporation was reorganized to establish China Cinda Asset Management Co., Ltd. In April 2012, the Company received investments from four strategic investors, namely the National Council for Social Security Fund of the PRC, UBS AG, CITIC Capital Holdings Limited and Standard Chartered Bank. On December 12, 2013, the Company was successfully listed on the main board of the Hong Kong Stock Exchange and became the first AMC in China listed on the international capital market.

Our principal business segments include distressed asset management and financial services. Distressed asset management is the core business of the Company. The Company has 33 branches in 30 provinces, autonomous regions and municipalities in mainland China and nine directly managed subsidiaries as platforms for providing distressed asset management and financial services in mainland China and Hong Kong, including Nanyang Commercial Bank, Limited, Cinda Securities Co., Ltd., China Jingu International Trust Co., Ltd., Cinda Financial Leasing Co., Ltd., China Cinda (HK) Holdings Company Limited, Cinda Investment Co., Ltd., Cinda Real Estate Co., Ltd., Cinda Capital Management Co., Ltd. and Zhongrun Economic Development Co., Ltd. The Group had approximately 14,000 employees at the end of 2024.

In 2024, the Company won various awards, including the "Award of the Best Company in Listed Companies" by the China Financial Market, "Top 20 Financial Institution" in the 2024 New Quality Productive Forces Investment Institution Soft Power Rankings, Top 50 Institutional Limited Partners in China's VC/PE market for 2024, "Outstanding Institution of the Year" at the 10th China Asset Securitization Forum, titles of "Outstanding Sponsor of Asset Securitization Business" and "Outstanding Sponsor of Asset Securitization Innovative Business" by the Shanghai Stock Exchange in 2024, Golden Whistle Award of the Annual Top 10 RMB Secondary Fund Buyer-Side Institutions, the Best ESG Information Disclosure Award in the 2024 Hong Kong International ESG List Annual Selection, the "Golden Flash Award" and the "First Prize in the Information Innovation Track" at the China Internet Innovation Competition, the Brand Innovation Development Case of the Year in 2024 China Brand Development Research Report, the Good News Award of "Inclusive Finance" of Banking by the China Banking Association, the "Jinnuo • Financial Brands Annual Promotional Video" by the China Banking and Insurance News and the "Gold Video Award • The Second Short Video Competition for Financial Institutions" in the theme of technology and finance by the Sina Finance.

CORPORATE CULTURE

Practising financial culture with Chinese characteristics

Uphold credibility, never overstep the bottom line
Pursue profit with principles, avoid profit-only development
Take prudent steps, no rush for quick gains
Uphold integrity and innovation, prevent shift from real economy to hollow growth
Comply with laws, never act recklessly

Our mission

To resolve financial risks for China
To provide excellent services for the customers
To create the best returns for the shareholders
To build development platforms for the employees
To undertake more responsibilities for the society

Our vision

To become a famous brand of asset management and financial services, and build a modern financial enterprise with core competency

Our core values

"Start from good faith, achieve through action" – integrity, integration, innovation and excellence

Our basic principles

Operational concept: Market-oriented and focus on benefits
Service concept: Customer first and trustworthiness
Competitive concept: Entrepreneurship and pioneer
Risk concept: Bottom line defense and proactive management
Management concept: Respect for rules, stringency and effectiveness
Talent concept: Hiring based on talent, position based on competence
Responsibility concept: Task taker and due diligence
Team concept: Solidarity, diligence, simplicity

High-quality development concept: Professional management, efficiency first, value creation

Cinda's excellent culture: Simple and fresh, vitality and inclusiveness, and spirit of courage

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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 Share(s)"	the 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 on the Hong Kong Stock Exchange (stock code: 04621)
"Articles"	the current articles of association of China Cinda Asset Management Co., Ltd.
"CBIRC" or "CBRC"	the former China Banking and Insurance Regulatory Commission, the former China Banking Regulatory Commission
"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 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
"H Share(s)"	ordinary share(s) with 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 Standards 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"	March 21, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
"MOF"	the Ministry of Finance of the PRC
"NFRA"	National Financial Regulatory Administration
"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
"NCSSF"	National Council for Social Security Fund, PRC
"PBOC"	the People's Bank of China
"PRC GAAP"	Accounting Standards for Business Enterprises and the Application Guidance thereof promulgated by MOF, as well as other relevant regulations
"Reporting Period"	the year ended December 31, 2024
"RMB"	Renminbi
"State Council"	the State Council of the People's Republic of China
"Zhongrun Development"	Zhongrun Economic Development Co., Ltd., a subsidiary of the Company

IMPORTANT NOTICE

The Board, Board of Supervisors and Directors, Supervisors and Senior Management undertake that information in this annual report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and individually and jointly take legal responsibility for its contents.

On March 25, 2025, at the 2025 second meeting and the 2025 first regular meeting of the Board, the Board considered and approved the 2024 Annual Report (2024 Annual Results Announcement) of the Company. There were 11 Directors eligible to attend the meeting, of whom 10 Directors attended in person.

The annual financial reports for 2024 prepared by the Company according to the PRC GAAP and IFRS Accounting Standards, respectively, were audited by Ernst & Young Hua Ming LLP and Ernst & Young in accordance with the Chinese and International Standards on Auditing, respectively, and they have issued the standard and unqualified audit reports for the Company.

The Board proposed to distribute a cash dividend for ordinary shares of RMB0.2387 per 10 shares (tax inclusive) for 2024 to shareholders, which is subject to the approval at the annual general meeting for 2024.

Board of Directors of China Cinda Asset Management Co., Ltd.
March 25, 2025

The Chairman of the Company, ZHANG Weidong, the President of the Company, LIANG Qiang, and the Chief Financial Officer of the Company, YANG Yingxun, warrant that the financial statements in this report are true, accurate and complete.

This report may contain forward-looking statements relating to risks and future plans. These forward-looking statements are based on information presently available to us and from other sources which we consider reliable. These forward-looking statements relating to the future events or the financial, business or other performance of the Company in the future are subject to uncertainties which could cause the actual results to differ materially. Investors are advised not to place undue reliance on these forward-looking statements. Future plans involved in these forward-looking statements do not constitute any guarantee made by the Company to the investors. Investors are advised to exercise caution when making investment.

For details of the major risks faced and the relevant measures taken by the Company, please see "Management Discussion and Analysis" – "Risk Management" in this report.

This report is prepared in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.

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 annual reports for H Shares	www.hkexnews.hk		
Place for maintaining annual reports 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong		
Unified social credit code	91110000710924945A		
Registration number of financial license	J0004H111000001		
Legal advisors as to PRC Law	Fangda Partners	Legal advisor as to Hong Kong Law	Clifford Chance LLP
	Haiwen & Partners		
	Global Law Office		
	Tian Yuan Law Firm		
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.

In 2019, as approved at the general meeting, the Company entered into a legally binding transfer agreement with the transferees to transfer its 50.995% equity interests in Happy Life Insurance Co., Ltd. ("**Happy Life**"), and thus its equity interests in Happy Life were classified as assets held for sale. After such classification, insurance was no longer a business segment of the Group, and accordingly, it was presented as a discontinued operation. In July 2020, the CBIRC approved the transfer of equity interest and the Company ceased to have any interest in Happy Life. For the financial information for 2020 of the Group, the results of the discontinued operation and the results of continuing operations were presented separately, of which the profit or loss after tax from the discontinued operation was charged into the Consolidated Statement of Profit or Loss separately. Since 2021, the Group had no profit or loss after tax from a discontinued operation.

	As at and for the year ended December 31,				
	2024	2023	2022	2021	2020
	(in millions of RMB)				
Continuing operations					
Income from distressed debt assets at amortized cost	**2,114.7**	6,084.2	10,070.7	13,466.6	19,150.7
Fair value changes on distressed debt assets	**8,891.6**	7,618.4	11,284.3	15,475.8	12,547.0
Fair value changes on other financial instruments	**13,244.5**	11,214.2	5,410.4	14,674.8	12,566.5
Investment income	**595.8**	289.2	216.8	156.8	322.5
Interest income	**32,961.4**	33,061.5	27,394.9	25,100.8	23,899.2
Revenue from sales of inventories	**8,239.4**	9,502.4	16,068.3	20,385.5	24,316.3
Other income and other net gains or losses	**6,992.5**	8,397.9	10,543.0	8,470.7	7,331.8
Total income	**73,039.9**	76,167.8	80,988.4	97,731.0	100,134.0
Interest expense	**(42,912.4)**	(44,080.5)	(40,081.1)	(41,936.9)	(39,618.5)
Impairment losses on assets	**(10,730.8)**	(9,749.5)	(13,258.0)	(11,722.9)	(14,096.8)
Purchases and changes in inventories	**(7,043.1)**	(7,716.7)	(12,859.5)	(16,906.4)	(17,360.4)
Other costs and expenses	**(12,777.5)**	(12,850.1)	(13,268.0)	(13,582.3)	(12,984.0)
Total costs and expenses	**(73,463.8)**	(74,396.8)	(79,466.6)	(84,148.5)	(84,059.7)

	As at and for the year ended December 31,				
	2024	2023	2022	2021	2020
	(in millions of RMB)				
Change in net assets attributable to other holders of consolidated structured entities	**(13.6)**	(18.3)	(47.5)	(20.1)	(17.8)
Share of results of associates and joint ventures	**4,427.8**	6,433.5	8,983.3	5,816.5	252.7
Profit before tax from continuing operations	**3,990.3**	8,186.3	10,457.6	19,378.9	16,309.3
Income tax expense	**(482.1)**	(1,192.8)	(3,226.3)	(6,378.4)	(5,324.0)
Profit for the year from continuing operations	**3,508.2**	6,993.5	7,231.3	13,000.5	10,985.2
Discontinued operation					
Profit after tax for the year from a discontinued operation	**–**	–	–	–	3,752.0
Profit for the year	**3,508.2**	6,993.5	7,231.3	13,000.5	14,737.3
Profit attributable to:					
– Equity holders of the Company	**3,036.4**	5,820.9	6,313.4	12,061.7	13,247.9
– Non-controlling interests	**471.8**	1,172.6	917.9	938.7	1,489.4

	As at and for the year ended December 31,				
	2024	2023	2022	2021	2020
	(in millions of RMB)				
Assets					
Cash and balances with central banks	**13,383.5**	15,237.5	16,677.4	18,045.7	15,375.0
Deposits with banks and financial institutions	**95,758.1**	81,997.6	97,830.1	99,921.3	87,953.6
Financial assets at fair value through profit or loss	**548,690.2**	518,309.8	503,495.9	456,203.8	446,916.7
Financial assets at fair value through other comprehensive income	**197,325.3**	170,875.9	130,487.7	122,592.3	123,728.5
Loans and advances to customers	**374,238.3**	403,161.8	396,530.0	368,031.4	353,456.3
Financial assets at amortized cost	**77,966.2**	119,749.9	169,994.3	183,535.0	220,233.0
Other assets	**331,598.7**	285,024.9	300,973.6	315,949.8	270,420.5
Total assets	**1,638,960.3**	1,594,357.4	1,615,989.0	1,564,279.3	1,518,083.6
Liabilities					
Borrowings from the central bank	**9,642.2**	986.1	986.1	996.0	986.1
Accounts payable to brokerage clients	**23,718.7**	17,264.1	19,107.2	17,605.6	16,583.8
Due to customers	**370,459.2**	339,219.8	323,040.5	298,748.1	273,644.2
Borrowings	**581,366.1**	558,870.5	615,357.9	555,079.1	556,912.1
Accounts payable	**6,182.1**	4,783.0	4,946.9	5,389.5	4,886.7
Bonds issued	**289,779.6**	302,762.1	292,882.8	367,806.7	355,777.5
Other liabilities	**134,656.9**	153,315.7	151,672.5	116,878.8	114,250.8
Total liabilities	**1,415,804.8**	1,377,201.3	1,407,993.9	1,362,503.8	1,323,041.2
Equity					
Equity attributable to equity holders of the Company	**194,183.3**	192,829.0	188,205.7	178,800.8	172,108.7
Non-controlling interests	**28,972.1**	24,327.2	19,789.4	22,974.7	22,933.7
Total equity	**223,155.4**	217,156.2	207,995.1	201,775.5	195,042.4
Total equity and liabilities	**1,638,960.3**	1,594,357.4	1,615,989.0	1,564,279.3	1,518,083.6

	As at and for the year ended December 31,				
	2024	2023	2022	2021	2020
	(in millions of RMB)				
Financial indicators					
Return on average shareholders' equity[1] (%)	**0.92**	2.70	3.38	7.15	8.26
Return on average assets[2] (%)	**0.22**	0.44	0.45	0.84	0.97
Cost-to-income ratio[3] (%)	**24.85**	22.96	19.22	16.44	14.01
Earnings per share[4] (RMB)	**0.04**	0.11	0.14	0.29	0.32
Net assets per share[5] (RMB)	**4.23**	4.19	4.07	4.14	3.95

Notes:

(1) Represents the percentage of net profit (including net profit from a discontinued operation) attributable to ordinary shareholders of the Company 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 a discontinued operation) in the average balance of total assets as at the beginning and the end of the period.

(3) Calculated in accordance with the requirements of the Measures for the Performance Evaluation of Financial Enterprises (Cai Jin [2016] No. 35) issued by the MOF.

(4) Represents the net profit for the period (including net profit from a discontinued operation) attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue.

(5) Represents the net assets attributable to equity holders of the Company after deducting the amount of the preference shares and perpetual bonds at the end of the period divided by the number of ordinary shares as at the end of the period.

3 CHAIRMAN'S STATEMENT

As a new year comes, we look forward to new opportunities. The year 2024 just passed witnessed mounting external pressures and increasing internal difficulties. Nevertheless, China Cinda, guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, comprehensively implemented the spirit of the 20th CPC National Congress and the Second and Third Plenary Sessions of the 20th CPC Central Committee, actively practiced the political and people-oriented nature of financial work, forged ahead on the path of "Professional management, efficiency first and value creation" and maintained the development trend of pursuing progress while ensuring stability. In 2024, the Company's assets remained stable, and the quality and efficiency of development continued to improve. The Board proposed to distribute an annual cash dividend of RMB0.2387 per 10 shares, which is subject to consideration at the general meeting. This hard-won achievement is the result of the unremitting efforts of all 14,000 Cindaers and the strong support from all walks of life for the development of Cinda, to whom I, on behalf of the Board, would like to express my heartfelt appreciation!

The Company remained true to its original aspirations and continued to play a pivotal role in mitigating financial risks and serving the real economy over the past year.

Preventing and mitigating financial risks represents our duty and mission. Since its establishment 26 years ago, the Company has always focused on its main responsibility and main business of distressed assets, sparing no effort to mitigating financial risks, and supporting enterprises to alleviate difficulties, so as to safeguard China's financial security. In 2024, the Company continued to maintain its leading position in the open market share. It actively participated in the reform and risk mitigation in small and medium-sized financial institutions, and assisted several provinces, autonomous regions and municipalities in formulating and improving government debt resolution plans; invested in a total of over 160 real estate risk resolution projects and guaranteed the duly delivery of over 100,000 commercial housing units; and carried out a total of nearly 20 bankruptcy reorganization projects involving an amount of nearly RMB20.0 billion.

Serving the real economy represents our fundamental purpose. The Company strives to serving major national strategies, key areas and weak links, building up energy and strength for the "five priorities". In 2024, the business scale of "non-main business, non-dominant business" and "inefficient assets, ineffective assets" continued to expand, with significant achievements in mergers and acquisitions, reorganization and inventory revitalization. Focusing on the phased goals of the reform of state-owned enterprises, the Company continued to promote the deepening and upgrading of reforms. It corresponded to the requirements of supply-side structural reform and deleverage, and participated in the market-oriented debt-to-equity swaps of a total of over 50 enterprises. Over recent three years, the Company has invested more than RMB80.0 billion in strategic and emerging industries and nearly RMB40.0 billion in the energy and coal sectors. A number of projects led by or deeply involved in by the Company have been selected as "Typical Cases of Expanding Effective Investment by Revitalizing Existing Assets" by the NDRC, and the Company was awarded as one of the Top 50 Institutional Limited Partners in China's VC/PE Market and the Golden Whistle Award of the Annual Top 10 RMB Secondary Fund Buyer-Side Institutions in 2024.

Reforms and development are the driving forces behind our continuous progress. The Company attaches importance to accumulating experience in deepening its main business and seeking innovation while upholding integrity in business expansion. In recent years, the Company has gradually worked out and formed a professional and standardized business process to serve reform and risk resolution, providing customers with full-process services ranging from diagnosis of risk causes, due diligence, plan design, asset revitalization, debt management, industrial transformation, trusteeship to relief. As we keep extending market reach, continuously improving service level and upgrading business models, we are committed to providing differentiated and comprehensive solutions, discovering value for customers, integrating value for the market, and contributing value to society while enhancing market competitiveness.

The Company expanded its customer ecosystem, introduced digital empowerment in internal management and internal control as well as business expansion to promote its high-quality development over the past year.

Ecosystem construction continued to deepen. We have actively expanded customer resources. Through conducting "Ten Provinces and Twenty Cities" and "3+8" themed marketing campaigns and high-frequency visits, customer resources have been further expanded. The Company has entered into cooperation with a number of central and local state-owned enterprises, industry leaders and other high-quality strategic customers. **We have coordinated and leveraged on the empowerment of the ecosystem.** We enhanced customers' trust and improved market influence by holding industry forums to deeply tap into the strategic demands of industry leaders and growth-stage enterprises during their development progress and build a bridge for mergers and acquisitions and reorganization. **We have improved the supporting systems.** Through the formulation of a three-year action plan for customer marketing and the launch of the customer and collaboration App, we promoted customer management to be more normalized, standardized and refined.

Quality and efficiency were improved in risk prevention. We realized more comprehensive risk management, expanded and updated our risk prevention toolkit, and further improved the risk monitoring and evaluation indicator system and business continuity management system. In 2024, the Group's newly added risk assets dropped to the lowest level in the past three years. **We achieved more results in risk mitigation** and continued to improve the resolution mechanism for major projects. With company heads taking the lead and coordination from top-to-bottom levels, we broadened our thinking for disposal and disposed of assets in a more flexible manner. Substantial results have been achieved in a number of major projects. **We pursued more precise risk prevention and control,** made regular review and reassessment to sort out key risk points and transform risk resolution experience into business competitive strength.

Digital Cinda delivered results. In terms of business empowerment, we integrated the whole process of business scenarios into a new business system to achieve standardized and normalized business process; we launched the individual loan business system to support the innovative development of business; we expanded the "Smart Search" system to make direct connection by one press button possible, which has effectively linked partners in the ecosystem, including banks, property rights exchanges, law firms, accounting firms, etc.; and we piloted intelligent robotic process automation. **In terms of risk control empowerment,** we established systematic management and control in key business processes such as business access, capital investment and post-investment management, and promoted the organic integration of prevention by human and technology. **In terms of employee empowerment,** we built an AI system from scratch, established the artificial intelligence assistant "Cin Xiao Da", and developed support platforms and customer service tools for front-line business operations.

Our talent team continued to be optimized. We fortified pipeline building, replenished and strengthened grassroots groups and vigorously selected outstanding young cadres, thus constantly optimizing the structure of grassroots leading groups. We facilitated exchanges among cadres at all levels, improved the comprehensive capabilities of cadres, and strengthened the communication and collaboration between the top and bottom levels of the Company. **We strengthened talent cultivation** and organized more than 100 training sessions of all kinds for middle-level cadres, Party cadres, new employees and practical training camps, covering nearly 20,000 participants. We have created more than 200 flexible organizations to cultivate business backbones in urgent, difficult, crucial and major tasks such as risk resolution during operation, so as to enhance our competitive soft power.

The Company stayed true to its company mission, fulfilled social responsibilities and actively fulfilled the responsibilities of a central financial enterprise over the past year.

We upheld the philosophy of finance for the people, finance benefitting the people, and finance bringing convenience to the people. We gave play to our advantages in comprehensive financial services, focused closely on the financial needs of the private sector, small and micro enterprises and self-employed businesses, collaborated with our headquarters, branches and subsidiaries and innovated our products and service models to enhance the level of our inclusive financial services and support small enterprises to achieve great undertakings.

In 2024, the Company invested RMB20 million as assistance funds without repayment for Ledu District, Qinghai and realized consumption assistance of nearly RMB10 million through various channels. The Company continued to consolidate and expand the results of poverty alleviation and resolutely held the bottom line of preventing any large-scale return to poverty. The Company implemented post-earthquake housing safety hazard remediation and repair work in Ledu District, Qinghai, to safeguard the "desire to live in peace and security" of thousands of families; launched the "Cinda Ledu Sailing" student aid project in Ledu District, to light up the "lighthouse of dreams" of students; and continued to take village-based work as the main front for targeted assistance, and spared no effort to tackle the urgent and difficult issues faced by villagers in Bulunkou Village, Akto County, Xinjiang, providing support to the villagers for realizing "stable happiness".

In 2024, Ms. Zhang Yuxiang and Mr. Wang Shaoshuang ceased to be Directors due to age. On behalf of the Board of the Company, I would like to express gratitude for their contributions to the Company. Mr. Zeng Tianming and Ms. Zhang Zhongmin have joined the Board. The new Board will, as always, work hand in hand with the Company to solidly promote the Company's high-quality development!

"Dreams are distant, yet attainable by pursuit; wishes are arduous, but achievable by perseverance". Guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will unite more closely around the Party Central Committee with Comrade Xi Jinping at its core, stay committed to taking action, boost confidence, raise to challenges, and strive to achieve success, so as to make due contributions with practical work and solid achievements to accelerate the construction of a financial powerhouse!

Chairman: **ZHANG Weidong**
March 25, 2025

4 PRESIDENT'S STATEMENT

The year 2024 marked the 75th anniversary of the founding of the People's Republic of China and the 25th anniversary of the establishment of China Cinda. Amidst the complex and volatile external situation, China Cinda remained steadfast in implementing the decisions and arrangements of the CPC Central Committee, actively practiced the political and people-oriented nature in financial operation and focused on its main responsibilities and core business to serve the national strategy of prioritizing the "five priorities" of finance. The Company rose to challenges with proactive measures and consistently upheld its mission of preventing and defusing risks and the fundamental purpose of serving the real economy. The Company has made steady progress in its transformation and development, effectively prevented and controlled risks, and promoted the construction of a strong financial country with its own high-quality development. Operation and management endeavors have achieved positive progress.

Maintaining sound operation to be more resilient in reform and development

The management of the Company carried out its duty in accordance with the authorization and in compliance with the laws and regulations. The Company has achieved steady growth in asset scale, maintained a leading position in its core business, and demonstrated consistent efficiency in asset disposal.

As of the end of 2024, the Group's total assets amounted to RMB1.6 trillion, representing a year-on-year increase of 2.8%, of which the parent company's assets amounted to nearly RMB750 billion, representing a year-on-year increase of 1.9%. In 2024, the Company held on to the main business of financial distressed assets, with the scale of distressed assets acquired from banks exceeding RMB220 billion, maintaining the leading position in the industry. Distressed assets disposal efficiency remained robust, with disposal returns exceeding RMB50 billion for seven consecutive years. Capital adequacy ratios at all levels remained rational and safe.

Focusing on the main business to ensure quality and efficiency in mitigating risks of key areas

The Company actively leveraged the function of financial risk mitigation to contribute to the efforts of ensuring there are no systemic risks.

In 2024, the Company actively supported the reform and risk mitigation of small and medium-sized financial institutions, acquiring distressed assets from small and medium-sized banks with a scale over RMB140 billion. It offered tailored risk mitigation plans for high-risk small and medium-sized banks in a number of provinces. As part of its continuous efforts to support the real estate sector in defusing risks, the Company implemented 33 projects during the year, with an investment of nearly RMB17 billion, ensuring the delivery of more than 20,000 houses and driving the resumption of project construction with a value of more than RMB81 billion, which has promoted the virtuous cycle between the finance and real estate sectors. Through proper and prudent participation in the efforts to defuse local government debt risks, the Company made new investment of RMB4.5 billion in debt resolution projects of local governments, which has assisted local governments in raising resources for debt repayment, and provided debt management, platform transformation and other services to facilitate their resolution of debt risks in a smooth manner.

Optimizing supply to steadily improve the quality and efficiency of serving the real economy

Focusing on fully implementing the "five priorities", the Company increased financial support for major strategies, key areas and weak links.

In 2024, the Company further invested more than RMB200 billion in sectors serving the real economy. The professional leadership in technology finance yielded evident results, with 31 projects implemented and investment amounting to approximately RMB10 billion, contributing to the development of new quality productive forces. The Company coordinated and promoted the "10+10" hi-tech sailing action, setting up its first parent fund for the transformation of technological achievements to facilitate the commercialization of scientific research achievements. Green finance is being constantly reinforced, to effectively address difficulties encountered in green and low-carbon transformation, revitalization of inefficient wind and photovoltaic assets and industrial upgrading, contributing to enhancing the resilience of the industrial chain. The Company set up a RMB5 billion green carbon fund jointly with Zhejiang Energy Group and other organisations, focusing on renewable energy, energy storage, hydrogen energy and other fields, and integrating industrial and financial resources to support the green and low-carbon development of the real economy. In terms of inclusive finance, with the service quality and efficiency continuing to improve, the Company gave full play to the differentiated competitive advantages of its financial subsidiaries, offered tailor-made service solutions and invested more than RMB8.1 billion as inclusive financial funds during the year. In terms of pension finance, as the investment and research system was increasingly improved, the Company strengthened its strategic and forward-looking layout, launching the first "asset management + payment" pension trust product jointly issued by a financial institution and a private pension enterprise. In terms of digital finance, overall work was done to give support and increase efficiency, including upgrading the "Smart Search" ecological module, piloting intelligent robotic process automation, introducing the AI assistant "Cin Xiao Da" and "Nan Xiao Yang", and completing the localized deployment of DeepSeek to continuously empower the frontline and customers.

Upholding fundamental principles and breaking new ground to constantly foster new driving force and new strength for development

The Company stepped up the pace of transformation and development, and duly performed the roles of solution designer, value discoverer and resource integrator.

In 2024, the Company actively served the deepening and upgrading of the reform of state-owned enterprises, helping them to divest and dispose of "non-main business, non-dominant business", "inefficient assets, ineffective assets", and "receivables and inventories", clear out secondary fund shares, and revitalize stock assets. As an effort to support the healthy development of the private economy, the Company cooperated with clients from top 500 private enterprises, with new cooperation amount over RMB16 billion, representing a year-on-year increase of 43%. The Company continued to develop its bankruptcy reorganization business by participating in the bankruptcy reorganization of seven projects involving RMB1.7 billion. Steady progress was made in promoting the layout of the light capital business, with third-party assets under the Group's management exceeding RMB700 billion, representing a year-on-year increase of 70%. The bankruptcy project of foreign-invested assets in Changxing Island, Dalian and the bankruptcy reorganization project of Xining Special Steel were selected as two of the 25 typical cases (second batch) for expanding effective investment by revitalizing stock assets by the NDRC.

Sticking to bottom-line thinking to ensure high-level security for high-quality development

The Company made coordinated efforts to secure high-quality development and high-level security, consistently strengthened risk prevention and control, and continuously solidified the foundation for sound operation.

In 2024, the Company continued to improve its comprehensive risk management system, established a dual-line post-investment management mechanism for major projects, and continued to increase the accuracy of risk monitoring and identification. With constant efforts in strengthening the early rectification mechanism of risks, the Company's newly added risk assets stood at the lowest level in the past three years. The Company strove to maintain liquidity security, continued to promote financing innovation, issued the first AMC market-making quoted ABS on the stock exchange, the industry's first and the largest advanced manufacturing ABS in the entire market, and implemented a RMB8.6 billion special refinancing loan from the Central Bank for housing enterprise relief, with the newly added financing cost hitting a record low during the year.

Being customer-centric to constantly consolidate service capability and competitiveness

Adhering to the customer-centric concept, the Company continued to deepen the construction of the customer base ecosystem and continuously consolidated its differentiated competitive advantages.

In 2024, focusing on customers' needs, the Company organized 8 comprehensive marketing campaigns in "twenty cities of ten provinces" in Hubei, Shaanxi, Hong Kong and other regions, and held 10 thematic marketing campaigns through the "3+8" key racetrack channels. It signed strategic cooperation memorandums with 9 local governments including Guangzhou and Qingdao, and headquarter-to-headquarter strategic cooperation agreements with 9 institutions including Angang Group, Postal Savings Bank and Sinopharm Group. All of these were aimed at creating value for customers with higher-quality financial supply and continuously enhancing the breadth and depth of service to the real economy.

Heading a long journey with favorable wind at our back, we will press on with great determination despite the heavy responsibilities. The year 2025 is a critical year for the comprehensive implementation of the spirit of the Third Plenary Session of the 20th CPC Central Committee, a year for the conclusion of the 14th Five-Year Plan and the planning of the 15th Five-Year Plan, and an important year for China Cinda to join CIC and embark on a new journey of reform and transformation. The new situation requires new actions, and the new journey requires new responsibilities. China Cinda will adhere to the principle of seeking progress while maintaining stability and promoting stability through progress, further perform its duties and missions of preventing and defusing risks and serving the real economy, so as to reward our customers, investors and all sectors of the society for their trust and support with even better performance, and constantly break new ground for high-quality development!

President: **LIANG Qiang**
March 25, 2025

5 MANAGEMENT DISCUSSION AND ANALYSIS

5.1 Economic and Regulatory Environment

In 2024, the global economy showed moderate growth amid slow recovery. The international situation exhibited high uncertainties characterized by protracted geopolitical conflicts and a wave of ongoing or impending government transitions worldwide. The global trade volume grew slowly, but protectionism became prevalent and trade friction intensified. Inflation in many countries dropped significantly, and central banks in the US and Europe entered a cycle of interest rate cuts. As global debt levels continued to rise, the financial system has become more vulnerable.

In 2024, China's economic operation made steady progress while maintaining overall stability, with high-quality development advancing solidly. Over the year, GDP grew by 5.0% year-on-year, with industrial and agricultural production maintaining a growth trend and the service sector picking up. Prices maintained at an overall stable level and employment remained stable. Moreover, effective efforts were made to guarantee the society and people's livelihood. New quality productive forces developed steadily, and the total import-export volume reached a record high. Bolstered by the implementation of a package of incremental policies by the Central Government, the economy has further rebounded and laid a robust foundation for advancing Chinese modernization.

The Chinese government stuck to the general principle of making progress while maintaining stability, and fully and faithfully applying the new development philosophy on all fronts. China accelerated efforts to forge a new development paradigm, focused on promoting high-quality development and deepened reform and opening up across the nation. It worked to achieve greater self-reliance in science and technology, stepped up efforts in macro regulation and control and continued to promote effective qualitative enhancements and reasonable quantitative expansion of the economy. More proactive fiscal policies were launched, and stock and incremental policies were further implemented. It can be seen that large-scale programs of equipment modernization and consumer goods trade-in were implemented in an effective manner. More efforts were made to build a leader position in science and technology, promote coordinated regional development and solidly guarantee the society and people's livelihood. A package of debt resolution proposals was promoted to be implemented to support the stabilization of the real estate market. A moderately loose monetary policy was introduced, along with a package of incremental financial policies, to promote reasonable growth of monetary credit. During the year, the government lowered the reserve requirement ratio and interest rate twice, maintained reasonable and abundant liquidity, and guided the reduction of social financing costs. Priority was given to the development of finance in "five priorities" and guidance was provided to improve financial services for major strategies, key areas and weak links. China worked to strengthen the function of macro-prudential management and effectively prevent and defuse financial risks in key areas. Reform and opening up in the financial sector were continuously promoted and cooperation in global financial governance was constantly deepened.

Regulatory authorities made coordinated work in preventing risks, strengthening regulation and promoting development, and took effective and well-ordered steps to prevent and defuse risks in major areas, so as to promote high-quality development of China's financial sector. First, it continued to increase the disposal of distressed assets. The Administrative Measures for the Distressed Asset Operations of Financial Asset Management Companies was issued, which broadened the scope of acquisition of financial distressed assets, further standardized the whole business process of acquisition, management and disposal of distressed assets and encouraged AMCs to expand asset-light businesses and give play to their function of resolving risks. The cumulative disposal of distressed assets for the year exceeded RMB3 trillion, and the risks faced by small and medium-sized financial institutions were significantly contracted. Second, it endeavored to resolve real estate and local debt risks and established urban real estate financing coordination mechanisms. Loans amounting to over RMB5 trillion were considered and approved for projects within the "whitelist" throughout the year. Financial policies were optimized to help stabilize the real estate market, a special refinancing fund of RMB300 billion was set up to support local governments in acquiring inventory houses, and financial system was guided to accommodate local governments in resolving the debt risks. Third, it promoted high-quality development of the capital market. It increased the supervision over delisting, while activating the merger, acquisition and reorganization market. A swap facility for securities, fund and insurance companies was established and the refinancing for stock repurchase or holding increase was launched to give full support to the capital market for stability. Overall, it is an important task to firmly hold the bottom line against systemic risks in the course of building China into a financial powerhouse and realizing high-quality economic and social development. The function of AMCs, as professional organizations for resolving financial risks, will play a more prominent role.

5.2 Analysis of Financial Statements

5.2.1 Operating Results of the Group

In 2024, the net profit attributable to equity holders of the Company amounted to RMB3,036.4 million, decreasing by 47.8%. The ROE and ROA were 0.92% and 0.22%, respectively.

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Income from distressed debt assets at amortized cost	**2,114.7**	6,084.2	(3,969.5)	(65.2)
Fair value changes on distressed debt assets	**8,891.6**	7,618.4	1,273.2	16.7
Fair value changes on other financial instruments	**13,244.5**	11,214.2	2,030.3	18.1
Investment income	**595.8**	289.2	306.6	106.0
Interest income	**32,961.4**	33,061.5	(100.1)	(0.3)
Revenue from sales of inventories	**8,239.4**	9,502.4	(1,263.0)	(13.3)
Commission and fee income	**4,921.2**	4,903.4	17.8	0.4
Net gains on disposal of subsidiaries, associates and joint ventures	**76.8**	538.6	(461.8)	(85.7)
Other income and other net gains or losses	**1,994.5**	2,955.9	(961.4)	(32.5)
Total income	**73,039.9**	76,167.8	(3,127.9)	(4.1)
Interest expense	**(42,912.4)**	(44,080.5)	1,168.1	(2.6)
Commission and fee expense	**(784.2)**	(804.6)	20.4	(2.5)
Purchases and changes in inventories	**(7,043.1)**	(7,716.7)	673.6	(8.7)
Employee benefits	**(5,526.1)**	(5,709.9)	183.8	(3.2)
Credit impairment losses	**(9,423.8)**	(8,475.5)	(948.3)	11.2
Impairment losses on other assets	**(1,307.0)**	(1,274.0)	(33.0)	2.6
Depreciation and amortization expenses	**(2,192.6)**	(2,040.5)	(152.1)	7.5
Other expenses	**(4,274.6)**	(4,295.1)	20.5	(0.5)
Total costs and expenses	**(73,463.8)**	(74,396.8)	933.0	(1.3)
Change in net assets attributable to other holders of consolidated structured entities	**(13.6)**	(18.3)	4.7	(25.7)
Share of results of associates and joint ventures	**4,427.8**	6,433.5	(2,005.7)	(31.2)
Profit before tax	**3,990.3**	8,186.3	(4,196.0)	(51.3)
Income tax expense	**(482.1)**	(1,192.8)	710.7	(59.6)
Profit for the year	**3,508.2**	6,993.5	(3,485.3)	(49.8)
Profit attributable to:				
—Equity holders of the Company	**3,036.4**	5,820.9	(2,784.5)	(47.8)
—Non-controlling interests	**471.8**	1,172.6	(700.8)	(59.8)

5.2.1.1 Total Income

In 2024, the total income of the Group decreased by 4.1% from RMB76,167.8 million in 2023 to RMB73,039.9 million in 2024.

Income from Distressed Debt Assets at Amortized Cost

The income from distressed debt assets at amortized cost of the Group, including the interest income and gains or losses from disposal of restructured distressed debt assets, decreased by 65.2% from RMB6,084.2 million in 2023 to RMB2,114.7 million in 2024, which accounted for 8.0% and 2.9% of the total income in the corresponding years, respectively, mainly due to the corresponding decrease in the balance of restructured distressed debt assets as the Company actively adjusted its asset structure.

Fair Value Changes on Distressed Debt Assets

The fair value changes on distressed debt assets of the Group increased by 16.7% from RMB7,618.4 million in 2023 to RMB8,891.6 million in 2024. The fair value changes on distressed debt assets at fair value through profit or loss decreased by 7.9% from RMB9,390.8 million in 2023 to RMB8,652.5 million in 2024, accounting for 12.3% and 11.8% of the total income in the corresponding years, 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 years indicated.

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Realized fair value changes	**8,310.2**	7,636.5	673.7	8.8
Unrealized fair value changes	**342.3**	1,754.3	(1,412.0)	(80.5)
Sub-total	**8,652.5**	9,390.8	(738.3)	(7.9)

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

	For the year ended December 31,
	(in millions of RMB)
As at December 31, 2022	**233,437.2**
Acquisition in the year	52,646.2
Disposal in the year	(45,855.6)
Unrealized fair value changes	1,754.3
As at December 31, 2023	**241,982.1**
Acquisition in the year	47,099.6
Disposal in the year	(47,854.3)
Unrealized fair value changes	342.3
As at December 31, 2024	**241,569.7**

In 2024, the fair value changes on distressed debt assets at fair value through profit or loss of the Group decreased by 7.9% over 2023. In particular, the realized fair value changes increased by 8.8% from RMB7,636.5 million in 2023 to RMB8,310.2 million in 2024; the unrealized fair value changes decreased by 80.5% from RMB1,754.3 million in 2023 to RMB342.3 million in 2024.

In 2024, the Company focused on the distressed asset market, seized market opportunities, continued to consolidate the advantages of its main business, and maintained its efforts in acquisition-operation distressed debt assets. In 2023 and 2024, the distressed debt assets at fair value through profit or loss of the Group recorded acquisition of RMB52,646.2 million and RMB47,099.6 million, respectively and recorded disposal of RMB45,855.6 million and RMB47,854.3 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.

The fair value changes on other financial instruments of the Group increased by 18.1% from RMB11,214.2 million in 2023 to RMB13,244.5 million in 2024, accounting for 14.7% and 18.1% of the total income in the corresponding years, respectively. Among which, the total fair value changes on DES Assets were RMB2,930.3 million and RMB2,128.3 million, respectively, accounting for 3.8% and 2.9% of the total income in the corresponding years.

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

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Fair value changes (1)	**4,053.4**	1,359.9	2,693.5	198.1
DES Assets of the Company	**248.6**	1,054.6	(806.0)	(76.4)
Others	**3,804.8**	305.3	3,499.5	1,146.2
Interest income	**4,619.9**	5,667.8	(1,047.9)	(18.5)
DES Assets of the Company	**431.2**	71.3	359.9	504.8
Others	**4,188.7**	5,596.5	(1,407.8)	(25.2)
Dividend income	**4,571.2**	4,186.5	384.7	9.2
DES Assets of the Company	**1,448.5**	1,804.4	(355.9)	(19.7)
Others	**3,122.7**	2,382.1	740.6	31.1
Total	**13,244.5**	11,214.2	2,030.3	18.1

Note:

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

The fair value changes on DES Assets at fair value through profit or loss decreased by 76.4% from the gains of RMB1,054.6 million in 2023 to the gains of RMB248.6 million in 2024, mainly due to the decrease in the valuation of certain DES Assets of the Company as influenced by the capital market fluctuation.

The fair value changes on other financial instruments except for DES Assets at fair value through profit or loss increased by 1,146.2% from the gains of RMB305.3 million in 2023 to the gains of RMB3,804.8 million in 2024, mainly consisting of gains from other distressed asset business carried out by the Company, in revitalization of distressed entities and distressed assets with flexible business models.

Interest Income

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

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Loans and advances to customers	**20,419.9**	20,641.3	(221.4)	(1.1)
Other debt investments at amortized cost	**4,039.4**	3,633.4	406.0	11.2
Financial assets at fair value through other comprehensive income	**5,281.8**	4,858.4	423.4	8.7
Deposits with banks and financial institutions	**1,393.6**	2,003.3	(609.7)	(30.4)
Placements with banks and financial institutions	**940.3**	855.9	84.4	9.9
Financial assets held under resale agreements	**302.5**	359.0	(56.5)	(15.7)
Others	**583.9**	710.2	(126.3)	(17.8)
Total	**32,961.4**	33,061.5	(100.1)	(0.3)

The Group's interest income remained basically stable year on year in 2024, mainly due to the decrease in interest income from deposits with banks and financial institutions and loans and advances to customers, partially offset by the increase in interest income from financial assets at fair value through other comprehensive income and other debt investments at amortized cost.

Commission and Fee Income

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

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Securities and futures brokerage	**1,223.9**	1,103.9	120.0	10.9
Trustee services	**1,041.8**	538.4	503.4	93.5
Fund and asset management business	**1,021.0**	1,516.8	(495.8)	(32.7)
Banking business	**559.3**	633.6	(74.3)	(11.7)
Insurance brokerage	**355.9**	328.8	27.1	8.2
Agency services	**288.0**	237.8	50.2	21.1
Consultancy and financial advisory services	**216.8**	386.6	(169.8)	(43.9)
Securities underwriting	**92.9**	50.0	42.9	85.8
Others	**121.6**	107.5	14.1	13.1
Total	**4,921.2**	4,903.4	17.8	0.4

The commission and fee income of the Group increased by 0.4% from RMB4,903.4 million in 2023 to RMB4,921.2 million in 2024, mainly due to the increase in the commission and fee income from trustee services, partially offset by the decrease in the commission and fee income from fund and asset management business.

(1) Commission and fee income from trustee services increased by 93.5% from RMB538.4 million in 2023 to RMB1,041.8 million in 2024, mainly due to the growth in the scale of trust plans managed by Jingu Trust, leading to corresponding increase in recognised income.

(2) The commission and fee income from fund and asset management business decreased by 32.7% from RMB1,516.8 million in 2023 to RMB1,021.0 million in 2024, mainly due to the decrease in the scale and the management fee rate of mutual funds managed by Cinda Securities.

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 years indicated.

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Revenue from sales of properties held for sale	**8,239.4**	9,502.4	(1,263.0)	(13.3)
Purchases and changes in properties held for sale	**(7,043.1)**	(7,716.7)	673.6	(8.7)
Gross profit from sales of properties held for sale	**1,196.3**	1,785.7	(589.4)	(33.0)
Gross profit margin from sales of properties held for sale (%)	**14.5**	18.8	(4.3)	(22.7)

The revenue from sales of inventories and 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 13.3% from RMB9,502.4 million in 2023 to RMB8,293.4 million in 2024, and the purchases and changes in properties held for sale decreased by 8.7% from RMB7,716.7 million in 2023 to RMB7,043.1 million in 2024, mainly due to the decrease in the scale of projects delivered in 2024 compared with last year, resulting in decline of realized revenue from sales of properties held for sale and purchases and changes in properties held for sale. The gross profit margin from sales of properties held for sale decreased by 22.7% year on year.

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 85.7% from RMB538.6 million in 2023 to RMB76.8 million in 2024, among which, the Group's net gains on disposal of associates and joint ventures decreased by 62.9% from RMB538.6 million in 2023 to RMB199.7 million in 2024.

Other Income and Other Net Gains or Losses

Other income and other net gains or losses of the Group decreased by 32.5% from RMB2,955.9 million in 2023 to RMB1,994.5 million in 2024. In particular, net gains or losses on exchange differences decreased by 209.2% from a gain of RMB369.5 million in 2023 to a loss of RMB403.4 million in 2024 as a result of the exchange rate fluctuations of the USD and HKD; and income from liquidated damages decreased by 67.7% from RMB585.5 million in 2023 to RMB189.3 million in 2024.

5.2.1.2 Total Costs and Expenses

In 2024, the Group's total costs and expenses decreased by 1.3% from RMB74,396.8 million in 2023 to RMB73,463.8 million in 2024, mainly due to the decrease in interest expense and purchases and changes in inventories, partially offset by the rising credit impairment losses.

The table below sets out the components of total costs and expenses of the Group for the years indicated.

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Interest expense	**(42,912.4)**	(44,080.5)	1,168.1	(2.6)
Credit impairment losses	**(9,423.8)**	(8,475.5)	(948.3)	11.2
Purchases and changes in inventories	**(7,043.1)**	(7,716.7)	673.6	(8.7)
Employee benefits	**(5,526.1)**	(5,709.9)	183.8	(3.2)
Depreciation and amortization expenses	**(2,192.6)**	(2,040.5)	(152.1)	7.5
Impairment losses on other assets	**(1,307.0)**	(1,274.0)	(33.0)	2.6
Commission and fee expense	**(784.2)**	(804.6)	20.4	(2.5)
Taxes and surcharges	**(667.3)**	(481.7)	(185.6)	38.5
Other expenses	**(3,607.3)**	(3,813.4)	206.1	(5.4)
Total	**(73,463.8)**	(74,396.8)	933.0	(1.3)

Interest Expense

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

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Borrowings	**(18,680.2)**	(20,572.1)	1,891.9	(9.2)
Due to customers	**(11,146.1)**	(9,032.6)	(2,113.5)	23.4
Bonds issued	**(11,104.4)**	(11,891.9)	787.5	(6.6)
Financial assets sold under repurchase agreements	**(714.4)**	(1,328.9)	614.5	(46.2)
Placements from banks and financial institutions	**(544.9)**	(532.7)	(12.2)	2.3
Deposits from banks and financial institutions	**(394.3)**	(490.7)	96.4	(19.6)
Accounts payable to brokerage clients	**(96.8)**	(129.5)	32.7	(25.3)
Lease liabilities	**(51.5)**	(68.5)	17.0	(24.8)
Others	**(179.8)**	(33.5)	(146.3)	436.7
Total	**(42,912.4)**	(44,080.5)	1,168.1	(2.6)

In 2024, the interest expense of the Group was RMB42,912.4 million, representing a decrease of 2.6% from RMB44,080.5 million in 2023, mainly due to the decrease in interest expense on borrowings, bonds issued and financial assets sold under repurchase agreements, partially offset by the increase in interest expense on due to customers, of which:

(1) Interest expense on borrowings decreased by 9.2% from RMB20,572.1 million in 2023 to RMB18,680.2 million in 2024, mainly due to the decline in the Company's financing costs.

(2) Interest expense on bonds issued decreased by 6.6% from RMB11,891.9 million in 2023 to RMB11,104.4 million in 2024, mainly due to the maturity of certain bonds issued by the Company and Cinda Investment that led to a reduction of scale.

(3) Interest expense on financial assets sold under repurchase agreements decreased by 46.2% from RMB1,328.9 million in 2023 to RMB714.4 million in 2024, mainly due to the decrease in the scale of financial assets sold under repurchase agreements by NCB.

(4) Interest expense on due to customers increased by 23.4% from RMB9,032.6 million in 2023 to RMB11,146.1 million in 2024, mainly due to the increase in the scale of due to customers of NCB.

Credit Impairment Losses

The table below sets out the components of the credit impairment losses of the Group for the years indicated.

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Financial assets at amortized cost				
– Distressed debt assets	**(1,500.9)**	(1,766.1)	265.2	(15.0)
– Other debt investments	**(2,645.9)**	(2,916.7)	270.8	(9.3)
Loans and advances to customers	**(4,170.2)**	(3,800.2)	(370.0)	9.7
Interest receivable	**(1,091.2)**	(163.6)	(927.6)	567.0
Accounts receivable	**(73.5)**	104.2	(177.7)	170.5
Financial assets held under resale agreements	**(22.2)**	(19.5)	(2.7)	13.8
Financial assets at fair value through other comprehensive income	**3.6**	35.0	(31.4)	89.7
Other receivables	**12.5**	(221.8)	234.3	(105.6)
Other assets	**64.0**	273.4	(209.4)	76.6
Total	**(9,423.8)**	(8,475.5)	(948.3)	11.2

The credit impairment losses of the Group increased by 11.2% from RMB8,475.5 million in 2023 to RMB9,423.8 million in 2024, mainly due to the increase in credit impairment losses on interest receivable and loans and advances to customers, partly offset by the decrease in credit impairment losses on financial assets at amortized cost, of which:

(1) The credit impairment losses on interest receivable increased by 567.0% from RMB163.6 million in 2023 to RMB1,091.2 million in 2024, mainly because part of Cinda Investment's distressed debt assets were exposed to credit risk on an on-going basis due to the impact of the external environment, leading to a corresponding increase in the impairment percentage on interest receivable.

(2) The credit impairment losses on loans and advances to customers increased by 9.7% from RMB3,800.2 million in 2023 to RMB4,170.2 million in 2024, mainly because the quality of loans and advances to customers of NCB came under pressure due to the impact of the external environment, resulting in an increase in the overall provision level.

(3) The credit impairment losses on financial assets at amortized cost decreased by 11.4% from RMB4,682.8 million in 2023 to RMB4,146.8 million in 2024, mainly due to the decrease in the scale of the Company's financial assets at amortized cost.

5.2.1.3 Income Tax Expense

The table below sets out the income tax expense of the Group for the years indicated.

	For the year ended December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Profit before tax	**3,990.3**	8,186.3	(4,196.0)	(51.3)
Income tax expense	**(482.1)**	(1,192.8)	710.7	(59.6)
Effective tax rates (%)	**12.1**	14.6	(2.5)	(17.1)

The income tax expense of the Group decreased by 59.6% from RMB1,192.8 million in 2023 to RMB482.1 million in 2024. In 2023 and 2024, the effective tax rates of the Group were 14.6% and 12.1% respectively. The decrease in the effective tax rates was primarily driven by a decrease in current taxable income.

5.2.1.4 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 opportunities investment; and (iv) entrusted operation business.

(2) Financial services business, which mainly includes banking, securities, futures, mutual funds, trusts and leasing.

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

	For the year ended December 31,							
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Distressed asset management		**Financial services**		**Elimination**		**Consolidation**	
	(in millions of RMB)							
Total income	**40,372.7**	44,402.2	**33,185.6**	32,390.7	**(518.4)**	(625.1)	**73,039.9**	76,167.8
Percentage of total (%)	**55.3**	58.3	**45.4**	42.5				
Total costs and expenses	**(45,373.5)**	(46,262.1)	**(28,868.3)**	(28,823.9)	**778.0**	689.2	**(73,463.8)**	(74,396.8)
Profit before tax	**(587.3)**	4,555.7	**4,318.0**	3,566.5	**259.6**	64.1	**3,990.3**	8,186.3
Percentage of total (%)	**(14.7)**	55.7	**108.2**	43.6				
Profit margin before tax (%)	**(1.5)**	10.3	**13.0**	11.0			**5.5**	10.7
Return on average net assets before tax (%)	**(0.5)**	4.2	**4.4**	3.6			**1.8**	3.9

	As at December 31,							
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Distressed asset management		**Financial services**		**Elimination and unallocated part (1)**		**Consolidation**	
	(in millions of RMB)							
Total assets	**915,223.1**	913,550.3	**727,756.6**	695,994.2	**(4,019.4)**	(15,187.1)	**1,638,960.3**	1,594,357.4
Percentage of total (%)	**55.8**	57.3	**44.4**	43.7				
Net assets	**111,375.1**	119,416.4	**102,909.2**	91,807.2	**8,871.1**	5,932.5	**223,155.4**	217,156.2
Percentage of total (%)	**49.9**	55.0	**46.1**	42.3				

Notes:

(1) Represents primarily income tax payable and deferred tax assets and liabilities that were not allocated to each business segment.

(2) The classification criteria of the Group's operating segments was adjusted from the nature of institutions to the nature of business operations, and the comparative indicators were 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 58.3% and 55.3% of the Group's total income in 2023 and 2024, respectively, as well as 57.3% and 55.8 % of the Group's total assets, and 55.0% and 49.9% of the Group's net assets as at December 31, 2023 and 2024, respectively. In 2024, the profit before tax of distressed assets management business decreased as a result of the decline in the operating results of certain subsidiaries.

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 42.5% and 45.4% of the Group's total income in 2023 and 2024, and accounted for 43.7% and 44.4% of the total assets, and 42.3% and 46.1% of the net assets as at December 31, 2023 and 2024, respectively.

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

5.2.2 Summary of Financial Position of the Group

At the end of 2024, the assets, liabilities and equity of the Group all increased slightly as compared with the end of last year. As at December 31, 2023 and 2024, the total assets of the Group amounted to RMB1,594,357.4 million and RMB1,638,960.3 million, respectively, representing an increase of 2.8%; the total liabilities amounted to RMB1,377,201.3 million and RMB1,415,804.8 million, respectively, representing an increase of 2.8%; and the total equity amounted to RMB217,156.2 million and RMB223,155.4 million, respectively, representing an increase of 2.8%.

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

	As at December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Assets				
Cash and balances with central banks	**13,383.5**	**0.8**	15,237.5	1.0
Deposits with banks and financial institutions	**95,758.1**	**5.8**	81,997.6	5.1
Financial assets at fair value through profit or loss	**548,690.2**	**33.5**	518,309.8	32.5
Financial assets at fair value through other comprehensive income	**197,325.3**	**12.0**	170,875.9	10.7
Loans and advances to customers	**374,238.3**	**22.8**	403,161.8	25.3
Financial assets at amortized cost	**77,966.2**	**4.8**	119,749.9	7.5
Other assets	**331,598.7**	**20.3**	285,024.9	17.9
Total assets	**1,638,960.3**	**100.0**	1,594,357.4	100.0
Liabilities				
Borrowings from the central bank	**9,642.2**	**0.7**	986.1	0.1
Accounts payable to brokerage clients	**23,718.7**	**1.7**	17,264.1	1.3
Due to customers	**370,459.2**	**26.2**	339,219.8	24.6
Borrowings	**581,366.1**	**41.1**	558,870.5	40.6
Accounts payable	**6,182.1**	**0.4**	4,783.0	0.3
Bonds issued	**289,779.6**	**20.5**	302,762.1	22.0
Other liabilities	**134,656.9**	**9.4**	153,315.7	11.1
Total liabilities	**1,415,804.8**	**100.0**	1,377,201.3	100.0
Equity				
Equity attributable to equity holders of the Company	**194,183.3**	**87.0**	192,829.0	88.8
Non-controlling interests	**28,972.1**	**13.1**	24,327.2	11.2
Total equity	**223,155.4**	**100.0**	217,156.2	100.0
Total equity and liabilities	**1,638,960.3**		1,594,357.4	

5.2.2.1 Assets

Monetary Capital

Monetary capital primarily consists of cash, principal deposits, balances with central banks, clearing settlement funds and deposits with banks and financial institutions that Cinda Securities holds on behalf of its customers in the securities brokerage business. As at December 31, 2023 and 2024, monetary capital amounted to RMB97,235.1 million and RMB109,141.6 million, respectively, representing an increase of 12.2%.

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 December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Financial assets classified as at fair value through profit or loss				
Listed investments				
Debt securities	**28,799.9**	24,512.7	4,287.2	17.5
Equity investments	**15,078.5**	17,655.3	(2,576.8)	(14.6)
Funds	**6,177.3**	4,028.3	2,149.0	53.3
Asset-backed securities	**263.6**	2,916.8	(2,653.2)	(91.0)
Corporate convertible bonds	**198.8**	813.7	(614.9)	(75.6)
Certificates of deposit	**39.9**	–	39.9	100.0
Unlisted investments				
Distressed debt assets	**241,569.7**	241,982.1	(412.4)	(0.2)
Funds	**123,818.5**	126,237.1	(2,418.6)	(1.9)
Equity investments	**57,943.9**	56,675.7	1,268.2	2.2
Trust products and asset management plans	**29,356.8**	17,305.0	12,051.8	69.6
Debt instruments	**16,569.7**	11,169.4	5,400.3	48.3
Securities investments	**12,768.6**	10,121.9	2,646.7	26.1
Wealth management products	**9,311.6**	2,700.6	6,611.0	244.8
Derivative financial assets	**3,209.0**	1,513.4	1,695.6	112.0
Others	**3,584.4**	677.8	2,906.6	428.8
Total	**548,690.2**	518,309.8	30,380.4	5.9

As at December 31, 2023 and 2024, financial assets at fair value through profit or loss were RMB518,309.8 million and RMB548,690.2 million, respectively, mainly due to the increase of the investment scale of trust products and asset management plans, wealth management products, debt instruments and listed debt securities.

(1) As at December 31, 2023 and 2024, trust products and asset management plans at fair value through profit or loss were RMB17,305.0 million and RMB29,356.8 million, respectively, increasing by 69.6%.

(2) As at December 31, 2023 and 2024, wealth management products at fair value through profit or loss were RMB2,700.6 million and RMB9,311.6 million, respectively, increasing by 244.8%.

(3) As at December 31, 2023 and 2024, debt instruments at fair value through profit or loss were RMB11,169.4 million and RMB16,569.7 million, respectively, increasing by 48.3%.

(4) As at December 31, 2023 and 2024, listed debt securities at fair value through profit or loss were RMB24,512.7 million and RMB28,799.9 million, respectively, increasing by 17.5%.

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

	As at December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
The Group				
Listed	**15,078.5**	17,655.3	(2,576.8)	(14.6)
Unlisted	**57,943.9**	56,675.7	1,268.2	2.2
Total	**73,022.4**	74,331.0	(1,308.6)	(1.8)
The Company				
Listed	**8,452.5**	7,515.0	937.5	12.5
Unlisted	**22,430.0**	23,878.2	(1,448.2)	(6.1)
Sub-total	**30,882.5**	31,393.2	(510.7)	(1.6)
Of which,				
DES assets	**29,506.8**	29,752.9	(246.1)	(0.8)
Others	**1,375.7**	1,640.3	(264.6)	(16.1)
Sub-total	**30,882.5**	31,393.2	(510.7)	(1.6)

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 December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Debt securities	**183,784.4**	163,132.5	20,651.9	12.7
Equity instruments	**9,741.2**	6,372.3	3,368.9	52.9
Certificates of deposit	**2,065.7**	–	2,065.7	100.0
Interest accrued	**1,734.0**	1,371.0	363.0	26.5
Total	**197,325.3**	170,875.9	26,449.4	15.5

As at December 31, 2023 and 2024, financial assets at fair value through other comprehensive income were RMB170,875.9 million and RMB197,325.3 million, respectively, increasing by 15.5%, mainly due to the increase in the balance of debt securities at fair value through other comprehensive income held by subsidiaries.

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 December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
By business type				
Corporate and personal loans and advances	**303,754.4**	329,339.8	(25,585.4)	(7.8)
Loans to margin clients	**12,630.8**	11,105.1	1,525.7	13.7
Finance lease receivables	**72,039.7**	77,055.9	(5,016.2)	(6.5)
Total	**388,424.9**	417,500.8	(29,075.9)	(7.0)
By security type				
Mortgaged	**88,344.0**	63,072.0	25,272.0	40.1
Pledged	**73,135.4**	119,886.5	(46,751.1)	(39.0)
Guaranteed	**75,478.0**	75,010.5	467.5	0.6
Unsecured	**151,467.5**	159,531.8	(8,064.3)	(5.1)
Total	**388,424.9**	417,500.8	(29,075.9)	(7.0)
Allowances for impairment losses	**(14,186.6)**	(14,339.1)	152.5	(1.1)
Net balance	**374,238.3**	403,161.8	(28,923.5)	(7.2)

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 December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Corporate loans and advances				
Loans and advances	**258,628.3**	282,524.1	(23,895.8)	(8.5)
Discounted bills	**1,876.4**	619.7	1,256.7	202.8
Sub-total	**260,504.7**	283,143.8	(22,639.1)	(8.0)
Personal loans and advances				
Mortgages	**22,567.3**	24,685.6	(2,118.3)	(8.6)
Personal consumption loans	**20,682.4**	21,510.4	(828.0)	(3.8)
Sub-total	**43,249.7**	46,196.0	(2,946.3)	(6.4)
Total	**303,754.4**	329,339.8	(25,585.4)	(7.8)

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 on a particular date is only the principal and the interest on the outstanding amount of principal.

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

	As at December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Distressed debt assets				
Acquired from financial institutions	**1,324.3**	1,775.7	(451.4)	(25.4)
Acquired from non-financial institutions	**33,643.7**	63,916.8	(30,273.1)	(47.4)
Sub-total	**34,968.0**	65,692.5	(30,724.5)	(46.8)
Interest accrued	**1,495.7**	4,408.3	(2,912.6)	(66.1)
Allowances for impairment losses	**(7,970.3)**	(10,907.7)	2,937.4	(26.9)
Net balance	**28,493.4**	59,193.0	(30,699.6)	(51.9)
Other debt investments	**50,888.3**	61,560.6	(10,672.3)	(17.3)
Interest accrued	**6,052.5**	4,437.7	1,614.8	36.4
Allowances for impairment losses	**(7,468.0)**	(5,441.5)	(2,026.5)	37.2
Net balance	**49,472.8**	60,556.9	(11,084.1)	(18.3)
Total	**77,966.2**	119,749.9	(41,783.7)	(34.9)

As at December 31, 2024, the total balances of distressed debt assets at amortized cost were RMB34,968.0 million, all of which were the Group's restructured distressed debt assets, decreasing by 46.8% from RMB65,692.5 million as at December 31, 2023, mainly due to the decrease in restructured distressed debt assets as the Company has proactively adjusted its asset structure.

As at December 31, 2024, the balance of other debt investments at amortized cost were RMB50,888.3 million, decreasing by 17.3% from RMB61,560.6 million as at December 31, 2023, mainly due to the recovery of other debt instruments at amortized cost of the Company and Cinda Investment, and the maturity of certain bonds at amortized cost of NCB.

5.2.2.2 Liabilities

Liabilities of the Group mainly consist of borrowings, due to customers and bonds issued, accounting for 41.1%, 26.2% and 20.5% of the total liabilities of the Group as at December 31, 2024, respectively.

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

	As at December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Borrowings	**581,366.1**	**43.4**	558,870.5	43.1
Due to customers	**370,459.2**	**27.7**	339,219.8	26.2
Bonds issued	**289,779.6**	**21.6**	302,762.1	23.3
Financial assets sold under repurchase agreements	**28,335.7**	**2.1**	33,338.0	2.6
Placements from banks and financial institutions	**28,304.9**	**2.1**	29,474.6	2.3
Accounts payable to brokerage clients	**23,718.7**	**1.8**	17,264.1	1.3
Borrowings from central bank	**9,642.2**	**0.7**	986.1	0.1
Deposits from banks and financial institutions	**7,418.7**	**0.6**	14,994.6	1.2
Total	**1,339,025.1**	**100.0**	1,296,909.8	100.0

Borrowings

As at December 31, 2024, the balance of borrowings of the Group amounted to RMB581,366.1 million, increasing by 4.0% from RMB558,870.5 million as at December 31, 2023.

Bonds Issued

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

	As at December 31,	
	2024	2023
	(in millions of RMB)	
Financial bonds	**110,566.4**	109,575.0
USD guaranteed senior notes	**83,348.0**	82,931.7
Corporate bonds	**43,226.3**	34,445.3
Asset-backed securities	**14,160.4**	34,870.6
Mid-term notes	**12,031.4**	12,978.2
Tier-2 capital bonds	**8,034.0**	8,028.9
Certificates of deposit	**6,235.3**	7,059.7
Subordinated notes	**5,113.5**	4,955.2
Beneficiary certificates	**3,814.9**	4,669.3
Private placement notes	**1,746.1**	1,746.1
RMB guaranteed senior notes	**1,503.3**	1,502.0
Total	**289,779.6**	302,762.1

As at December 31, 2023 and 2024, the balance of the Group's bonds issued amounted to RMB302,762.1 million and RMB289,779.6 million, respectively.

Due to Customers

As at December 31, 2023 and 2024, the balance of due to customers of the Group amounted to RMB339,219.8 million and RMB370,459.2 million, respectively, representing an increase of 9.2%, mainly due to the increase in demand and time deposits of NCB.

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

	As at December 31,			
	2024	2023	Change	Change in percentage
	(in millions of RMB)			*(%)*
Demand deposits	**84,227.4**	65,986.7	18,240.7	27.6
Corporate	**44,435.2**	31,308.7	13,126.5	41.9
Personal	**39,792.2**	34,678.0	5,114.2	14.7
Time deposits	**271,965.5**	259,929.8	12,035.7	4.6
Corporate	**98,428.2**	125,890.3	(27,462.1)	(21.8)
Personal	**173,537.3**	134,039.5	39,497.8	29.5
Guarantee deposits	**10,819.1**	9,500.5	1,318.6	13.9
Interest payable	**3,447.2**	3,802.9	(355.7)	(9.4)
Total	**370,459.2**	339,219.8	31,239.4	9.2

5.2.3 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 advice 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, 2023 and 2024, the claim amounts of pending litigation in which the Group was defendant were RMB3,437.5 million and RMB10,190.0 million, respectively, and provisions of RMB6.0 million and RMB54.6 million for the Group were 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 and the Company.

5.2.4 Difference between 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 Consolidated Financial Statements prepared by the Company under the PRC GAAP and IFRS Accounting Standards, respectively.

5.3 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 business; and (2) financial services business, including banking, securities, futures, mutual funds, trusts and leasing.

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

	For the year ended December 31,			
	2024		2023	
	Total income	**% of total**	Total income	% of total
	(in millions of RMB)			
Distressed asset management	**40,372.7**	**55.3**	44,402.2	58.3
Financial services	**33,185.6**	**45.4**	32,390.7	42.5
Elimination	**(518.4)**	**(0.7)**	(625.1)	(0.8)
Total	**73,039.9**	**100.0**	76,167.8	100.0

The table below sets out the profit before tax of each business segment for the years indicated.

	For the year ended December 31,			
	2024		2023	
	Profit before tax	**% of total**	Profit before tax	% of total
	(in millions of RMB)			
Distressed asset management	**(587.3)**	**(14.7)**	4,555.7	55.7
Financial services	**4,318.0**	**108.2**	3,566.5	43.6
Elimination	**259.6**	**6.5**	64.1	0.8
Total	**3,990.3**	**100.0**	8,186.3	100.0

5.3.1 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 opportunities investment; and (4) entrusted operation business.

Distressed asset management is the core business and the primary source of income of the Group. In 2023 and 2024, the income from the distressed asset management business accounted for 58.3% and 55.3% of the total income of the Group, respectively.

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

	As at and for the year ended December 31,	
	2024	2023
	(in millions of RMB)	
Distressed debt assets		
Net balance of distressed debt assets (1)	**294,844.3**	308,074.9
Acquisition cost of distressed debt assets	**56,453.5**	53,678.1
Income from distressed debt assets (2)	**11,025.0**	16,018.4
DES Assets		
Book value of DES Assets	**102,945.4**	100,881.1
Gains on fair value changes (3)	**2,128.3**	2,930.3
Gains realized with other approaches (4)	**3,224.0**	5,824.6
Other distressed assets		
Book value of other distressed assets (5)	**211,124.5**	190,630.9
New investment in other distressed assets	**47,439.4**	57,641.3
Income from other distressed assets (6)	**7,730.0**	3,627.5

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 the Company's fair value changes on acquisition-operation distressed debt assets and income from distressed debt assets at amortized cost.

(3) Income of the DES Assets at fair value through profit or loss attributed to distressed assets segment, including the net gains on disposal, dividend income, interest income and unrealized fair value changes of DES Assets.

(4) The net gains or losses from DES Assets accrued in consolidated structured entities and associates and joint ventures attributed to distressed asset segment, dividend income from DES Assets at fair value through other comprehensive income.

(5) Primarily 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.

(6) Gains on other distressed asset business, including profit or loss on fair value changes.

5.3.1.1 Source of Acquisition of Distressed Debt Assets

The Company classifies the distressed debt assets into two main categories based on the source of acquisition: (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 years indicated.

	As at and for the year ended December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Net balance of distressed debt assets (1)				
FI Distressed Assets	**226,069.7**	**76.7**	213,865.5	69.4
NFI Distressed Assets	**68,774.6**	**23.3**	94,209.4	30.6
Total	**294,844.3**	**100.0**	308,074.9	100.0
Acquisition cost of distressed debt assets (2)				
FI Distressed Assets	**53,002.5**	**93.9**	46,343.0	86.3
NFI Distressed Assets	**3,451.0**	**6.1**	7,335.1	13.7
Total	**56,453.5**	**100.0**	53,678.1	100.0
Income from distressed debt assets (3)				
FI Distressed Assets	**7,680.7**	**69.7**	8,232.4	51.4
NFI Distressed Assets	**3,344.3**	**30.3**	7,786.0	48.6
Total	**11,025.0**	**100.0**	16,018.4	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 year indicated.

(3) Mainly include the Company's fair value changes on acquisition-operation distressed debt assets and income from distressed debt assets at amortized cost.

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 years indicated.

	For the year ended December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Large commercial banks	**11,551.7**	**21.8**	10,551.5	22.8
Joint-stock commercial banks	**10,575.9**	**20.0**	13,554.7	29.2
City and rural commercial banks	**24,400.5**	**46.0**	18,016.7	38.9
Other banks [(1)]	**3,007.8**	**5.7**	1,805.4	4.0
Non-banking financial institutions [(2)]	**3,466.6**	**6.5**	2,414.7	5.1
Total	**53,002.5**	**100.0**	46,343.0	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 which were held by non-financial institutions and managed by financial institutions as trustee. The NFI Distressed Assets primarily include accounts receivable, other receivables, corporate bonds, entrustment loans, trust loans, etc.

5.3.1.2 Business Model of Distressed Debt Assets

The Company mainly employs two business models in distressed debt asset management, which are (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 the Restructuring Model as at the dates and for the years indicated.

	As at and for the year ended December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
		(in millions of RMB)		
Net balance of distressed debt assets				
Acquisition-operation Distressed Assets (1)	**266,359.7**	**90.3**	248,901.6	80.8
Restructured Distressed Assets (2)	**28,484.6**	**9.7**	59,173.3	19.2
Total	**294,844.3**	**100.0**	308,074.9	100.0
Acquisition cost of distressed debt assets				
Acquisition-operation Distressed Assets	**56,453.5**	**100.0**	53,032.3	98.8
Restructured Distressed Assets	**–**	**–**	645.8	1.2
Total	**56,453.5**	**100.0**	53,678.1	100.0
Income from distressed debt assets				
Acquisition-operation Distressed Assets (3)	**8,910.3**	**80.8**	9,934.2	62.0
Restructured Distressed Assets (4)	**2,114.7**	**19.2**	6,084.2	38.0
Total	**11,025.0**	**100.0**	16,018.4	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 allowance for impairment losses, as presented in the 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) Equivalent to the Company's income from distressed debt assets at amortized cost, as presented in the Consolidated Financial Statements.

Acquisition-operation Distressed Assets

Acquisition-operation Distressed Assets refer to distressed debt assets acquired from financial institutions and non-financial institutions through competitive biddings, 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, disposal, etc.

In 2024, the Company actively adopted effective measures to cope with the new changes in the distressed asset market and continued to promote the high-quality development of acquisition-operation business. In terms of asset acquisition, while reinforcing a strong market position and solidifying a fundamental base in the core distressed asset business, the Company proactively expanded acquisition scope such as bank restructured assets, beneficial rights of distressed assets, individual loans, non-banking financial assets and foreclosed assets, enriched business models, increased effective investment efforts, solidified market leadership, spared no efforts to participate in the reform and risk mitigation of major projects, and harmonized the functionality and profitability. In terms of asset disposal, the Company balanced disposal turnover and value preservation, capitalized on opportunities for disposal and accelerated cash recovery to improve disposal efficiency.

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

	As at and for the year ended December 31,	
	2024	2023
	(in millions of RMB)	
Net balance of Acquisition-operation Distressed Assets	**266,359.7**	248,901.6
Acquisition cost of Acquisition-operation Distressed Assets	**56,453.5**	53,032.3
Carrying amount of Acquisition-operation Distressed Assets disposed (1)	**44,634.6**	45,229.3
Unrealized fair value changes	**304.0**	1,827.0
Net income from Acquisition-operation Distressed Assets	**8,910.3**	9,934.2
Internal rate of return (2)(%)	**8.9**	7.4

Notes:

(1) Represents the amounts of Acquisition-operation Distressed Assets disposed 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 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.

In 2024, in response to the external environment changes, the Company stuck to the principle of focusing on prudent operation in the principal business, proactively adjusted the business model and strategy and vigorously strengthened the activation and disposal of existing assets to effectively solve operational difficulties of enterprises, defuse risks in key areas in an orderly and effective manner and fulfill responsibilities of preventing and defusing financial risks, serving the real economy, and continuously deepening supply-side structural reform.

The table below sets forth certain details of the general operation of the Restructured Distressed Assets of the Company as at the dates and for the years indicated.

	As at and for the year ended December 31,	
	2024	2023
	(in millions of RMB)	
Net balance of Restructured Distressed Assets	**28,484.6**	59,173.3
Acquisition cost of Restructured Distressed Assets	**–**	645.8
Income from Restructured Distressed Assets	**2,114.7**	6,084.2
Annualized return on monthly average balance of Restructured Distressed Assets [1](%)	**3.8**	6.1
Balance of Restructured Distressed Assets classified as substandard, doubtful and loss [2]	**9,508.0**	9,552.9
Impaired Restructured Distressed Assets ratio [3](%)	**26.20**	13.66
Allowance for impairment losses	**7,799.5**	10,736.8
Impaired Restructured Distressed Assets coverage ratio [4](%)	**82.0**	112.4

Notes:

(1) Equals the income from Restructured Distressed Assets (excluding the profits or losses on the disposal of impaired assets) divided by monthly average balance of Restructured Distressed Assets.

(2) Equals Restructured Distressed Assets classified as substandard, doubtful and loss with reference to the "Guidelines for the Classification of Loan Risks" of the CBRC.

(3) Equals the balance of Restructured Distressed Assets classified as substandard, doubtful and loss divided by the gross balance of Restructured Distressed Assets.

(4) Equals asset impairment reserve balance divided by the balance of Restructured Distressed Assets classified as substandard, doubtful and loss.

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

	As at December 31,			
	2024		2023	
	Acquisition Amount	**% of total**	Acquisition Amount	% of total
	(in millions of RMB)			
Real estate	**25,811.5**	**71.1**	44,404.6	63.5
Wholesale and retail trade	**3,374.8**	**9.3**	4,011.4	5.7
Manufacturing	**2,694.4**	**7.4**	6,485.5	9.3
Leasing and commercial services	**2,576.4**	**7.1**	6,218.2	8.9
Construction	**716.9**	**2.0**	3,133.2	4.5
Mining	**–**	**–**	2,872.2	4.1
Water conservancy, environment and public facilities management	**–**	**–**	1,324.8	1.9
Others	**1,110.1**	**3.1**	1,460.2	2.1
Total	**36,284.1**	**100.0**	69,910.1	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 December 31,			
	2024		2023	
	Acquisition Amount	**% of total**	Acquisition Amount	% of total
	(in millions of RMB)			
Bohai Rim	**9,817.5**	**27.0**	22,164.5	31.7
Yangtze River Delta	**2,465.0**	**6.8**	6,819.4	9.8
Pearl River Delta	**7,226.9**	**19.9**	8,369.4	12.0
Central China	**9,253.1**	**25.5**	13,864.3	19.8
Western China	**5,757.3**	**15.9**	16,510.9	23.6
Northeastern China	**1,764.3**	**4.9**	2,181.6	3.1
Total	**36,284.1**	**100.0**	69,910.1	100.0

5.3.1.3 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 2024, the Company continued its efforts in the DES business, insisted on optimizing incremental investments while accelerating asset turnover, so as to maintain the overall stability of the scale of DES Assets. On the one hand, by actively capitalizing on the policy opportunities presented by the mixed ownership reform of state-owned enterprises and development of new quality productive forces, the Company continued to promote the market-oriented DES business to support state-owned enterprises to deleverage and to support enterprises in strategic emerging industries to reduce costs and increase efficiency, further consolidating the Company's professional brand image and contributing to the high-quality development of the real economy. On the other hand, the Company continued to enhance the disposal of DES projects, and adopted the enterprise-tailored disposal strategy for major equity interests to enhance the value of assets disposal, and specifically strengthen the management of the reduction of listed equity assets, thereby enhancing the professional disposal capabilities.

The table below sets forth the general operation of DES Assets of the Company as at the dates and for the years indicated.

	As at and for the year ended December 31,	
	2024	2023
	(in millions of RMB)	
Total book value		
DES Assets at fair value through profit or loss	**34,485.2**	34,325.7
DES Assets at interests in consolidated structured entities and associates and joint ventures	**64,259.0**	62,948.2
DES Assets at fair value through other comprehensive income	**4,201.2**	3,607.2
Total	**102,945.4**	100,881.1
DES Assets Income		
Fair value changes [(1)]	**2,128.3**	2,930.3
Gains realized with other accounting approaches [(2)]	**3,224.0**	5,824.6

Notes:

(1) Refers to fair value changes of the DES Assets at fair value through profit or loss, including the net gains 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.

5.3.1.4 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.

Other Distressed Asset Business 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, applies flexible 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 achieve 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.

In 2024, the Company followed the key tasks on preventing and mitigating financial risks and serving the real economy, solidly worked to "five priorities" of finance to constantly improve the quality of business development, and enhance financial service supply capabilities, and serve the modernized industrial system construction. Adhering to the client-centric concept, the Company continued to strengthen the brand influence of "Ten Provinces and Twenty Cities" and accelerated the construction of strategic customer groups and ecosystems. Focusing on the problems in the real economy, the Company actively and properly made deployments in fields such as the bailout and crisis relief of distressed enterprises, revitalization of existing inefficient assets, merger, acquisition, restructuring and bankruptcy reorganization and listed company bailout, and provided effective solutions to problems for enterprises through reorganization investment, bridge financing, staged shareholding, financial consulting and common benefit debt, etc.

As at December 31, 2023 and 2024, the investment balance of other distressed asset business of the Company amounted to RMB190.63 billion and RMB211.12 billion, respectively. In 2023 and 2024, the new investment in other distressed asset business of the Company amounted to RMB57.64 billion and RMB47.44 billion, and the income amounted to RMB3.63 billion and RMB7.73 billion, respectively.

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

	For the year ended December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Structural adjustment of energy and infrastructure industries	**13,603.2**	**28.7**	14,754.4	25.6
Real estate risk mitigation	**13,206.3**	**27.8**	16,567.7	28.7
Transformation and upgrading of new quality productive forces	**3,617.8**	**7.6**	6,405.5	11.1
Central and local state-owned enterprise reform and de-risk	**15,942.6**	**33.6**	18,999.7	33.0
Others	**1,069.5**	**2.3**	914.0	1.6
Total	**47,439.4**	**100.0**	57,641.3	100.0

Cinda Hong Kong

As a cross-border distressed asset coordinated management platform of the Group, Cinda Hong Kong focused on distressed asset market and cross-border restructuring and reorganization business of enterprises in Hong Kong, also engaged in acquisition-operation business to prevent and resolve the overseas business risks of Chinese financial institutions in Hong Kong, proactively leveraged the functions of its main business, and provided diversified revitalizations and solutions; Cinda Hong Kong also strengthened Group-wide coordination, and proactively launched central and local state-owned enterprise and capital market bailout and other emerging businesses.

As at December 31, 2023 and 2024, the balance of other distressed asset business of Cinda Hong Kong amounted to RMB42.97 billion and RMB48.08 billion, respectively. In 2023 and 2024, the income of other distressed asset business of Cinda Hong Kong amounted to RMB3.44 billion and RMB1.64 billion, respectively.

Cinda Investment

Cinda Investment gave full play to the functions of the domestic shareholding platform and the distressed asset management platform, shouldered its responsibility, focused on its core responsibilities and main business, deeply integrated into the coordinated development of the Group. Also, adhering to the business characteristics of “proactive management, value restoration, stock revitalization, resources integration, and group coordination”, and by virtue of its rich experience in the bailout of distressed assets and distressed institutions and substantive restructuring, Cinda Investment continued to innovate the idea of defusing risk, actively explored the asset-light operation model in the real estate sector, integrated internal resources, and provided risk defusing solutions for problems in the whole cycle. Cinda Investment accelerated the expansion of business model and profit model in the real economy industry such as energy resources, intelligent manufacturing, new materials, etc., so as to promote business transformation and build a highly professional and top-ranking investment institution in problematic institutions’ bailout.

As at December 31, 2023 and 2024, the balance of other distressed asset business of Cinda Investment amounted to RMB59.41 billion and RMB59.35 billion, respectively. In 2023 and 2024, the income of other distressed asset business of Cinda Investment amounted to RMB4.96 billion and RMB3.41 billion, respectively.

Zhongrun Development

Zhongrun Development continued to strengthen Group-wide collaborative empowerment, and based on its professional ability and brand advantages in the business field of custody and bankruptcy, it provided capital-light services such as custody and reorganization, consulting and advisory, reorganization consultation, fiduciary management, operation supervision, recruitment of industrial investors, etc. to problematic institutions and distressed enterprises, and carried out supporting asset-light businesses such as common benefits debt, liquidity supports and assets acquisition, bankruptcy reorganization investments in bankruptcy reorganization, so as to build a professional and leading service platform in the business field of custody and bankruptcy and continue to empower the Group's core responsibilities and main business.

As at December 31, 2023 and 2024, the balance of other distressed asset business of Zhongrun Development amounted to RMB2.42 billion and RMB1.78 billion, respectively. In 2023 and 2024, the income of other distressed asset business of Zhongrun Development amounted to RMB0.12 billion and RMB0.22 billion, respectively.

Cinda Real Estate

As a professional real estate platform of the Group, Cinda Real Estate played the role of "project management operator, post-investment assistant, and real estate investment advisor" in the Group's distressed assets business of real estate. It was professionally empowered to continuously improve the comprehensive ability to solve complex problems across diverse sectors, and became an integral part of the Group's real estate-related business. Cinda Real Estate revitalized distressed real estate, explored and enhanced values of such assets through methods such as equity merger, entrusted construction and operation services, so as to provide effective channels for asset disposal and realization. Cinda Real Estate adopted various business models such as acquisition, merger, entrusted construction, joint construction, supervision, management upon authorization, and consultation to participate in the Group's real estate business synergy, promoted the resumption of real estate risk projects and effectively carried out the work of "ensuring housing delivery, maintaining social stability and safeguarding people's livelihoods".

5.3.1.5 Entrusted Operation

The Group provides entrusted operation services to distressed assets and entities under the engagement of government, enterprises and financial institutions. The entrusted distressed asset operation business is mainly conducted by the Company. As at December 31, 2023 and 2024, the balance of the entrusted operation distressed assets amounted to RMB9.65 billion and RMB18.22 billion, respectively.

5.3.2 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, securities, futures, mutual funds, trusts and leasing business. The Group is committed to providing customized financial services and comprehensive solutions to customers.

In 2023 and 2024, the income from the financial services business accounted for 42.5% and 45.4% of the total income of the Group, respectively.

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

	As at and for the year ended December 31,							
	2024				2023			
	Income	**Profit before tax**	**Total assets**	**Net assets**	Income	Profit before tax	Total assets	Net assets
	(in millions of RMB)							
NCB	**23,228.0**	**3,578.6**	**503,103.4**	**65,049.4**	21,972.8	3,230.0	502,487.9	60,523.4
Cinda Securities	**4,900.8**	**1,536.2**	**106,902.4**	**24,441.4**	5,146.4	1,734.6	77,903.2	18,339.8
Jingu Trust	**1,266.7**	**742.5**	**14,674.2**	**5,145.6**	1,263.2	456.7	9,146.8	4,666.7
Cinda Financial Leasing	**3,864.4**	**835.9**	**80,842.0**	**9,677.6**	4,182.5	741.7	83,168.3	8,986.2

Note:

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

5.3.2.1 Banking Business

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

The development of NCB plays an important role in the Group. 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.

NCB

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

	As at and for the year ended December 31,	
	2024	2023
	(in billions of RMB)	
Total assets	**503.1**	502.5
Total loans	**248.7**	270.3
Total deposits	**365.2**	357.4
Net interest income	**7.4**	7.2
Net commission and fee income	**1.2**	1.2
Asset quality indicators (%)		
Non-performing loan ratio (1)	**2.82**	2.32
Capital adequacy ratio indicators (%)		
Total capital ratio (2)	**19.89**	18.56
Tier-1 capital ratio (3)	**16.61**	15.20
Tier-1 common capital ratio (4)	**14.55**	13.23
Profitability indicators (%)		
Return on average assets (5)	**0.63**	0.63
Return on average shareholder's equity (6)	**4.81**	5.14
Net interest margin (7)	**1.55**	1.60
Cost-to-income ratio (8)	**34.80**	34.82
Other indicators (%)		
Liquidity coverage ratio (9)	**212.98**	165.02

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 profit after tax for the period divided by the average of assets as at the beginning and the end of the period.

(6) Equals net profit attributable to equity holders for the period divided by the average of equity attributable to equity holders as at the beginning and the end of the period.

(7) Equals net interest income divided by daily average balance of interest-generating assets.

(8) Equals operating expenses divided by operating income.

(9) 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.

NCB Hong Kong

Rooted in Hong Kong, NCB Hong Kong focuses on providing professional services, and it is well-known for its expertise in personal wealth management and corporate banking services.

Based on the business philosophy of "providing integrated services in both Mainland China and Hong Kong", and the national strategies including the outline development plan for the Guangdong-Hong Kong-Macao Greater Bay Area, NCB Hong Kong supported Hong Kong to consolidate its position as one of the international finance centers. Leveraging the synergy of the Group, NCB Hong Kong gave full play to its expertise in cross-border financial, ecosystem cooperation, offshore RMB and other businesses to optimize its products and service processes, enhance its online and offline customer service channels, accelerate the transformation of financial advisory and comprehensive financial steward business, strengthen the use of financial technology, improve cross-border service professional level and customer experience, and further consolidate the characteristic advantages of sub-sectors, which has improved high-quality development of operating business.

In 2024, NCB Hong Kong was honored by Euromoney, a leading magazine in the financial sector, with the "Best Bank for Serving Local SMEs in the Greater Bay Area 2024", and honored by Hong Kong Ta Kung Wen Wei Media Group with the "Best Bank in the Guangdong-Hong Kong-Macao Greater Bay Area" for the second consecutive year. NCB Hong Kong played the role of the core platform of the Group's comprehensive financial services, created a special cross-border product system, supported the development of the Group's credit granting and industrial investment. NCB Hong Kong actively explored a group-wide synergistic scenario model, implemented a cross-border asset allocation model for domestic institutions and collectively built the QDII product channel, which has achieved remarkable results and pioneered a new approach for the Group's great synergy. In 2024, NCB Hong Kong achieved a synergistic income of HKD0.30 billion.

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

	As at and for the year ended December 31,	
	2024	2023
	(in billions of RMB)	
From personal customers		
Balance of loans	**25.9**	27.9
Balance of deposits	**204.8**	169.7
Net interest income	**1.0**	0.9
Net commission and fee income	**0.4**	0.3
From corporate customers		
Balance of loans	**146.2**	164.3
Balance of deposits	**85.2**	107.5
Net interest income	**1.7**	2.0
Net commission and fee income	**0.4**	0.5

NCB China

NCB China is mainly engaged 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 "five priorities" of finance, and by giving full play to the Group's comprehensive financial service and the parent bank's cross-border financial service advantages, NCB China created differentiated competitiveness in asset management, cross-border finance, wealth management, etc. With the empowerment of financial technology, NCB China also continuously improved the service to both domestic and overseas customers, lifted 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 2024, the synergistic business of NCB China with the Group totaled RMB23.70 billion, and realized business synergy income of RMB0.29 billion. A total of 39 various projects were recommended to the Group's subsidiaries and RMB9.28 billion was intended to be invested by the Group.

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

	As at and for the year ended December 31,	
	2024	2023
	(in billions of RMB)	
Total assets	**147.0**	149.4
Total loans	**80.4**	82.4
Total deposits	**91.2**	87.4
Net interest income	**1.5**	1.6
Net commission and fee income	**0.2**	0.2
Asset quality indicators (%)		
Non-performing loan ratio	**1.38**	1.48
Provision coverage ratio	**133.63**	139.14
Capital adequacy ratio indicators (%)		
Core tier-1 capital adequacy ratio	**16.14**	16.20
Tier-1 capital adequacy ratio	**16.14**	16.20
Capital adequacy ratio	**16.69**	16.67
Profitability indicators (%)		
Return on average assets	**0.45**	0.33
Return on average shareholder's equity	**3.87**	2.92

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

	As at December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in billions of RMB)			
Loan				
Corporate Banking Business	**63.1**	**78.5**	64.2	77.9
Personal Banking Business	**17.3**	**21.5**	18.2	22.1
Total	**80.4**	**100.0**	82.4	100.0
Deposits				
Corporate Banking Business	**77.7**	**85.2**	76.2	87.2
Personal Banking Business	**13.5**	**14.8**	11.2	12.8
Total	**91.2**	**100.0**	87.4	100.0

5.3.2.2 Securities, Futures and Fund Management

The Group conducts securities, futures and fund management business through Cinda Securities and its subsidiaries. In 2023 and 2024, the revenue of Cinda Securities amounted to RMB3,483.5 million and RMB3,291.5 million, respectively.

Cinda Securities continued to strengthen its capacity, vigorously cultivating and introducing high-quality research teams. Cinda Securities strengthened synergy with the main business of distressed assets, and provided industry and corporate research as well as investment banking services for projects of the Group, further enhancing the depth and breadth of its services. Giving full play to the role of the Group's synergistic ecosystem, Cinda Securities pooled such resources as customer channels, business information and business opportunities, formed a strategy of internal resource integration and external synergistic marketing, and continued to make efforts in mergers and acquisitions, reorganization and private enterprise bailout. All these efforts accumulated rich operational experience and professional capabilities, and formed differentiated advantages in the field of distressed asset management and investment in special opportunities, which resulted in a continuously improved brand image.

Cinda Securities

The table below sets forth the business income of Cinda Securities and their corresponding percentages for the years indicated.

	For the year ended December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Securities and futures brokerage	**1,505.0**	**45.7**	1,331.6	38.2
Proprietary securities trading	**647.6**	**19.7**	611.5	17.6
Investment banking	**155.7**	**4.7**	139.3	4.0
Asset management	**585.8**	**17.8**	1,065.7	30.6
Other business	**397.5**	**12.1**	335.4	9.6
Total	**3,291.5**	**100.0**	3,483.5	100.0

Cinda Futures

The Group conducts futures business through Cinda Futures. In 2023 and 2024, income from the futures business of Cinda Futures amounted to RMB226.4 million and RMB211.7 million, respectively, and the operating profit realized amounted to RMB97.2 million and RMB93.1 million, respectively.

Cinda Fund

The Group conducts mutual fund business through Cinda Fund. Such mutual funds 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, 2023 and 2024, the Group had 67 and 79 mutual securities investment funds with the total AUM of mutual funds and asset management plans amounted to RMB105.95 billion and RMB153.06 billion, respectively. In 2023 and 2024, management fee income from mutual funds and asset management plans amounted to RMB877.0 million and RMB581.9 million, respectively.

Cinda International

The Group conducts cross-border securities brokerage, financial product trading, investment banking and asset management businesses in Hong Kong through Cinda International. In 2023 and 2024, the revenue of Cinda International amounted to RMB93.4 million and RMB137.8 million, respectively.

5.3.2.3 Trusts

The Group conducts trust business through Jingu Trust. As at December 31, 2023 and 2024, the existing trust AUM of the Group amounted to RMB185.67 billion and RMB467.67 billion, respectively, and the Group managed 439 and 675 existing trust projects, respectively. In 2023 and 2024, the commission and fee income generated from trust business were RMB0.85 billion and RMB1.23 billion, respectively.

Aiming at building an important platform for "asset management, trust services and wealth management" and becoming a trust company with leading advantages in the field of special assets, Jingu Trust has been actively promoting business transformation, anchoring itself in the strategic bases of serving the real economy and serving the Group's main responsibilities and main business. Adhering to the concepts of pursuing progress while ensuring stability and seeking innovation while upholding integrity, Jingu Trust has been focusing on the integration of resources to explore the path of characteristic development and fully strengthen strategic synergy with the Group. Relying on the advantages of trust system and its professional capacity, Jingu Trust has deeply integrated into the Group's main business of distressed assets operation and innovated the synergistic model. Jingu Trust had RMB30.9 billion of new synergy projects in 2024, and the balance of the synergy business reached RMB68.3 billion at the end of 2024. The Company took the initiative to connect with all business types and business scenarios of the Group's main business of distressed assets operation, and developed differentiated competitiveness in bankruptcy reorganization, assets revitalization, enterprise bailout and other scenarios.

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

	As at December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Infrastructure	**84,883.0**	**18.1**	30,889.9	16.6
Real estate	**6,857.5**	**1.5**	7,256.1	3.9
Securities markets	**21,055.1**	**4.5**	27,232.6	14.7
Industry and commerce	**331,375.0**	**70.8**	59,539.0	32.1
Financial institutions	**760.1**	**0.2**	799.1	0.4
Asset-backed securitization	**21,904.1**	**4.7**	59,413.8	32.0
Others	**831.2**	**0.2**	539.7	0.3
Total	**467,666.0**	**100.0**	185,670.2	100.0

5.3.2.4 Financial Leasing

The Group conducts financial leasing business through Cinda Financial Leasing. As at December 31, 2023 and 2024, the net finance lease receivables of the Group were RMB73.42 billion and RMB67.62 billion, respectively. In 2023 and 2024, the net revenue generated by the financial leasing business of the Group were RMB1,856.2 million and RMB1,782.7 million, respectively, and the net profit generated from the financial leasing business of the Group for the same period were RMB742.5 million and RMB809.1 million, respectively.

Cinda Financial Leasing actively implemented the Group's synergistic strategy to actively 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 worked to "five priorities", focused on key areas, served "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, and spared no efforts to 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 Cinda" strategy of the Group, and vigorously promoted the construction of "Digital Financial Leasing", aiming to accelerate its digital transformation and accelerate the pace of "digital finance". In 2024, Cinda Financial Leasing made 23 new collaborative investments in the Group's strategic and important customers, with a contract value of RMB7.3 billion.

Product Types

In 2024, the net income from specialized products and non-specialized products was RMB1,005.4 million and RMB777.3 million, respectively, representing 56.4% and 43.6% of Cinda Financial Leasing's net income for the periods, respectively.

Industry Distribution

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

	As at December 31,			
	2024		2023	
	Amount	**% of total**	Amount	% of total
	(in millions of RMB)			
Manufacturing	**27,626.3**	**38.6**	21,219.4	27.5
Leasing and commercial services	**12,249.6**	**17.1**	15,199.2	19.7
Construction	**9,176.4**	**12.8**	16,608.6	21.6
Transportation, logistics and postal services	**5,857.3**	**8.2**	5,549.9	7.2
Mining	**5,090.5**	**7.1**	6,330.3	8.2
Water conservancy, environment and public facilities management	**2,852.2**	**4.0**	4,633.2	6.0
Production and supply of power, heat, gas and water	**4,054.3**	**5.7**	3,285.8	4.3
Others	**4,727.1**	**6.5**	4,211.5	5.5
Total	**71,633.7**	**100.0**	77,037.9	100.0

5.3.3 Information Technology

In 2024, the Company implemented the spirit of the Central Financial Work Conference, centered on the strategic goal of "Digital Cinda", and made new progress in the construction of the information technology system, the development and application of information technology products, the digital transformation of internal management, and the security of information systems operation in accordance with the roadmap of its information plan.

Improving the information technology management system and passing the ISO27001 and ISO20000 certifications. Drawing on the best practices of the industry, the Company optimized and improved the information technology management system, organized the review, inspection and internal and external audits of the information technology management system, and passed the annual certification of ISO27001 information security management system and ISO20000 information technology service management system.

Completing top-level design of digital finance on priorities to promote high-quality development. By benchmarking the leading practice of the industry, the Company completed the top-level design of digital financial planning and clarified the digital financial strategic goal of cultivating digital-driven new quality productive forces tailored to AMCs that are safe and efficient, and constructing an asset management digital financial ecosystem that is integrated and complementary, open and win-win.

Consolidating digital operation capability and promoting business transformation and upgrading. The Company improved the enterprise business operation platform, supported the effective execution of innovative businesses such as SPVs, funds, central and local state-owned enterprises and light capital, and took the lead among national financial asset management companies in realizing the digital operation of individual loan non-performing assets business. It upgraded the Smart Search platform, to foster a digital ecosystem, innovated investment attraction methods and expanded investment attraction channels. It also vigorously developed the mobile internet terminal business, initially constructed an enterprise-level business mobile portal, and prioritized the mobile workflow of business operation. The new mail system won the "Golden Flash Award" in China Internet Innovation Competition at the 2024 China Internet Conference.

Actively embracing the new technology of artificial intelligence to enhance the level of intelligent empowerment. The Company explored the application of AI Large Language Model technology and established the first AI intelligent assistant "Cin Xiao Da" in the distressed asset management industry, which provides intelligent retrieval of knowledge on distressed assets and Q&A services, thus completing the localized deployment of DeepSeek. It built the RPA intelligent robot platform to enhance the office automation level of financial operations, administrative office and other scenarios.

Accelerating the Group's digital transformation and strengthening the Group-wide digital integration. Each subsidiary of the Group comprehensively carried out calibration and revision of information planning and promoted digital financial development. The Group's unified system served Cinda Investment, Cinda Hong Kong and Zhongrun Development, implemented unified data standards and enhanced the Group's integrated risk control and compliance level. NCB launched a new system and Jingu Trust initiated the construction of a new system to strengthen their digital financial service capabilities.

Deepening the application of data governance and giving play to the effectiveness of data productivity. The Company adhered to the principle of promoting governance through data application and steadily improved the quality of data. It dug deeper into the value of data, enriched data applications and comprehensively supported operational decision-making, risk prevention to optimize customer service and promote the realization of business opportunities.

Actively carrying out network security construction to ensure the safe and stable operation of information systems. The Company strengthened network security and data security construction and management, organized and carried out information security risk assessment, completed the filing of information system level protection and the construction of security information and event management platform to promote data security governance; it strengthened data center operation and maintenance, with data center infrastructure passing GB50174 Class A certification and data center operation and maintenance management passing CQC8302 Class L3 certification; it completed annual disaster recovery drills as planned to provide effective protection for information system disaster recovery and business continuity; it realized effective system security construction and management throughout the year, and ensured smooth network and system operation without any information security incident occurred, with the availability rate of key systems reaching 99.99% and availability rate of data center infrastructure reaching 100%.

5.3.4 Human Resources Management

In 2024, the Company continued to follow the talent concept of "recruit based on talent, position based on competence", vigorously implemented the strategy of talents-driven, continued to promote the five-year plan for the construction of the Company's team of cadres, further strengthened the construction of talent pipelines, enhanced talent reserves, strengthened talent cultivation, continuously improved employees' professional abilities, and promoted the development of employees in multiple ways and angles; the Company also continued to optimize and improve the incentive and constraint mechanism, established a reasonable and standardized distribution of income, stimulated the vitality of the enterprise by inspiring the creativity, initiative and enthusiasm of its employees, and strove to refine the mechanism, increase the efficiency, and strengthen the management, so as to provide strong organizational guarantee and talent support for the Company's high-quality and sound development.

5.3.4.1 Employees

The following table sets forth the distribution of the employees of the Group (including senior management, but excluding those employed through labor dispatch agency) as at the dates indicated.

	As at December 31,			
	2024		2023	
	Number of employees	**% of total**	Number of employees	% of total
By location				
Employees in Mainland China	**12,130**	**87.9**	12,144	87.3
Employees in Hong Kong and Macao	**1,685**	**12.1**	1,764	12.7
By gender				
Male	**7,440**	**53.8**	7,649	55.0
Female	**6,375**	**46.2**	6,259	45.0
Total	**13,815**	**100.0**	13,908	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 60% respectively. The Company has achieved employee diversity, including genders by taking diversity as the 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).

5.3.4.2 Remuneration Policy

The Company's remuneration policy follows the basic principle of performance priority balanced with equity. In order to meet the needs of the Company's development strategy, remuneration management follows the principle of marketization, and remuneration distribution is linked to operating efficiency. The Company continues to improve the market-oriented assessment mechanism, putting indicators such as development quality, risk management and sustainable development into the assessment, and implements a match for remuneration and performance and establishes a reasonable and normative order for income distribution.

5.3.4.3 Education and Training

In 2024, the Company focused on studying and implementing the spirit of the Central Financial Work Conference, made overall arrangements for annual training plans, and continuously promoted the construction of its hierarchical and classified training system, to enhance its cadres and employees' professional competence and comprehensive quality. Through the combination of on-site training and video lectures, offline self-study and online learning and air classroom, more than 2,160 training sessions of various types have been completed and the training attendance exceeded 300,000 throughout the year. The Company carried out 16 regular sessions of practical training camp and 2 innovative sessions of project study camp, providing on-site training for a total of 732 frontline backbones, 97 new employees and 60 newly appointed middle-level cadres for the Company's systems, covering the departments of the headquarters as well as all branches and subsidiaries. The Company also innovated the training methods of the "Selection System" and "Recruitment System", leveraged the Group's professional expertise to address challenges head-on, reserve core talents at different levels and build a professional, practical and dynamic team that can quickly respond to business needs. According to the principle of iterative optimization, the Company updated and improved its core business training course system, supporting employees in their career development, and providing talent support and guarantee for the Company's high-quality development.

5.4 Risk Management

5.4.1 Framework of Comprehensive Risk Management

The comprehensive risk management is a continuous process which calls for the participation of the Board, Senior Management and all levels of employees of the Company 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 Company's risks in all phases within the Company's risk appetite.

In 2024, the Company continued to strengthen the construction of the comprehensive risk management system and thoroughly implemented the risk management concept of "protecting the bottom-line by managing risks proactively", ensured the consistent dissemination of risk appetite within the Group, formulated and adjusted risk management and control policies in a timely manner, strengthened the Group's risk management and control, optimized the risk management and control measures across the entire process, proactively identified and addressed hidden risks, fully organized to address challenges on risk mitigation, and further enhanced asset quality. The Company improved risk monitoring and pre-warning tools and stuck to the bottom line of risk management to constantly enhance the level of specialization and refinement of the risk management.

5.4.2 Risk Appetite

At the beginning of 2024, the Risk Appetite Statement of the Group (2024) was formally implemented upon the approval of the Board and subject to its supervision in implementation. The Company continuously monitored and evaluated the operation of the risk appetite system, prepared quarterly reports on the execution of the Group's risk appetite, optimized indicators for risk appetite and improved the transmission mechanism of risk appetite, with a view to further making use of risk appetite system as a guide in the operation of the Group as a whole. Since its launch, the Group's risk appetite system has effectively promoted the Company's strict implementation of national policies and regulatory requirements, its focus on the main responsibility and business, its alignment with national strategies, and its commitment to ensure the effective implementation of the Group's development strategy, which provided a strong guarantee for the stable operation of the Group's business and the realization of the Group's risk control objectives.

The overall risk appetite statement of the Company is: the Company is devoted to strategically controlling risk profile, streamlining risk sequence, preventing and controlling risk exposure, maintaining a stable risk appetite, and constantly pursuing a balanced development of efficiency, quality and scale. The Company attaches importance to the alignment of business scale, operating income and risk exposure, and will not pursue higher profits at the expense of the bottom line of risks. The Company strives to maintain the stability and sustainability of profitability within an acceptable risk level, to ensure an endogenous capital growth, to meet the required capital adequacy and to maintain a stable external rating. The Company will also ensure that all business activities are implemented effectively within the risk appetite framework. All substantive risks are to be accurately defined, clearly measured, carefully assessed and proactively managed in the ordinary course of business, so as to align with the risk tolerance and capital adequacy of the Company. The Company will also strive to optimize the risk-adjusted returns within the planned risk tolerance.

5.4.3 Risk Management Organizational Structure

The Company has established and continuously optimized the risk management organizational system. The Board assumed the ultimate responsibility for comprehensive risk management, exercised functions relevant to risk management, considered major issues of risk management, and supervised and evaluated the establishment of the risk management system and risk level of the Group through its Risk Management Committee, Audit Committee and Connected Transaction Control Committee. The Board of Supervisors assumed the responsibility of monitoring comprehensive risk management, and was responsible for supervising and inspecting the performance of the Board and the Senior Management in risk management as well as supervising their rectification. The Senior Management assumed specific responsibilities of comprehensive risk management in accordance with the authorization of the Board, and was accountable to the Board for the effectiveness of the risk management system. The risk management committee under the Senior Management exercised part of the risk management duties of the Senior Management in accordance with the authorization.

In 2024, the Risk Management Committee of the Board convened six meetings to consider various resolutions, such as the risk appetite statement of the Group, and the risk management report of the Group. The risk management committee of the Senior Management convened ten meetings to consider and approve various resolutions, such as the risk management policy, the risk limits management plan, the risk monitoring and evaluation plan of the Group, quarterly classification of risk assets and provisions for impairment losses.

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 including: 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 2024, the Company further strengthened its risk management. The independence and professionalism of risk management have been continuously improved, Board-concerned risk priorities have been implemented by the management, and significant achievements in risk management work have been made. The Company continued to carry on its progress in developing a dedicated risk management team, and strove to continuously improve the performance and competence of personnel involved in risk management and comprehensively enhance the risk control awareness of all staff through risk case reconsideration and review, risk business training programs, qualification verification, and performance assessment.

5.4.4 Risk Management Policy System

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

At the beginning of 2024, the Company formulated and issued the Group's risk management policy for 2024 covering eight major types of risks, including credit risk, market risk, operational risk and compliance risk, liquidity risk, concentration risk, related party transaction risk, reputation risk, overseas business risk and country risk, and the Group's risk limit management scheme for 2024 with five major sectors, including credit risk limit, market risk limit, liquidity risk limit, concentration risk limit and related party transaction risk limit. The Company maintained a prudent and robust risk appetite, promoted the ecosystem construction of its principal business and devoted efforts to "five priorities", in order to enhance the quality and effectiveness of financial risk mitigation and serving the real economy. The Company also continued to strengthen its professional capabilities to foster its differentiated competitive advantages. In addition, the Company continuously facilitated the rectification of issues identified through inspection and audit to improve the comprehensive risk management system and mechanism. By resolutely implementing the regulatory requirements, the Company further strengthened its asset quality to consolidate the functioning of its three lines of defense. The Company also conducted reconsideration and review, continuously strengthened the level of risk prevention and control as well as internal control and compliance management, made every effort to improve the quality and efficiency of risk resolution, comprehensively sped up the activation and disposal of inefficient assets, ensured that risk indicators were remained within an appropriate thresholds, and the occurrence of systematic and regional risks was resolutely prevented. In 2024, the Company revised the Management Measures of Risk Reporting, the Management Measures for Credit Risks, the Management Measures for Related Party Transactions and the Management Measures for Collaterals, and formulated new systems such as the Interim Measures for Risk Resolution Incentive Management, so as to further optimize the workflow of the risk management and improve the effectiveness of risk management.

5.4.5 Risk Management Tools and System

The Company strengthened the monitoring, analysis and alerting of risks in key regions, industries and customers through launching a risk management operation and transmission mechanism that seeks to a balance between capital, risk and income, and raised its risk identification, measurement, monitoring and management and control capabilities by utilizing various risk management tools such as economic capital, risk limit, internal rating, risk classification, provisions for impairment, stress test and risk assessment.

In 2024, the Company proactively adjusted its business strategy and business structure in alignment with regulatory requirements and market changes, and strictly enforced the risk policy boundaries for the business activities, so as to ensure that the risks with the customers, industries and regions were under control. The Company also adjusted the management and control methods based on changes in risk exposure on a timely basis, so as to ensure the effectiveness and timeliness of risk management. With economic capital management on top of the agenda, the Company strictly controlled the risk limit control standard and appropriately assigned 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 information systems related to risk management, and continued to optimize and improve the functions of the risk monitoring platform, established more accurate and sensitive models, and strengthened the applications of such models, so as to adapt to more business scenarios and continuously improve the digitalization level of risk management.

5.4.6 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 resolution, 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 status.

In 2024, the Company implemented the risk policies of the customers, industries, regions and products, enhanced its deployment in the "extensive distressed asset" business field with a focus on distressed institutions and distressed assets, accelerated the business reform and optimized the business structure to promote the high-quality development of business. Pursuant to its business strategy, the Company reassessed the annual credit rating of existing customers, and conducted 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, strictly conducted risk assessment, and promoted the risk resolution of major projects; carried out asset classification in strict compliance with regulatory requirements and internal regulations, accurately measured risks and consolidated assets quality, and reduced the scale of endogenous distressed assets; continued to improve the unified credit management and control system for the group customers, strengthened the risk identification and credit line management for the group customers to rationally control the credit risk exposure to the group customers.

5.4.7 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 process of identifying, measuring, monitoring, controlling and reporting 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 reasonably managing the pricing at the asset end and cost at the debt end.

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 neutral. As for the USD bonds and preference shares issued by the Company, invested assets were mainly denominated in USD or in HKD pegged to USD.

5.4.8 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 a reasonable cost to repay on due debt, meet debt obligations and operational payment 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 2024, the overall market liquidity was justified and sufficient, and the funding rates generally declined. The Company seized favorable opportunities to optimize its financing structure while strictly controlling capital costs. All liquidity risk indicators were above regulatory requirements, maintaining stable and orderly liquidity throughout the year. Meanwhile, the Company leveraged its liquidity risk management system to continuously monitor liquidity conditions of institutions within the Group, continuously strengthened the liquidity management, coordination and synergy of the Group, and improved liquidity risk stress test and response plans, effectively safeguarding the Group's liquidity security.

5.4.9 Management of Concentration Risk

Concentration risk refers to the risk that an individual exposure or cluster exposure may threaten the Company's overall solvency or financial position, resulting in a material change in risk profile. The Company mainly monitors the concentration risk of customers, industries, regions, related party transactions, etc.

The Company's concentration risk management follows the principle of "adhering to the bottom line, comprehensive coverage, prior management and differential control", and strictly complies with the regulatory authorities' requirements. Under the leadership of the Board and the management, the Company identified, monitored, controlled, conducted stress test and reported on concentration risk with the objective of controlling concentration risk, to improve asset allocation efficiency and prevent exposure to large-amount risks.

In 2024, the Company further emphasized the refined management of concentration risk, enhanced information sharing, monitoring and early warning, and scientifically formulated risk limits for customers, industries, regions, related party transactions, etc. In addition, the Company matched the volume of business conducted with the operating conditions of the client, the development trend of the industry, and the scale of the regional economy, etc., so as to promote the optimization and adjustment of the business structure. The Company further improved the risk management mechanism of key customers, ensured timely and accurate reporting on key customers' business information statistics, advanced risk prevention, and professional risk warning, strengthened the relevant assessment mechanism of operating units, and enhanced the prospectiveness and interaction of major customers risk management, in order to effectively control the risk exposure of the major customers.

5.4.10 Management of Operational Risk

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

In 2024, fully considering its actual situation, the Company revised its basic system of operational risk management in accordance with the Measures for the Administration of Operational Risk of Banking and Insurance Institutions to optimize its corporate governance system, established and improved its three lines of defense, and enhanced its risk management mechanism; developed the Project Operation Exclusion List to further refine its management mechanism for negative lists, aiming to keep focus on key business processes and strengthen prevention and control in advance of operational risks; continued to monitor key operational risk indicators, with in-depth investigations into potential operational risks to prevent major operational risk events and continued to improve the quality and effectiveness of operational risk management.

5.4.11 Management of Reputation Risk

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

In 2024, the Company thoroughly implemented the regulatory requirements, continued to promote the full-process management and normalization of reputation risk, and constantly elevated the standardization of management practices. The Company conducted reviews and modifications of its internal systems and reinforced the responsibilities for reputation risk management by entities at all levels; carried out investigation of reputation risks and enhanced the source control; paid attention to prevention and mitigation of potential reputation risk and improved the emergency response and disposal mechanism for public opinions; organized simulation exercises of reputation risk scenarios and emergency drills to enhance comprehensive response capabilities; timely responded to the concerns from all stakeholders and rationally guided social expectations; actively promoted a series of influential communication activities to earnestly maintain the Company's good brand image.

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

5.4.12 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 prevention-oriented" guiding principle.

In 2024, the Company adhered to a forward-looking, proactive and effective money laundering risk management principle, and effectively fulfilled its legal obligations and social responsibilities of anti-money laundering. The Company focused on developing a more convenient and efficient management system for anti-money laundering, and actively improved its system's applicability to businesses, achieving the balance of risk control with operational efficiency. The Company conducted on-site inspections for institutions that were regulatorily sensitive and with relatively high money laundering risks, and built a more complete money laundering risk prevention and control system for the Group. The Company organized and carried out various anti-money laundering training and publicity campaigns to further strengthen practitioners' performance capabilities, and to contribute to the prevention and mitigation of financial risks.

For more details on the risk management of the Company, please see "Risk Management" in the section headed "Corporate Governance Report" and Note VI. 70 "Financial risk management" to the Consolidated Financial Statements.

5.5 Capital Management

The Company established a business and development model on the basis of capital constraints with reference to relevant requirements and specific rules on capital supervision issued by the NFRA. In the process of business expansion, the awareness on 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 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.

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

	As at December 31,	
	2024	2023
	(in millions of RMB)	
Core tier-1 capital adequacy ratio (%)	**11.07**	11.78
Tier-1 capital adequacy ratio (%)	**15.63**	16.49
Capital adequacy ratio (%)	**16.75**	18.02
Net core tier-1 capital	**79,470.6**	82,101.0
Net tier-1 capital	**112,218.6**	114,849.0
Net capital	**120,218.6**	125,568.4
Risk-weighted assets	**717,866.4**	696,676.5

As at December 31, 2023 and 2024, 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 were both 6.0:1.

5.6 Prospects

In 2025, on the consideration of the robust economic fundamentals, multiple advantages, remarkable resilience and vast potential, China's long-term favorable supporting conditions and overall positive trend will not change. However, the economic landscape still faces difficulties and challenges such as insufficient domestic demand, operational difficulties for some enterprises, pressure on public employment and income growth and numerous potential risks due to adverse factors including external environment. The Chinese government will continue to stick to following the general principle of making progress while maintaining stability, fully and faithfully applying the new development philosophy on all fronts, accelerating the formation of a new development pattern, and firmly promoting high-quality development. The Chinese government will also further comprehensively deepen reform and expand high-level opening up to build a modernized industrial system and better coordinate development and security. Through the implementation of more proactive and promising macro policies to expand domestic demand, promote the integration and development of technological and industrial innovations, stabilize the real estate and stock markets, as well as prevent and mitigate risks in key areas and external impacts, the government aims to stabilize expectations, stimulate vitality, and promote the continued recovery and improvement of the economy.

In 2025, China's macro policies will stick to making progress while maintaining stability, promoting stability through progress, pursuing innovation while upholding fundamental principles and establishing before breaking, as well as achieving integration and synergy among systems. China will apply various policies to implement more proactive fiscal policies and moderately loose monetary policies, so as to improve forward-looking, targeted and effective macro regulations. Although the internal and external pressures on China's economic development are further increased, and financial risks are generally narrowed and manageable, risks in some areas remain prominent. The banking and other non-bank financial institutions will continue to dispose of distressed assets, and the demand for disposal will remain high. Regulatory authorities will continue to advance reforms and risk mitigation in small and medium-sized financial institutions, and spare no effort to handle high-risk institutions. The real estate market continues to face significant pressure. Enterprises owned by the central government and the state will continue deepening reforms, with increasing demand for resolutions from troubled companies. Delisting of stocks will become a regular occurrence, and the market for institutional restructuring and revitalization of existing assets will remain active. Financial asset management companies shall strengthen their sense of responsibility, leverage their functional advantages, focus on their principal duties and businesses, and give full play to the role of "ballast stone" in the field of distressed assets, so as to effectively mitigate financial risks, serve the high-quality development of society and economy, and contribute more to constructing a strong financial country.

The Company will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 20th National Congress of the Communist Party and the Second and Third Plenary Sessions of the 20th CPC Central Committee, learn and implement the spirit of the Central Financial Work Conference and the Central Economic Work Conference, and deeply practice the political and people-oriented nature of financial work. The Company will adhere to the functional positioning as a financial asset management company, prioritizing functionality, pursuing innovation while maintaining integrity, accelerating transformation and upgrading, and steadfastly taking the path of high-quality development for AMCs with Chinese characteristics, with an aim to continuously enhance its ability to mitigate financial risks and serve the real economy. First, the Company will focus on its principal business of distressed assets, supporting risk mitigation in key areas. It will serve the high-quality development of the banking and non-bank financial institutions, actively participate in the reforms and risk mitigation in local small and medium-sized financial institutions. The Company will also devote more effort to supporting the building of new models for real estate development, and actively promoting "guaranteed housing delivery". In addition, the Company will proactively empower the reforms of central, local and state-owned enterprises, help revitalize inefficient and ineffective existing assets, and cooperate to mitigate local debt risks. It will thoroughly explore opportunities in mergers and acquisitions, restructuring, and bankruptcy reorganization of troubled institutions, so as to enhance its ability to mitigate risks in the capital market. The Company will effectively serve the development of new productive forces and green transformation, and realize significant achievements in the "five priorities" on finance. Second, the Company will continue to optimize and upgrade its business model, and further diversify its product and service offerings. It will strengthen its investment banking function, improve its ability to provide problem-solving and risk-mitigation services, and actively expand light asset businesses, such as consulting and advisory as well as entrusted disposal related to distressed assets. The Company will intensify market development and customer marketing efforts, actively participate in the construction of the distressed asset ecosystem, and duly play the roles of "problem solver", "resource integrator" and "value creator". Third, the Company will continue deepening reform to improve development quality. It will continuously refine its comprehensive risk management system, and further solidify internal control and compliance foundations. The Company will also accelerate the integration of investment and research, and comprehensively enhance its investment and research capabilities. In addition, the Company will expand financing channels, reduce capital costs, optimize asset and liability allocation, and enhance operational efficiency. It will strengthen the building of a talent team, improve the professionalism and strengths of its business team, and increase its organizational and operational effectiveness. The Company will continue advancing the construction of "Digital Cinda" and further strengthen digital empowerment.

6 CHANGES IN SHARE CAPITAL AND INFORMATION ON SUBSTANTIAL SHAREHOLDERS

6.1 Ordinary Share Capital

As at December 31, 2024, there was no change in the ordinary share capital of the Company compared to that as at December 31, 2023, 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

6.2 Substantial Shareholders of Ordinary Shares and De Facto Controller

6.2.1 Interests and Short Positions Held by Substantial Shareholders and Other Persons

To the knowledge of the Directors, as at December 31, 2024, the following persons had, or were deemed to have, an interest or short position in the shares and underlying shares of the Company which have been recorded in the register kept by the Company pursuant to Rule 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 share capital of ordinary shares (%)	Approximate percentage to the relevant class of shares (%)
MOF	Beneficial owner	22,137,239,084	Domestic Shares	Long position	58.00	90.00
NCSSF	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
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

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 held by China COSCO Shipping Corporation Limited, for the purpose of the 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 in the Company held by Oversea Lucky Investment Limited.

(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.

6.2.2 De Facto Controller

During the Reporting Period, the de facto controller of the Company remained unchanged, details of which are as follows:

MOF

MOF, as a department under the State Council, is the macro-control department in charge of China's fiscal revenue and expenditures, taxation policies and other issues.

On February 14, 2025, the Company was notified by MOF that MOF proposed to gratuitously transfer all of the 22,137,239,084 Domestic Shares held by it (the "**Gratuitous Transfer**") to Huijin. Upon completion of the Gratuitous Transfer, MOF will no longer hold the Company's shares, and Huijin will directly hold 22,137,239,084 Domestic Shares, becoming the controlling shareholder of the Company. For details, please refer to the announcement of the Company dated February 14, 2025.

As of the Latest Practicable Date, the Gratuitous Transfer has not been completed, and further announcement(s) will be made by the Company as and when appropriate.

6.3 Preference Shares

6.3.1 Issuance and Listing of Preference Shares

The Company did not carry out any issuance or listing of preference shares during the Reporting Period.

6.3.2 Number of Preference Shareholders and Particulars of Preference Shareholding

As at December 31, 2024, 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 are based on the information set out in the register of preference shareholders maintained by the Company. Based on information available to the Company, the register of preference shareholders presented the information on the proxy of placees. CCB Nominees Limited, a subsidiary of China Construction Bank (Asia) Corporation Limited, as the nominee, is the only registered holder of the 2021 Offshore Preference Shares of the Company.

6.3.3 Dividend Distribution of Preference Shares

Subject to the terms and conditions of the issuance of 2021 Offshore Preference Shares, each 2021 Offshore Preference Share shall entitle the holder thereof to receive non-cumulative dividends which have not been otherwise cancelled payable annually in arrear. 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.

Pursuant to the dividend distribution plan for 2021 Offshore Preference Shares considered and approved at the 2024 fourth meeting and the third regular meeting of the Board held on August 27, 2024, the Company distributed dividends for 2021 Offshore Preference Shares on November 4, 2024 at the rate of 4.40% (after tax) and the total amount of dividends was 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 27, 2024.

6.3.4 Redemption or Conversion of Preference Shares

The Company has set a trigger event term for 2021 Offshore Preference Shares, upon the occurrence of which 2021 Offshore Preference Shares would be irrevocably and mandatorily converted into a certain number of H Shares. A trigger event refers to the earlier of (a) the CBIRC having concluded that without a decision on cancel of 2021 Offshore Preference Shares or conversion into ordinary shares, the Company would become non-viable; and (b) the relevant authorities such as MOF and PBOC 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 compulsory conversion price, the number will be 2,915,650,442 H Shares.

During the Reporting Period, the Company did not redeem or convert any preference shares.

6.3.5 Restoration of Voting Rights of Preference Shares

During the Reporting Period, the Company did not restore any voting rights of preference shares.

6.3.6 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.

7 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

7.1 Directors

No.	Name	Gender	Year of birth	Position	Term of office
Current Directors					
1	Zhang Weidong	Male	1967	Chairman, Executive Director	From June 2022 to June 2025
2	Liang Qiang	Male	1971	Executive Director, President	From October 2022 to October 2025
3	Zhao Limin	Male	1969	Executive Director, Vice President	From May 2022 to May 2025
4	Chen Xiaowu	Male	1965	Non-executive Director	From November 2024 to November 2027
5	Zeng Tianming	Male	1967	Non-executive Director	From December 2024 to December 2027
6	Zhang Zhongmin	Female	1968	Non-executive Director	From March 2025 to March 2028
7	Lu Zhengfei	Male	1963	Independent Non-executive Director	From June 2022 to June 2025
8	Lam Chi Kuen	Male	1953	Independent Non-executive Director	From June 2022 to June 2025
9	Wang Changyun	Male	1964	Independent Non-executive Director	From September 2022 to September 2025
10	Sun Maosong	Male	1962	Independent Non-executive Director	From September 2022 to September 2025
11	Shi Cuijun	Female	1969	Independent Non-executive Director	From April 2023 to April 2026
Resigned Directors					
1	Zhang Yuxiang	Female	1963	Non-executive Director	From June 2022 to February 2024
2	Wang Shaoshuang	Male	1964	Non-executive Director	From June 2022 to September 2024

Zhang Weidong, Chairman and Executive Director

Mr. Zhang has been the executive Director since January 2020 and Chairman since August 2022. He worked in China Construction Bank from July 1992 to April 1999 and previously served as the cadre and deputy director of the real estate credit department. He joined the Company in April 1999 and successively held various positions since September 2002 as the deputy director of the asset appraisal department, the general manager of the asset appraisal department, the general manager of the market development department, the head of the reorganization leading panel office, the head of the strategic investors introduction and listing panel office, the head of the listing preparation leading panel office, the general manager of the investment and financing management department, the Board Secretary (concurrently serving as the general manager of strategic development department, the director of the financial risk research center and the director of the postdoctoral management office) and the Assistant to the President of the Company. From November 2015 to October 2019, he successively held various positions in China Trust Protection Fund Co., Ltd., including the executive director, vice president and president. Mr. Zhang served as the deputy secretary of the Party Committee of the Company from October 2019 to March 2022 and President from January 2020 to July 2022, and has been serving as the secretary of the Party Committee of the Company since March 2022, and concurrently serving as the non-executive director and chairman of NCB Hong Kong since November 2020. Mr. Zhang graduated from Tongji University in 1989 with a bachelor's degree in Engineering and graduated from Renmin University of China in 1992 with a master's degree in Economics. He holds the professional title of Senior Economist.

Liang Qiang, Executive Director and President

Mr. Liang has been the executive Director and President since October 2022. He joined the Company in September 1999 and worked successively in multiple positions at the Taiyuan office, the market development department, the finance department, the planning and finance department, the comprehensive planning department, the strategic investors introduction and listing panel office of the Company, and Shanghai branch. He successively took the positions of Assistant to President, member of the Party Committee and Vice President of the Company from December 2015 to December 2019, and concurrently served as a non-executive director of NCB Hong Kong from May 2016 to February 2020. He successively took the positions of member of the party committee, vice president and executive director of China Orient Asset Management Co., Ltd. from December 2019 to December 2020. He successively took the positions of deputy secretary of the party committee, executive director and president of China Great Wall Asset Management Co., Ltd. from December 2020 to June 2021. He successively took the positions of deputy secretary of the party committee, president and executive director of China Huarong Asset Management Co., Ltd. from June 2021 to September 2022. He has been the deputy secretary of the Party Committee of the Company since September 2022. Mr. Liang graduated from Shanxi Finance & Taxation College in 1993 majoring in Investment and Economic Management. Mr. Liang graduated from the Shanghai University of Finance and Economics majoring in Accounting and obtained a bachelor's degree in Economics in 1999. He obtained an MBA degree from Tsinghua University in 2005. He holds the professional title of Senior Economist.

Zhao Limin, Executive Director and Vice President

Mr. Zhao has been the executive Director since May 2022. He worked in China Construction Bank from July 1993 to September 1999, and joined the Company in September 1999. He had held various positions successively, including the deputy director of the Hohhot office, the general manager of the Jilin branch of the Company and the general manager of Cinda Investment. He has been serving successively as assistant to President and a member of the Party Committee and Vice President since August 2019, and concurrently serving as the director and chairman of Cinda Real Estate from December 2020 to August 2022. Mr. Zhao obtained a bachelor's degree in Economics from Liaoning University in 1993. He holds the professional title of Senior Economist.

Chen Xiaowu, Non-executive Director

Mr. Chen has been a non-executive Director since December 2021. From August 1987 to September 2002, he consecutively served as the cadre and senior staff of the department of education under MOF, the principal staff, the department secretary (deputy director level) and the department secretary (director level) of the general affairs division in the department of personnel and education under MOF. From October 1997 to October 1998, he practiced as the assistant to the mayor of Sanhe City of Hebei Province. From September 2002 to July 2016, he successively acted as the financial manager (director level) and general manager (deputy-department level) of Bauhinia Magazine in Hong Kong. From July 2016 to January 2021, he successively served as the deputy director (deputy-department level) of the tariff policy research center and fiscal notes supervision center under MOF. From January 2021 to December 2021, he has been serving as the deputy director and first-class inspector of the fiscal notes supervision center under MOF. Mr. Chen graduated from the accounting major under the Financial Accounting Department of Jiangxi College of Finance and Economics (currently known as Jiangxi University of Finance and Economics) in 1987 with a bachelor's degree in Economics, and graduated from the University of South Australia in 2005 with a master's degree in Business Administration. He holds the professional title of Accountant.

Zeng Tianming, Non-executive Director

Mr. Zeng has been a non-executive Director since December 2024. From October 1985 to July 1992, he successively served as a warrior of the Third PAP Transportation Branch, as well as a warrior, a volunteer and the deputy squad leader of the gold corps of PAP. From July 1992 to November 2007, he had successively held various positions with the gold command department of the PAP, including the financial treasurer and the accountant at the level of platoon leader, the assistant at the level of deputy company commander and assistant at the level of company commander of Beijing enterprise office, and the assistant accountant and deputy director of the work department directly under the command department. From November 2007 to March 2018, he served as a cadre of the finance and accounting department, and a deputy researcher, a researcher and the director of the finance department of the finance and accounting department (solvency supervision department) of the China Insurance Regulatory Commission. From March 2018 to March 2023, he served as the office director, cadre at director level, first-class researcher and second-class inspector of the youth league committee of the Party committee (publicity department of the Party committee) of the labor union of the CBIRC. From April 2023 to December 2024, he served as the second-class inspector of the Party committee of the NFRA. Mr. Zeng graduated from the Engineering College of PAP (currently known as Engineering University of PAP) majoring in financial management.

Zhang Zhongmin, Non-executive Director

Ms. Zhang has been a non-executive Director since March 2025. She served as a cadre, and an assistant researcher of the research and development division of the investment department, a researcher of the equity division, the director of the direct management division, the director of the equity management division, as well as the deputy director of the equity asset department (industrial investment department) of the NCSSF. She currently serves as a director of Founder Securities Co., Ltd. Ms. Zhang graduated from Hunan University with a bachelor's degree in Economics in 1992, and graduated from Renmin University of China with a master's degree and a PhD degree in Economics in 2003 and 2006, respectively.

Lu Zhengfei, Independent Non-executive Director

Mr. Lu has been an independent non-executive Director since September 2019. He is currently a professor of accounting and PhD tutor of the Guanghua School of Management of Peking University, the director of the research center for financial analysis and financial investment of Peking University, and concurrently an executive director of the Accounting Society of China and the deputy director of the professional committee for financial management, a member of the Editorial Committees of Accounting Research and Auditing Research. He was elected into the "Accountant Specialist Training Project" (first batch) of MOF in 2013, and as a Changjiang Scholars Distinguished Professor of the Ministry of Education in 2014. From 1994 to 1999, Mr. Lu served as the head of the accounting department of the Business School of Nanjing University. From 2001 to 2015, he successively served as the head of the accounting department and vice president of the Guanghua School of Management of Peking University. Mr. Lu is currently an independent non-executive director of Sino Biopharmaceutical Limited, independent director of Xinjiang Tianshan Cement Co., Ltd. and independent director of China International Capital Corporation Limited, and used to be an independent supervisor of PICC Property and Casualty Company Limited. Mr. Lu graduated from the accounting department of Renmin University of China in 1988 with a master's degree in Economics and graduated from the Business School of Nanjing University in 1996 with a doctorate in Economics.

Lam Chi Kuen, Independent Non-executive Director

Mr. Lam has been an independent non-executive Director since November 2019. He is now an independent non-executive director of Luks Group (Vietnam Holdings) Company Limited and independent director of China Life Insurance Company Limited. Mr. Lam once served as a senior consultant and partner of Ernst & Young. Mr. Lam received a higher diploma in Accounting from the Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in 1977. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

Wang Changyun, Independent Non-executive Director

Mr. Wang has been an independent non-executive Director since September 2022. He currently serves as a professor and a PhD tutor in finance at the School of Finance of Renmin University of China, the head of the Institute of International M&A and Investment of Renmin University of China, and the deputy director of the ESG Research Center of Renmin University of China. He received the Financial Support of the National Science Fund for Distinguished Young Scholars in 2007 and the title of Middle Age Experts with National Outstanding Contribution in 2013. In 2014, he was elected as the Cheung Kong Distinguished Professor of the Ministry of Education. He is also entitled to the Special Government Allowance of the State Council. From 1999 to 2005, he served as a lecturer at the Business School of National University of Singapore. He previously served as the chair of the Applied Finance Department in School of Finance, director of China Financial Policy Research Center and dean of Hanqing Advanced Institute of Economics and Finance of Renmin University of China. He is currently the vice chairman of China Investment Specialty Construction Association, executive director of China Investment Association, director of China Society for Finance and Banking and special auditor of National Audit Office. He is currently the independent director of Agricultural Bank of China Limited, Hexie Health Insurance Co., Ltd., Shenwan Hongyuan Securities Co., Ltd. and Aerospace Science & Technology Finance Co., Ltd. Mr. Wang previously served as the independent director of Bank of China Limited, Beijing Haohua Energy Resource Co., Ltd. and Sunway Co., Ltd. Mr. Wang graduated from Renmin University of China with a bachelor's degree and a master's degree in Economics in 1986 and 1989, respectively; he graduated from the University of London with a doctorate in Financial Economics in 1999.

Sun Maosong, Independent Non-executive Director

Mr. Sun has been an independent non-executive Director since September 2022. He is currently a professor and a PhD tutor of the Department of Computer Science and Technology, Tsinghua University, the executive vice president of the Institute for Artificial Intelligence, Tsinghua University, a member of the Degree Evaluation Committee and the chairman of the Computer Degree Evaluation Sub-committee of Tsinghua University, the director of the Massive Online Education Research Center of Tsinghua University, the co-director of the Tsinghua-NUS Next Joint Research Center, the executive director of the Chinese Association for Artificial Intelligence and the chief editor of the Journal of Chinese Information Processing, a national core journal. He is the chief scientist of the National Basic Research Program of China (Program 973) and chief specialist of significant projects under the National Social Science Fund of China. In 2016, he was selected as the "National Excellent Technical Personnel". In 2020, he was elected as a foreign member of Academia Europaea. In 2021, he was elected as a member of Chinese Association for Artificial Intelligence and Chinese Information Processing Society of China, respectively. He was the dean of the Department of Computer Science and Technology, Tsinghua University from 2007 to 2010. Mr. Sun graduated from the Department of Computer Science and Technology, Tsinghua University with a bachelor's degree and a master's degree in Engineering in 1986 and 1988, respectively. He graduated from the City University of Hong Kong with a doctorate in Philosophy in 2004.

Shi Cuijun, Independent Non-executive Director

Ms. Shi has been an independent non-executive Director since April 2023. She is currently the arbitrator of Hong Kong International Arbitration Centre, China International Economic and Trade Arbitration Commission and Beijing Arbitration Commission. She served as the legal counsel of the Beijing Representative Office of CMS Cameron McKenna LLP in the United Kingdom, the senior lawyer of the Beijing Representative Office of Herbert Smith Freehills LLP in the United Kingdom, the general counsel of State Grid Assets Management Co., Ltd., the senior legal counsel of the legal department of Siemens Ltd., China and the general counsel of Total Energy (Beijing) Enterprise Management Co., Ltd. She used to be an independent director of Beijing Zhong Ke San Huan Hi-Tech Co., Ltd. Ms. Shi graduated from the College of Arts and Law of Beijing Union University with a bachelor's degree in law in 1992. She graduated from the School of Law of Boston University with a master's degree in banking and financial law in 2001.

7.2 Supervisors

No.	Name	Gender	Year of birth	Position	Term of office
Current Supervisors					
1	Zhen Qinggui	Male	1965	External Supervisor	From August 2021
2	Liu Li	Male	1955	External Supervisor	From June 2022
3	Cai Xiaoqiang	Male	1961	External Supervisor	From August 2021
4	Gong Hongbing	Female	1966	Employee Supervisor	From September 2022
5	Lu Baoxing	Male	1966	Employee Supervisor	From September 2022
6	Yuan Liangming	Male	1965	Employee Supervisor	From September 2022
7	Zhou Lihua	Female	1966	Employee Supervisor	From September 2022

Zhen Qinggui, External Supervisor

Mr. Zhen has been an external Supervisor since August 2021. He is currently a senior partner of Beijing Zhonglun W&D Law Firm and won the "Lifetime Achievement" Award. He is also an external director of China Aviation Development Beijing Co., Ltd., an external director of China Duty Free Group (Cambodia) Co., Ltd., and an independent director of Beijing Tianlang Zhida Energy Conservation and Environmental Protection Co., Ltd. He previously served as the vice chairman of Zhonglun W&D Law Firm, the director of the Major Case Research Center, the director of the Beijing-Tianjin-Hebei Integration Research Center, the deputy director of the Risk Control Committee, an expert of the Intellectual Property Case Research and Guidance (Beijing) Base Advisory Committee of the Supreme People's Court, the deputy director of the Trademark Law Professional Committee of the tenth Beijing Lawyers Association, the director of the eighth and ninth Beijing Lawyers Association Competition and Antitrust Committee, a member of the Intellectual Property Law Committee of the National Lawyers Association. From 1987 to 1995, he served as the legal advisor of Shougang Corporation's legal affairs division. He graduated from Peking University with a bachelor's degree in Philosophy and a bachelor's degree in Law in 1987, graduated from the University of International Business and Economics with a master's degree in International Law in 2003, and graduated from Chicago-Kent College of Law, the Illinois Institute of Technology with a master's degree in Intellectual Property Law in 2008.

Liu Li, External Supervisor

Mr. Liu has been an external Supervisor since June 2022. He is currently a professor and a PhD tutor of the Department of Finance of the Guanghua School of Management of Peking University, and the independent director of China Galaxy Securities Co., Ltd. and Metallurgical Corporation of China Ltd. He once served as the independent director of China International Capital Corporation Limited and CNPC Capital Company Limited. From September 1984 to December 1985, he served as a lecturer at Beijing Institute of Iron and Steel. He has been working in the School of Economics and Guanghua School of Management of Peking University since January 1986. He was the chairman of the Trade Union, director of the Department of Finance and director of the MBA program of Guanghua School of Management of Peking University. He was awarded the Second Prize of Philosophy and Social Science in Beijing, the Excellent Textbook Award by the Ministry of Education and the Li Yining Special Contribution Award. Mr. Liu graduated from the Department of Physics of Peking University with a bachelor's degree and a master's degree in Science in 1982 and 1984, respectively. He graduated from Catholic University of Leuven, Belgium with a master's degree in Business Administration in 1989. Mr. Liu is qualified as a Certified Public Accountant of the PRC.

Cai Xiaoqiang, External Supervisor

Mr. Cai has been an external Supervisor since August 2021. Mr. Cai currently serves as the presidential chair professor and associate vice president of The Chinese University of Hong Kong, Shenzhen, the vice president of Shenzhen Research Institute of Big Data, and the director of Shenzhen Key Laboratory of IoT Intelligent System and Wireless Network Technology. Mr. Cai is the academician of the International Academy for Systems and Cybernetic Sciences, a special expert of the National Major Talent Program, a recipient of the Outstanding Young Scientist Award (Overseas Category), a leading talent of the Guangdong Pearl River Scholar, the class A talent of the Peacock Plan of Shenzhen, a fellow of the Hong Kong Institute of Engineers and a fellow of the AAIA. He received the Distinguished Professor Award from the International Society of Industrial Engineering and Operations Management in 2021. He graduated from Harbin Ship Engineering Institute with a bachelor's degree in Automatic Control in 1982, graduated from Tsinghua University with a master's degree in Control Theory in 1985, graduated from Tsinghua University with a doctorate in System Engineering in 1988, and conducted postdoctoral research at the University of Cambridge and the Queen's University of Belfast, UK from 1989 to 1991.

Gong Hongbing, Employee Supervisor

Ms. Gong has been an employee Supervisor since July 2014. From August 1988 to August 1999, Ms. Gong consecutively served at the personnel department of the Yantai branch and the personnel division of the Shandong branch of China Construction Bank. Ms. Gong joined the Company in August 1999 and served as the assistant to general manager of the general affairs office and assistant to the director of the board of directors' office of the Company, deputy general manager of the general affairs office, deputy general manager (in charge of work) and general manager of the general affairs office (mass work department). Since October 2015, she has served as the deputy director of the labor union. Since November 2019, she has served as the director-general of the organization department of the Party Committee of the Company and the general manager of human resources of the Company. Ms. Gong graduated from the Harbin Senior Finance College (currently known as Harbin Finance University) majoring in Bank Management in 1988 and graduated from the Shandong Branch of the Party School of the Central Committee of CPC majoring in Economics and Management in 2002. She obtained a master's degree in Business Administration from Beijing Jiaotong University in 2008. She holds the professional title of Senior Political Engineer.

Lu Baoxing, Employee Supervisor

Mr. Lu has been an employee Supervisor since August 2019. From July 1985 to October 2003, Mr. Lu consecutively served as a teacher of the Shandong Banking School, the office clerk, officer, associate chief officer, chief officer, and deputy director of the division of the Shandong branch (Jinan branch) of PBOC. From October 2003 to November 2011, Mr. Lu consecutively served as the deputy director and director at the CBRC Shandong Bureau. Mr. Lu joined the Company in November 2011 and served as the deputy general manager of the Shandong branch, the deputy general manager in charge of the Anhui branch, the general manager of the Anhui branch, the general manager of the Shandong branch, and the director of the board of supervisors' office. Since April 2021, he has been serving as the general manager of the asset preservation department. Mr. Lu graduated from Shandong Banking School (currently known as Qilu University of Technology) majoring in City Banking in 1985 and graduated from the Shandong Economics University (currently known as Shandong University of Finance and Economics) majoring in Accounting in 1990. He graduated from the East China Normal University majoring in International Finance in 1996 with a bachelor's degree in Economics and graduated from the School of Management of Guizhou University in 2008 with a master's degree in Business Administration. He holds the professional title of Senior Accountant.

Yuan Liangming, Employee Supervisor

Mr. Yuan has been an employee Supervisor since August 2019. From July 1988 to May 1999, Mr. Yuan consecutively served as the associate chief officer and chief officer of the Hubei branch of China Construction Bank. Mr. Yuan joined the Company in May 1999 and held various positions including the dedicated approver of the business review department and the assistant to the general manager, deputy general manager and general manager of the risk management department. Since November 2024, he has been serving as a senior expert of the risk management department (the risk monitoring center). Mr. Yuan graduated from the Zhongnan University of Finance and Economics (currently known as Zhongnan University of Economics and Law) majoring in Investment and Economic Management in 1988 with a bachelor's degree in Economics. He graduated from the Department of Finance of Renmin University of China in 1995 with a master's degree in Economics and graduated from the Wuhan University in 2008 with a doctorate in Economics. He holds the professional title of Senior Economist.

Zhou Lihua, Employee Supervisor

Ms. Zhou has been an employee Supervisor since September 2022. From August 1987 to October 1999, Ms. Zhou worked in the office of the Hebei branch of China Construction Bank. Ms. Zhou joined the Company in October 1999 and had held various positions including the head of audit, audit director and deputy director (in charge) of the trade union of Happy Life Insurance Co., Ltd., assistant to general manager of the general affairs office (mass work department), deputy general manager of the general affairs office and deputy general manager (in charge, general manager level) of the general affairs office of the Company. Since July 2024, Ms. Zhou has served as the deputy general manager (in charge, general manager level) of the labor union work department (general affairs office) of the Company. Ms. Zhou graduated from Harbin Construction Bank School majoring in Infrastructure Finance and Credit in 1987. She graduated from Renmin University of China majoring in Infrastructure Economics in 1992 and graduated from Renmin University of China majoring in Investment Economics in 1998 with a bachelor's degree in Economics. She holds the professional title of Economist.

7.3 Senior Management

No.	Name	Gender	Year of birth	Position	Term of office
Current Senior Management					
1	Liang Qiang	Male	1971	President	From October 2022
2	Ling Gan	Male	1970	Senior Management member	From October 2022
3	Zhao Limin	Male	1969	Vice President	From May 2021
4	Li Hongjiang	Male	1969	Vice President	From May 2021
5	Jiu Zhengchao	Male	1969	Assistant to President	From December 2021
6	Wang Zhengmin	Male	1973	Assistant to President	From December 2021
7	Luo Zhenhong	Male	1965	Chief Risk Officer	From October 2013
8	Ai Jiuchao	Male	1967	Board Secretary	From April 2016
9	Yang Yingxun	Male	1973	Chief Financial Officer	From August 2020
Resigned Senior Management					
1	Hu Jiliang	Male	1964	Vice President	From March 2020 to September 2024
2	Liu Ligeng	Male	1965	Vice President	From June 2015 to March 2025

Liang Qiang, President

Please see "Directors".

Ling Gan, Senior Management member

Mr. Ling has been serving as a Senior Management member since October 2022. From August 1992 to July 2001, Mr. Ling worked in the PBOC and successively served as a cadre, a section officer in the legislation division and a deputy chief officer in the legislation division of the department of treaty and law, a chief officer in the secretariat III, the supervision division and the secretariat, and a deputy head level secretary in the secretariat of the general office, and a deputy director and secretary of the party committee in the office of the Shanghai Branch. From July 2001 to July 2006, Mr. Ling served as deputy director and director of the board of supervisors of China Everbright Group and CITIC Group. From July 2006 to October 2022, Mr. Ling served as a member of the party committee, deputy director general, secretary of the party committee and director general of the Ningbo Office, secretary of the party committee, and director general of the Shaanxi Office, director of the supervision department of the city commercial bank supervision department, director of the banking institution examination bureau and inspector I (at the level of director) of the CBIRC (or CBRC). In October 2022, Mr. Ling joined the Company as the Deputy Secretary of the Party Committee (enjoying the principal title of the Company). Mr. Ling obtained a bachelor's degree in Law from Hunan Finance and Economics College (currently known as Hunan University) in 1992 and a master's degree in Economics from Renmin University of China in 2000. He holds the professional title of Senior Economist.

Zhao Limin, Vice President

Please see "Directors".

Li Hongjiang, Vice President

Mr. Li has been serving as Vice President since May 2021. He worked in China Construction Bank from August 1992 to September 1998, and joined the Company in July 2001. He had held various positions successively, including the deputy general manager of the Guangdong branch, the general manager of the Jilin branch, the general manager of the asset operation department of the Company. He has been serving successively as assistant to President and a member of the Party Committee of the Company since August 2019, and served as the director and chairman of Jingu Trust from January 2021 to December 2024. He obtained a bachelor's degree in Economics, a master's degree in Economics and a doctorate in Economics from Dongbei University of Finance and Economics in 1992, 1999 and 2001, respectively. He holds the professional title of Senior Economist.

Jiu Zhengchao, Assistant to President

Mr. Jiu has been serving as assistant to President since December 2021. He worked in the editorial department of China Railway at the technological information research institute of the Ministry of Railways from July 1991 to August 1998, and joined the Company in May 1999. He had held various positions successively, including the assistant to the general manager of the investment banking department, the assistant to the general manager, the deputy general manager and the general manager of the equity management department (equity operation management), the general manager of the Shanghai Free Trade Zone Branch, and the general manager of the strategic customer department iii of the Company. He obtained a bachelor's degree from Changsha Railway University (currently known as Central South University) and a master's degree in Business Administration from Northern Jiaotong University (currently known as Beijing Jiaotong University) in 1991 and 1999, respectively. He holds the title of Senior Economist.

Wang Zhengmin, Assistant to President

Mr. Wang has been serving as assistant to President since December 2021. He worked in the Shenzhen branch of China Construction Bank from July 1995 to September 1999, and joined the Company in September 1999. He had held various positions successively, including the assistant to the general manager and the deputy general manager of Well Kent International Investment Company Limited, the deputy general manager of Cinda Hong Kong, the deputy general manager of the human resources department and the director of the chief executive's office of the Company, and the general manager of the Tianjin Branch. He obtained a bachelor's degree in Economics and a master's degree in Economics from Wuhan University in 1995 and 2000, respectively. He holds the title of Economist.

Luo Zhenhong, Chief Risk Officer

Mr. Luo has been serving as the Chief Risk Officer since October 2013. From July 1988 to April 1999, Mr. Luo held various positions in China Construction Bank. Mr. Luo joined the Company in April 1999 and served as the deputy general manager and the general manager of the legal department, the general manager of the legal and compliance department of the Company. From October 2008 to November 2012, Mr. Luo served as the vice president of the banking law division of China Law Society and has served as the vice president of China Banking Law Society since November 2012. Mr. Luo graduated from Peking University with a bachelor's degree in Law in 1988, a master's degree in Law in 2002, and an EMBA degree in 2012.

Ai Jiuchao, Board Secretary

Mr. Ai has been serving as the Board Secretary since April 2016. He held various positions in China National Coal Allocation Corporation, the Ministry of Coal Industry and the National Coal Industry Bureau from June 1989 to September 2000. Mr. Ai joined the Company in September 2000. He served as the deputy head and deputy head (at the grade of director) of the chief executive office, the general manager of the compliance management department and the head of the board office. In addition, he has also served as the general manager of the strategic development department and the director of the financial risk research center. He has been serving as the director and chairman of Cinda Securities since November 2020. Mr. Ai graduated from the China University of Mining and Technology and obtained a bachelor's degree in Engineering in 1989. He also obtained a bachelor's degree in Economics from Renmin University of China in 1996 and an EMBA degree from China University of Mining and Technology in 2002. He holds the professional title of Senior Economist.

Yang Yingxun, Chief Financial Officer

Mr. Yang has been serving as the Chief Financial Officer since August 2020. He worked in China Construction Bank Trust and Investment Corporation from July 1996 to May 1999. Mr. Yang joined the Company in May 1999. He had held various positions, including the financial director of Cinda Property and Casualty Insurance Co., Ltd., the financial director and vice president of Happy Life Insurance Co., Ltd., and general manager of the planning and finance department. He has been serving as a non-executive director of NCB Hong Kong since September 2020. Mr. Yang obtained a bachelor's degree in Economics from the University of International Business and Economics in 1996 and an MBA degree from Tsinghua University in 2006. He holds the professional title of Economist.

7.4 Change in Directors, Supervisors and Senior Management

7.4.1 Change in Directors

Since February 26, 2024, Ms. Zhang Yuxiang has ceased to be a non-executive Director due to her age.

Since September 30, 2024, Mr. Wang Shaoshuang has ceased to be a non-executive Director due to reaching retirement age.

Since December 17, 2024, as elected at the 2023 first extraordinary general meeting and approved by the NFRA, Mr. Zeng Tianming has been serving as a non-executive Director, and Mr. Zeng Tianming has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules and confirmed that he understood his obligations as a Director on that day.

On November 22, 2024, Mr. Chen Xiaowu was re-elected as a non-executive Director at the 2024 second extraordinary general meeting, with a term of three years.

Since March 17, 2025, as elected at the 2024 second extraordinary general meeting and approved by the NFRA, Ms. Zhang Zhongmin has been serving as a non-executive Director, and Ms. Zhang Zhongmin has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules and confirmed that she understood her obligations as a Director on that day.

Since April 2024, Ms. Shi Cuijun has ceased to be the general counsel of Total Energy (Beijing) Enterprise Management Co., Ltd.

Since May 2024, Mr. Wang Changyun has ceased to be the independent director of Sunway Co., Ltd.; and since September 2024, Mr. Wang Changyun has served as the independent director of Shenwan Hongyuan Securities Co., Ltd.

7.4.2 Change in Supervisors

Since July 2024, Ms. Zhou Lihua has served as the deputy general manager (in charge, general manager level) of the labor union work department (general affairs office) of the Company.

Since November 2024, Mr. Yuan Liangming has served as a senior expert of the risk management department (the risk monitoring center) of the Company and ceased to be the general manager of the risk management department (the risk monitoring center).

Since January 2024, Mr. Liu Li has served as an independent director of China Galaxy Securities Co., Ltd.

7.4.3 Change in Senior Management

Since September 10, 2024, Mr. Hu Jiliang has ceased to be the Vice President due to his age.

Since March 24, 2025, Mr. Liu Ligeng has ceased to be the Vice President due to reaching retirement age.

Since December 2024, Mr. Li Hongjiang has ceased to be the chairman and director of Jingu Trust.

7.5 Annual Remuneration

7.5.1 Remuneration of Directors, Supervisors and Senior Management

For details of the remuneration of Directors, Supervisors and Senior Management, please refer to Note VI. 19 “Emoluments of Directors and Supervisors” and Note VI. 20 “Key Management Personnel and Five Highest Paid Individuals” to the Consolidated Financial Statements.

7.5.2 Highest Paid Individuals

For details of the emoluments of the five highest paid individuals of the Company during the Reporting Period, please see Note VI. 20 “Key Management Personnel and Five Highest Paid Individuals” to the Consolidated Financial Statements.

8 CORPORATE GOVERNANCE REPORT

8.1 Summary

During the Reporting Period, the Company insisted on improving the corporate governance as the key to enhancing the corporate competitiveness and sustainability, continued to promote the organic integration of strengthening the leadership of the Party and improving the corporate governance, continuously optimized the governance structure and strengthened the governance and supervision mechanism in order to adapt to market changes and regulatory requirements. The Company focused on the compliance management construction, refined internal control and risk management measures, and improved the risk prevention and control system to ensure that all business activities were in compliance with the laws and regulations and internal rules and regulations, and to provide a strong safeguard for its standardized and sound operation.

The Company consistently adhered to the principles of "openness, fairness, impartiality", disclosed its operation and financial status to the market in a timely, accurate and honest manner, so as to enhance transparency and credibility. The Company focused on strengthening communications and interactions with investors, and responded to their concerns and questions in a timely manner to promote mutual trusts and cooperations. The Company continued to optimize and improved ESG-related work, actively fulfilled its social responsibilities and practiced ESG development concepts, laying a good foundation for enhancing its social image, achieving sustainable development and long-term value creation.

Details of the Company's mission, vision, core values, concept and culture are set out under "Corporate Culture" in this report.

8.1.1 Corporate Governance Code

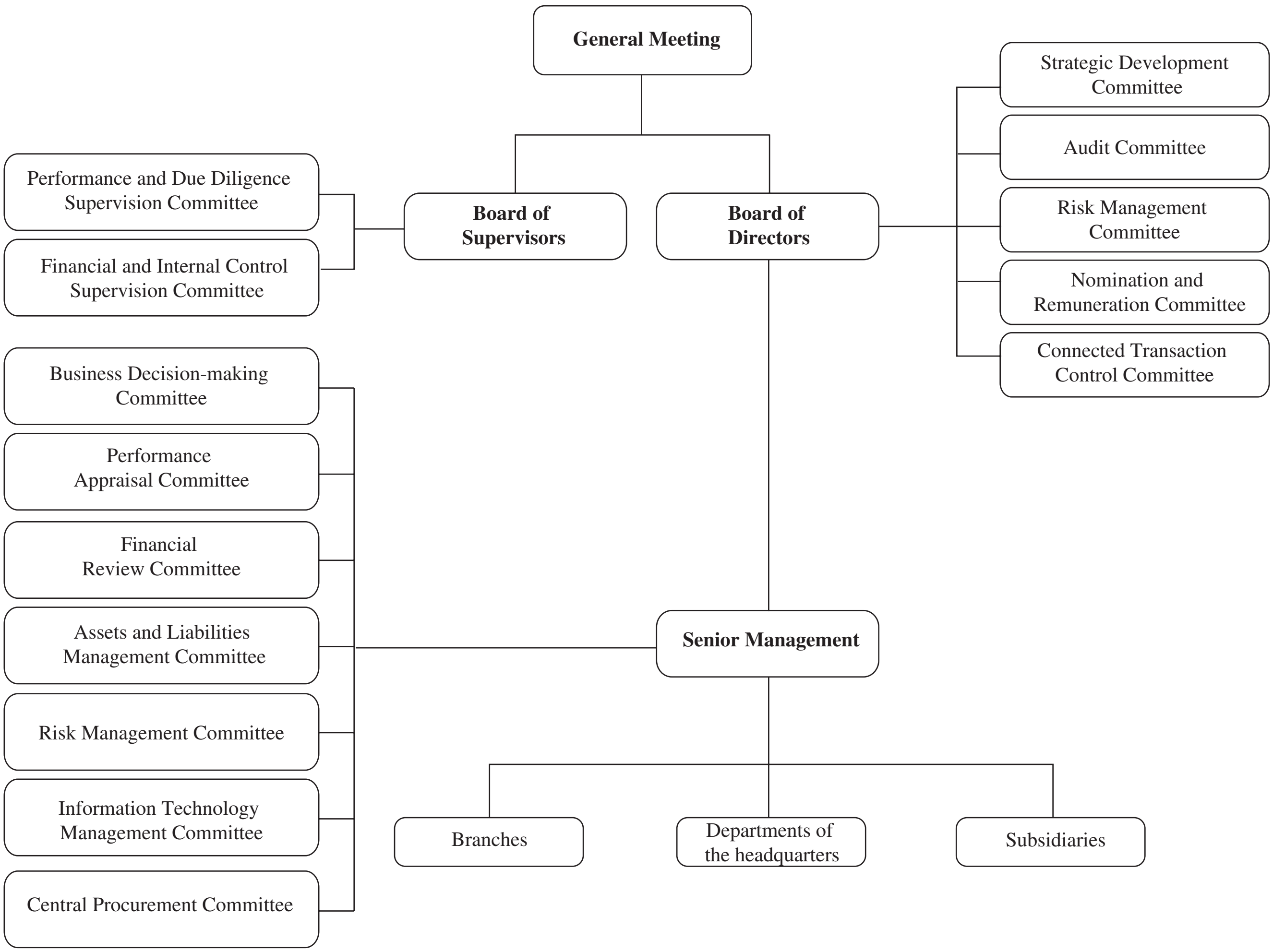
During the Reporting Period, the Company has fully complied with the code provisions and adopted most of the recommended best practices set out in the Corporate Governance Code (the "**CG Code**") under Appendix C1 to the Hong Kong Listing Rules.

Corporate Governance Functions

During the Reporting Period, the Board and its special committees performed the following corporate governance duties: (1) to review the Company's policies and practices on corporate governance so as to ensure their effectiveness; (2) to review and monitor the training and continuous professional development of Directors and Senior Management; (3) to review and monitor the Company's policies and practices regarding legal and regulatory compliance; (4) to develop, review and monitor the code of conduct and compliance manual applicable to Directors and employees; and (5) to review the Company's compliance with the CG Code and the disclosure in the Corporate Governance Report.

8.1.2 Corporate Governance Structure

During the Reporting Period, the corporate governance structure of the Company was as follows:



Note:

(1) The committees established under Senior Management are only partially listed in this table.

8.2 General Meeting

8.2.1 Responsibilities of General Meeting

The general meeting is the body of authority of the Company and its main functions and powers include: (1) to decide the Company's operating policies and investment plans; (2) to elect, replace and remove Directors and the non-employee representative Supervisors, and to decide on matters related to the emoluments of Directors and Supervisors; (3) to consider and approve the report of the Board and the report of the Board of Supervisors; (4) to consider and approve the annual financial budgets, final account plans, profit distribution plans and loss recovery plans of the Company; (5) to resolve on any increase or reduction in the Company's registered capital; (6) to resolve on the issuance of corporate bonds, any class of shares, warrants or other marketable securities of the Company and their listings; (7) to resolve on matters related to the merger, separation, dissolution, liquidation of the Company or alternation on the form of the Company; (8) to amend the Articles, the procedural rules of the general meetings, the meetings of the Board and the Board of Supervisors; and (9) to consider and approve major investment and disposal of equity interests, investment and disposal of debentures, financing, pledges and guarantee of assets, purchases and disposal of fixed assets, disposal of debt-to-equity swap assets, write-off of assets, external donations of the Company and other major decisions of the legal entity, etc.

8.2.2 Details of General Meetings

During the Reporting Period, the Company held three general meetings in Beijing, including one annual general meeting and two extraordinary general meetings, at which a total of 12 resolutions were considered and approved and three work reports were reviewed. The Company strictly complied with the legal procedures applicable to general meetings to ensure that shareholders were able to attend the meetings and exercise their rights. Shareholders voted at the general meetings by poll according to the Hong Kong Listing Rules, and they were fully informed of the voting procedures by poll. The Company engaged legal counsels to attend and attest general meetings and to issue legal opinions. Major resolutions considered and approved at the general meetings include:

- the work report of the Board for 2023
- the report of the Board of Supervisors for 2023
- the remuneration settlement scheme for Directors for 2022
- the remuneration settlement scheme for Supervisors for 2022
- the final financial account plan for 2023
- the profit distribution plan for 2023

- the budget of investment in capital expenditure for 2024
- the appointment of accounting firms for 2024
- the external donation plan for 2024
- the extension of the validity period of the issuance plan of tier-2 capital bonds and relevant authorization
- the election of Directors

Please refer to the relevant announcements of the voting results of the previous general meetings disclosed by the Company during the Reporting Period for the convening time, site, attendance, major topics and voting results and other particulars.

8.2.3 Shareholders' Rights

Right to propose to convene extraordinary general meetings

Shareholders who individually or jointly hold 10% or more of the shares with voting rights (the "**Requesting Shareholders**") shall have the right to request to convene an extraordinary general meeting or a class meeting by written proposal.

The Board shall make a response in writing as to whether or not it agrees to convene such meeting within ten days upon receipt of such proposal. If the Board agrees to convene an extraordinary general meeting or a class meeting, a notice for convening such meeting shall be issued within five days after the resolution of the Board is passed. If the Board does not agree to convene an extraordinary general meeting or a class meeting, or fails to give its response, the Requesting Shareholders shall have the right to propose to the Board of Supervisors and such proposal shall be in writing. If the Board of Supervisors agrees to convene an extraordinary general meeting or a class meeting, a notice for convening such meeting shall be issued within five days upon receipt of such proposal. If the Board of Supervisors does not provide notice regarding this meeting, shareholders who individually or jointly hold 10% or more of the shares with voting rights for not less than 90 consecutive days shall be entitled to convene the meeting.

Right to propose resolutions to general meetings

Shareholders, individually or jointly holding 3% or more of the shares with voting rights, shall have the right to submit proposals to the Company in writing. The Company should incorporate all proposed matters that fall within the power of the general meeting on the agenda of such meeting.

Shareholders, individually or jointly holding 3% or more of the shares with voting rights, shall have the right to submit interim proposals in writing ten days before the general meeting to the convener of such meeting. The convener shall, within two days after receiving such proposals, give supplemental notice to other shareholders and incorporate all proposed matters that fall within the power of the general meeting on the agenda of such meeting.

Right to propose to convene extraordinary board meetings

The Chairman shall convene an extraordinary meeting of the Board within ten days from the date of receipt of the request of the shareholders who individually or jointly hold 10% or more of the shares with voting rights.

Right to propose resolutions to board meetings

Shareholders who individually or jointly hold 10% or more of the shares with voting rights can submit proposals of the Board meetings to the Board.

Right to raise proposals and enquiries

Shareholders shall have the right to oversee, to present proposals or to raise enquiries regarding the Company's business operations. Shareholders are entitled to inspect the Articles, the register of shareholders, the state of the Company's share capital and minutes of general meetings of the Company. Shareholders may raise their enquiries or suggestion to the Board by mail to the registered address of the Company or by E-mail to the Company. In addition, shareholders' enquiries on shares or dividends (if any) can be sent to Computershare Hong Kong Investor Services Limited, the share registrar of the H Shares of the Company, whose contact information is available in "Corporate Information" in this report.

Other rights

Shareholders shall be entitled to dividends and other types of interest distributed in proportion to the number of shares held and other rights as conferred by applicable laws, regulations and the Articles.

8.2.4 Attendance of Directors at General Meetings

Attendance of Directors at general meetings during the Reporting Period

Members of the Board	Number of meetings attended/ required to attend	Attendance rate
Executive Directors		
Zhang Weidong	3/3	100%
Liang Qiang	3/3	100%
Zhao Limin	3/3	100%
Non-executive Directors		
Chen Xiaowu	3/3	100%
Zeng Tianming	–	–
Independent Non-executive Directors		
Lu Zhengfei	2/3	67%
Lam Chi Kuen	3/3	100%
Wang Changyun	3/3	100%
Sun Maosong	3/3	100%
Shi Cuijun	3/3	100%
Directors Resigned during the Reporting Period		
Wang Shaoshuang	2/2	100%
Zhang Yuxiang	–	–

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by Directors in person as a percentage of the total number of meetings required to attend.

3. Mr. Lu Zhengfei was absent from the 2024 first extraordinary general meeting due to important temporary work arrangements.

8.2.5 Independence from Controlling Shareholder

The Company is independent of its controlling shareholder in operation, personnel, assets, organization and finance. The Company, as an independent legal person, operates independently and is financially independent. The Company has its own independent and complete business and can operate independently.

8.3 Board

8.3.1 Composition and Responsibilities of the Board

As of the Latest Practicable Date, the Board has 11 members, including three executive Directors, namely Mr. Zhang Weidong (Chairman), Mr. Liang Qiang and Mr. Zhao Limin, three non-executive Directors, namely Mr. Chen Xiaowu, Mr. Zeng Tianming and Ms. Zhang Zhongmin and five independent non-executive Directors, namely Mr. Lu Zhengfei, Mr. Lam Chi Kuen, Mr. Wang Changyun, Mr. Sun Maosong and Ms. Shi Cuijun.

During the Reporting Period and as of the date of this report, the Company has been complying with Rule 3.10A of the Hong Kong Listing Rules which stipulates that the number of independent non-executive directors appointed by a listed company shall be at least one-third of the board. Besides, the Company has complied with Rules 3.10(1) and 3.10(2) of the Hong Kong Listing Rules to have at least three independent non-executive directors and at least one of the independent non-executive directors has an appropriate professional qualification of accounting or related financial management expertise.

The Board is responsible for the general meeting in accordance with the Articles. The main duties of the Board include: (1) to convene and report its work to the general meetings; (2) to implement the resolutions of the general meetings; (3) to determine the development strategies, operation plans and investment plans of the Company; (4) to formulate annual financial budgets and final financial account plans, profit distribution plans and loss recovery plans of the Company; (5) to appoint or dismiss the President and the Board Secretary; to appoint or dismiss the Vice Presidents, Assistants to the President and other Senior Management members (excluding the Board Secretary) according to the President's nominations; (6) to formulate plans for increasing or reducing registered capital, merger, division, dissolution and repurchase of shares of the Company, and assume the ultimate responsibility of capital and solvency management; (7) to formulate the appraisal methods and remuneration scheme of Directors for approval at the general meeting; (8) to determine the remuneration, performance appraisal, and award and punishment mechanism for Senior Management members of the Company; (9) to determine the risk tolerance, risk management, compliance and internal control policies of the Company and to formulate appropriate systems with regards to the internal control and compliance management of the Company, and assume the ultimate responsibility of comprehensive risk management; and (10) to consider and approve the major investment and disposal of equity interests, investment and disposal of debentures, financing, pledges and guarantee of assets, purchases and disposal of fixed assets, disposal of debt-to-equity swap assets, writing-off assets, external donations, data governance of the Company and other major decisions of the legal entity, within the extent of authorization by the general meeting.

8.3.2 Diversity of Members of the Board

The Company attaches great importance to the diversity of the Board and has formulated relevant policies to ensure and sustain that the Board is professional and well-structured. The Board is comprised of professionals in economics, finance, accounting, law, information technology etc., who are diversified in gender, age and other aspects, in compliance with the requirements of the Hong Kong Listing Rules on board diversity and the Company's nomination policy and diversity policy. This effectively lifts the decision-making and governance of the Board.

The Company recognizes the importance and benefits of having a diversified Board. The nomination policy and the diversity policy of the Company can ensure the availability of potential successors to the Board to continue the diversity of the Board. To improve the effectiveness of the Board and the corporate governance, the Company strives to ensure diversity in the composition of the Board when selecting candidates for Directors. It also considers various factors including but not limited to the age, knowledge, cultural and educational background, professional and industry experience and gender, in order to ensure that the Board members are equipped with appropriate skills, experience, diversified perspectives and opinions. The Nomination and Remuneration Committee evaluates the structure, size and composition of the Board as well as the performance of Directors and the independence of independent non-executive Directors and the improvement in the diversity of the Board annually.

The diversity of the Company's employees is set out in "Management Discussion and Analysis" – "Human Resources Management" in this report.

8.3.3 Board Meetings

During the Reporting Period, the Board held seven meetings, including four regular meetings and three extraordinary meetings, at which 44 resolutions were passed and 23 work reports were reviewed. Before the meetings, Directors had been appropriately provided with notice and information necessary for making an informed decision in time. Among the resolutions passed, there were 20 resolutions on operational and management matters, 11 resolutions on work reports, two resolutions on transactions, five resolutions on the nomination of candidates, three resolutions on remuneration and insurance matters and three resolutions on other matters. The major matters were as follows:

- the final financial account plan and the profit distribution plan for 2023;

- the annual consolidated operation plan of the Group for 2024, the budget of investment in capital expenditure for 2024 and the external donation plan for 2024;

- the 2023 annual report (annual results announcement) and the 2024 interim report (interim results announcement);

- the work report of the Board, risk management report, internal control evaluation report, work report on compliance management, social responsibility report and evaluation report of substantial shareholders and major shareholder for 2023;

- the risk appetite statement, the risk management policies and the risk limit management plan for 2024;

- the appointment of accounting firms for 2024;

- the nomination of candidates for Directors and the election of members of special committees of the Board;

- reviewing the reports on the implementation of proposals passed at previous Board meetings, the Implementation Report (2023) of Strategic Development Plan Outline of the Company (2023-2025) (Revision), the Implementation Report (2023) of Informatization Plan Outline of the Company (2021-2025), the Report on Information Technology Risk Management for 2023 and identification of related parties of the Company.

In addition, the Board conducted internal evaluations on the effectiveness of risk management and internal control of the Group during the Reporting Period. For details, please see "Corporate Governance Report" – "Risk Management" and "Internal Control" in this report.

8.3.4 Directors' Attendance at Board Meetings

Directors' attendance at board meetings during the Reporting Period

Members of the Board	Number of meetings attended/ required to attend	Attendance rate
Executive Directors		
Zhang Weidong	6/7	86%
Liang Qiang	6/7	86%
Zhao Limin	6/7	86%
Non-executive Directors		
Chen Xiaowu	7/7	100%
Zeng Tianming	1/1	100%
Independent Non-executive Directors		
Lu Zhengfei	5/7	71%
Lam Chi Kuen	6/7	86%
Wang Changyun	6/7	86%
Sun Maosong	5/7	71%
Shi Cuijun	7/7	100%
Directors Resigned during the Reporting Period		
Wang Shaoshuang	4/4	100%
Zhang Yuxiang	–	–

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by Directors in person as a percentage of the total number of meetings required to attend.

3. Directors who were unable to attend the meetings in person have appointed other Directors as the proxy to vote on their behalf.

8.4 Special Committees of the Board

The Board has five special committees, namely the Strategic Development Committee, the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Connected Transaction Control Committee.

8.4.1 Strategic Development Committee

As of the Latest Practicable Date, the Strategic Development Committee has eight Directors. Mr. Zhang Weidong (Chairman) serves as the chairman. The members include Mr. Liang Qiang, an executive Director, Mr. Chen Xiaowu, Mr. Zeng Tianming and Ms. Zhang Zhongmin, non-executive Directors, and Mr. Lam Chi Kuen, Mr. Sun Maosong and Ms. Shi Cuijun, independent non-executive Directors.

The Strategic Development Committee shall perform, among others, the following duties: to review the general strategic development plan, annual operation plan and fixed asset investment budget, major organizational restructuring and adjustment proposals, major investments and financing proposals, major merger and acquisition proposals of the Company and make relevant recommendations to the Board, to review and assess the comprehensiveness of governance structure of the Company and to review corporate governance report to ensure that the disclosure therein complies with the relevant requirements of the CG Code.

During the Reporting Period, the Strategic Development Committee held five meetings to consider 14 resolutions, mainly including the final financial account plan for 2023, the annual consolidated operation plan of the Group for 2024, the budget of investment in capital expenditure for 2024, the Group consolidated management report for 2023, the evaluation report of substantial shareholders and major shareholder for 2023 and debriefed on four reports including the 2023 corporate governance report, the Implementation Report (2023) of Strategic Development Plan Outline of the Company (2023-2025) (Revision), the Implementation Report (2023) of Informatization Plan Outline of the Company (2021-2025).

Members' attendance at Strategic Development Committee meetings during the Reporting Period

Members	Number of meetings attended/ required to attend	Attendance rate
Zhang Weidong	4/5	80%
Liang Qiang	5/5	100%
Chen Xiaowu	5/5	100%
Zeng Tianming	–	–
Lam Chi Kuen	4/5	80%
Sun Maosong	3/5	60%
Shi Cuijun	5/5	100%
Members Resigned during the Reporting Period		
Wang Shaoshuang	4/4	100%
Zhang Yuxiang	–	–

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by members in person as a percentage of the total number of meetings required to attend.

3. Members who were unable to attend the meetings in person have appointed other members as the proxy to vote on their behalf.

8.4.2 Audit Committee

As of the Latest Practicable Date, the Audit Committee consists of four Directors. Mr. Lu Zhengfei (independent non-executive Director) serves as the chairman. The members include Mr. Lam Chi Kuen, Mr. Wang Changyun and Ms. Shi Cuijun, independent non-executive Directors.

During the Reporting Period and as of the date of this report, the Company has complied with Rule 3.21 of the Hong Kong Listing Rules that at least one independent non-executive Director as the member of the Audit Committee has appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee shall perform, among others, the following duties: to review significant financial policies of the Company and their implementation, and supervise financial operation of the Company; to review the financial information and its relevant disclosure of the Company; to consider and approve the internal control evaluation proposal of the Company, and supervise and evaluate the internal control and risk management of the Company; to supervise and evaluate the internal audit work of the Company; to propose the appointment or dismissal of the external auditor; to monitor the non-compliance of the Company in respect of financial reporting and internal control; and to evaluate whether the resources devoted to functions such as accounting, internal auditing and financial reporting (including qualification and experience of relevant personnel as well as the training provided to such personnel and the relevant budget) are sufficient.

During the Reporting Period, the Audit Committee held seven meetings to review 11 resolutions mainly including the 2023 annual report (annual results announcement), the internal control evaluation report for 2023, the risk management report for 2023, the appointment of accounting firms for 2024, the 2024 interim report (interim results announcement), and debriefed on 11 reports including the report on internal audit work for 2023, report of the accounting firms on the Company's 2023 management recommendations, 2024 interim financial statements review plan, and 2024 financial statements audit plan.

On March 21, 2025, the Audit Committee held a meeting to resolve the submission of the 2024 annual report (annual results announcement) to the Board for review. The Audit Committee together with the Board and the external auditing firms jointly reviewed the accounting standards and practice adopted by the Group and the audited Consolidated Financial Statements for the year ended December 31, 2024.

During the Reporting Period, the Audit Committee duly performed its duties to review the financial information of the Company and its disclosure, regularly review financial reports of the Company and supervise operating activities of the Company; to supervise and guide the implementation of the internal control evaluation of the Company; to coordinate the communication between the internal audit department and the external auditors, consider auditors' recommendations on management and work together to determine external audit plans and work arrangements; and to assess the effectiveness of risk management and internal control of the Company, draft internal audit work plans and monitor the non-compliance of the Company in respect of financial reporting and internal control.

Members' attendance at Audit Committee meetings during the Reporting Period

Members	Number of meetings attended/ required to attend	Attendance rate
Lu Zhengfei	7/7	100%
Lam Chi Kuen	6/7	86%
Wang Changyun	7/7	100%
Shi Cuijun	7/7	100%

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by members in person as a percentage of the total number of meetings required to attend.

3. A member who was unable to attend the meetings in person has appointed another member as the proxy to vote on his behalf.

8.4.3 Risk Management Committee

As of the Latest Practicable Date, the Risk Management Committee consists of five Directors. Mr. Chen Xiaowu (non-executive Director) serves as the chairman. The members include Mr. Zhao Limin, an executive Director, Mr. Zeng Tianming, a non-executive Director, Mr. Lu Zhengfei and Mr. Sun Maosong, independent non-executive Directors.

The Risk Management Committee shall perform, among others, the following duties: to examine risk management strategies and policies of the Company and supervise their implementation and effectiveness; to continuously supervise the effectiveness of the risk management and internal control systems of the Company to ensure compliance with the provisions regarding the risk management and internal control under the CG Code; to review the effectiveness of risk management and internal control systems at least once a year; to review risk management reports of the Company; to evaluate the risk exposure of the Company; to supervise the performance of Senior Management in respect of credit, market and operation risk control; and to formulate and amend the compliance policies of the Company, and to evaluate and supervise the compliance of the Company.

During the Reporting Period, the Risk Management Committee held six meetings to review 14 resolutions, mainly including the 2023 risk management report, the internal control evaluation report for 2023, the Risk Appetite Statement of the Group (2024), the risk management policy of the Group for 2024, the recovery plan of the Company (2024), and debriefed on 11 reports including the quarterly risk management reports and the anti-money laundering and anti-terrorist financing work report for 2023.

By identifying the risk appetite of the Company in accordance with its strategic management target, reviewing the briefings on risk management reports and internal control evaluation reports, participating in risk management working meetings, and carefully carrying out investigation and research on site, the Risk Management Committee understood and evaluated the effectiveness of the operation of the Company's risk management and internal control systems.

Members' attendance at Risk Management Committee meetings during the Reporting Period

Members	**Number of meetings attended/ required to attend**	**Attendance rate**
Chen Xiaowu	1/1	100%
Zhao Limin	6/6	100%
Zeng Tianming	1/1	100%
Lu Zhengfei	6/6	100%
Sun Maosong	6/6	100%
Member Resigned during the Reporting Period		
Wang Shaoshuang	5/5	100%

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by members in person as a percentage of the total number of meetings required to attend.

8.4.4 Nomination and Remuneration Committee

As of the Latest Practicable Date, the Nomination and Remuneration Committee consists of five Directors. Mr. Sun Maosong (independent non-executive Director) serves as the chairman. The members include Mr. Chen Xiaowu and Ms. Zhang Zhongmin, non-executive Directors, Mr. Wang Changyun and Ms. Shi Cuijun, independent non-executive Directors.

The Nomination and Remuneration Committee shall perform, among others, the following duties: to formulate procedures and standards for the election of Directors and Senior Management members; to preliminarily examine the eligibility of the candidates for Directors and Senior Management members; to make recommendations to the Board on the candidates for Directors, President, Board Secretary, chairmen (other than the chairman of the Strategic Development Committee) and members of the special committees of the Board; to review the structure and composition of the Board; and to propose the remuneration distribution plan according to the performance appraisal of Directors and Senior Management members for the approval of the Board, and other matters as required by laws, regulations, regulatory documents, securities regulatory authorities, the Articles, the Rules of Procedure for the Board and as authorized by the Board.

During the Reporting Period, the Nomination and Remuneration Committee held four meetings to consider eight resolutions, mainly including the nomination of candidates for the Directors, the nomination of members for special committees of the Board, and purchase of liability insurance for Directors, Supervisors and Senior Management, and debriefed on the report of the performance of Directors and the independence of independent Directors for 2023. The Nomination and Remuneration Committee conducted a comprehensive assessment of the annual performance of Directors, taking into full consideration each Director's professional competence, work experience, time, record and results of performance, and the performance evaluation results of all Directors for 2023 were competent.

Members' attendance at Nomination and Remuneration Committee meetings during the Reporting Period

Members	**Number of meetings attended/ required to attend**	**Attendance rate**
Sun Maosong	4/4	100%
Chen Xiaowu	4/4	100%
Wang Changyun	4/4	100%
Shi Cuijun	3/4	75%

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by members in person as a percentage of the total number of meetings required to attend.

3. A member who was unable to attend the meetings in person has appointed another member as the proxy to vote on his behalf.

The procedures of nominating Director candidates and the selection criteria are as follows:

1. Candidates for Directors shall be nominated through the proposal with their detailed information including factors such as:

    - personal particulars such as educational background, working experience and any concurrently holding position;

    - whether there are any related relationships with the Company or the controlling shareholder and de facto controller of the Company;

    - their shareholdings in the Company; and

    - any penalty or punishment imposed by the securities regulatory authorities of the State Council, and other relevant authorities and/or the stock exchanges.

2. A candidate for Director shall, prior to the convening of the general meeting, give a written undertaking letter stating that he/she has agreed to accept the nomination and that the personal information as publicly disclosed is true and complete, and warrant that he/she will duly perform his/her duties as a Director after he/she is elected. A written notice of the intention to nominate a candidate for Director and the willingness of the candidate to be elected as well as the written documents of the basic information of the candidate shall be given to the Company not less than ten days prior to the date of the general meeting;

3. The Company shall disclose the detailed information on the candidates of Directors to shareholders at least seven days before convening the general meeting to ensure that shareholders will have an adequate understanding of the candidates when they cast their votes;

4. The length of the period (starting from the next day after publishing the notice for convening a general meeting), during which the nominators and the candidates of Directors are allowed to submit the aforesaid notice and documents, shall be at least seven days;

5. The general meeting shall consider and vote on the election of each candidate for Director by way of a separate resolution; and

6. A candidate for Director shall act as a Director upon approval at the general meeting and his/her qualification approved by the regulatory authorities.

8.4.5 Connected Transaction Control Committee

As at the Latest Practicable Date, the Connected Transaction Control Committee consists of three Directors. Mr. Wang Changyun (independent non-executive Director) serves as the chairman. The members include Mr. Lu Zhengfei and Mr. Lam Chi Kuen, independent non-executive Directors.

The Connected Transaction Control Committee shall perform, among others, the following duties: to identify related parties of the Company; to review basic management rules for related party transactions; to conduct preliminary reviews on related party transactions to be approved by the Board or general meetings; and to maintain records of related party transactions.

During the Reporting Period, the Connected Transaction Control Committee held seven meetings to consider eight resolutions that included material related party transactions, matters relating to the identification of related parties of the Company and the related party transactions management report for 2023, and to debrief on five reports including the quarterly reports on related party transactions.

Members' attendance at Connected Transaction Control Committee meetings during the Reporting Period

Members	Number of meetings attended/ required to attend	Attendance rate
Wang Changyun	7/7	100%
Lu Zhengfei	6/7	86%
Lam Chi Kuen	7/7	100%
Member Resigned during the Reporting Period		
Zhang Yuxiang	1/1	100%

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by members in person as a percentage of the total number of meetings required to attend.

3. A member who was unable to attend the meetings in person has appointed another member as the proxy to vote on his behalf.

8.5 Board of Supervisors

8.5.1 Duties of the Board of Supervisors

The Board of Supervisors is the supervisory body of the Company and shall be responsible to and report its work to the general meeting pursuant to the Articles. The Board of Supervisors shall perform the following duties: (1) to supervise the adoption by the Board of prudent business philosophy and value standards and formulate development strategies in line with the actual situations of the Company; (2) to assess the scientificity, rationality and effectiveness of the development strategies formulated by the Board on a regular basis and form assessment reports; (3) to examine and supervise the financial condition of the Company, and review the financial information including the financial reports and the profit distribution plan; (4) to conduct an overall assessment of the performance of duties by Directors, Supervisors and Senior Management, and report to the supervision authorities and the general meetings on the final assessment results; (5) to monitor, review and supervise the ratification of the operational decision-making, risk management and internal control of the Company, and supervise and direct the internal audit department of the Company; (6) to nominate shareholder representative Supervisors, external Supervisors and independent Directors, and supervise the election and appointment procedures of Directors; (7) to appraise the scientificity and rationality of the remuneration system and policy of the Company as well as the remuneration scheme of Senior Management; and formulate assessment methods and remuneration scheme of Supervisors and submit to the general meeting for approval; and (8) to formulate amendments to the rule of procedures of the Board of Supervisors.

8.5.2 Composition of Board of Supervisors

As of the Latest Practicable Date, the Board of Supervisors consists of seven Supervisors, including three external Supervisors, namely Mr. Zhen Qinggui, Mr. Liu Li and Mr. Cai Xiaoqiang and four employee Supervisors, namely Ms. Gong Hongbing, Mr. Lu Baoxing, Mr. Yuan Liangming and Ms. Zhou Lihua.

The shareholder representative Supervisors and external Supervisors are elected at the general meeting and the employee Supervisors are elected at the employees' representatives meeting.

8.5.3 Meetings of the Board of Supervisors

In 2024, the Board of Supervisors held four meetings and approved 10 resolutions, including the 2022 remuneration settlement scheme for Supervisors, the Focus of the Performance Supervision of the Directors, Supervisors and Senior Management for 2024, the legal compliance for 2023, the final financial account plan for 2023, the profit distribution plan for 2023, the internal control evaluation report for 2023, the report on the performance of Directors, Supervisors and Senior Management for 2023, the report of the Board of Supervisors for 2023, the 2023 annual report (annual results announcement), the 2024 interim report (interim results announcement).

Supervisors' attendance at meetings of the Board of Supervisors during the Reporting Period

Members of Supervisors	**Number of meetings attended/ required to attend**	**Attendance rate**
Zhen Qinggui	4/4	100%
Liu Li	4/4	100%
Cai Xiaoqiang	4/4	100%
Gong Hongbing	4/4	100%
Lu Baoxing	4/4	100%
Yuan Liangming	4/4	100%
Zhou Lihua	4/4	100%

Notes:

1. Attendance includes on-site attendance and attendance through electronic means such as telephone or video conference.

2. Attendance rate is the number of meetings attended by of Supervisors in person as a percentage of the total number of meetings required to attend.

8.5.4 Special Committees of the Board of Supervisors

The Board of Supervisors has two special committees, namely the Performance and Due Diligence Supervision Committee and the Financial and Internal Control Supervision Committee, which assist the Board of Supervisors to perform its obligations under the authorization of the Board of Supervisors, and be responsible for and report their work to the Board of Supervisors.

Performance and Due Diligence Supervision Committee

As of the Latest Practicable Date, the Performance and Due Diligence Supervision Committee consists of four Supervisors, including Mr. Zhen Qinggui (external Supervisor) as the chairman. The members include three employee Supervisors, namely Ms. Gong Hongbing, Mr. Yuan Liangming and Ms. Zhou Lihua.

The duties of the Performance and Due Diligence Supervision Committee primarily include: (1) to provide supervision advice on the performance of duties of the Board, Senior Management and their members, and report to the Board of Supervisors; (2) to make recommendations to the Board of Supervisors on candidates of Supervisors and independent Directors; (3) to review the remuneration settlement scheme for Supervisors; and (4) to perform other duties as authorized by the Board of Supervisors.

During the Reporting Period, the Performance and Due Diligence Supervision Committee held two meetings and reviewed the following matters, including the Focus of the Performance Supervision of the Directors, Supervisors and Senior Management for 2024, the review proposal on the implementation of the performance remuneration and business expenditure budget of the person in charge for 2023, and report on the performance of Directors, Supervisors and Senior Management for 2023.

Financial and Internal Control Supervision Committee

As of the Latest Practicable Date, the Financial and Internal Control Supervision Committee consists of three Supervisors, including Mr. Liu Li (external Supervisor) as the chairman. The members include Mr. Cai Xiaoqiang, an external Supervisor and Mr. Lu Baoxing, an employee Supervisor.

The duties of the Financial and Internal Control Supervision Committee primarily include: (1) to provide review suggestions on the financial condition of the Company and report to the Board of Supervisors; (2) to provide evaluation suggestions on the internal control reports of the Company and report to the Board of Supervisors; (3) to supervise the risk management of the Company; and (4) to perform other duties as authorized by the Board of Supervisors.

During the Reporting Period, the Financial and Internal Control Supervision Committee held six meetings to review the following matters, including the final financial account plan for 2023, the 2023 annual report (annual results announcement) and the 2024 interim report (interim results announcement) of the Company.

8.6 Chairman and President

During the Reporting Period, in accordance with Code Provision C.2.1 of the CG Code and the Articles, the Chairman and the President shall be assumed by different individuals, and the Chairman shall not be concurrently assumed by the legal representative or key management of the controlling shareholder.

As at the date of this report, Mr. Zhang Weidong acts as the Chairman and the legal representative of the Company, and is responsible for presiding over the general meeting, reporting to the general meeting on behalf of the Board, convening and presiding over the Board meetings, supervising and inspecting the implementation of the resolutions of the Board, leading the Board to formulate the annual budget and final accounts and other major matters.

As at the date of this report, Mr. Liang Qiang acts as the President and is responsible for the business operation and daily management of the Company. The President shall be appointed by the Board and is accountable to the Board. He shall perform his duties in accordance with the Articles and the authorization granted by the Board.

8.7 Senior Management

8.7.1 Composition and Duties of Senior Management

The Senior Management is the executive body of the Company and is accountable to the Board. As at the date of this report, the Senior Management comprises 9 members. For details of its composition, please see "Directors, Supervisors and Senior Management" – "Senior Management" in this report. There is a strict separation of power between the Senior Management and the Board. The Senior Management determines the operation management and decision-making matters within its duties and responsibilities as authorized by the Board. The Senior Management includes President, Vice Presidents, assistants to the President, Chief Risk Officer, Board Secretary, Chief Financial Officer, etc. Other members of Senior Management perform their duties and take responsibilities according to the authorization of the President.

8.7.2 Supervision and Evaluation of the Performance of Directors and Senior Management

The Board conducts performance appraisals on the Senior Management and its members in accordance with the evaluation requirements of MOF and the NFRA, the results of which form the basis of the remuneration and other performance-based arrangements regarding the Senior Management.

In accordance with the regulations such as Measures on the Performance Supervision of the Board of Supervisors and the Focus of the Performance Supervision of the Directors, Supervisors and Senior Management for 2024, the Board of Supervisors conducted supervision over the performance of the Board, Senior Management and their members through attending the general meetings, presenting at the Board meetings, meetings of its special committees and the meetings of Senior Management, examining the minutes and records of the meetings, and performance reports of Director and Senior Management, and also through daily supervision arrangements.

8.7.3 Remuneration of Directors and Senior Management

For the remuneration policy of the Directors and Senior Management, please refer to the "Report of the Board of Directors" – "Remuneration Policy of Directors, Supervisors and Senior Management" in this report.

For the remuneration of Senior Management by band, please refer to Note VI. 20 "Key Management Personnel and Five Highest Paid Individuals" to the Consolidated Financial Statements.

8.8 Risk Management

The Company endeavours to develop a comprehensive risk management system which is in line with the scale and complexity of its business development, and has developed a comprehensive risk management framework consisting of four levels, namely the Board and the Board of Supervisors, the Senior Management, the risk management department and relevant functional departments at the headquarters, and its branches and subsidiaries, and three lines of defense comprising 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 review 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 framework and control measures during the Reporting Period are set out in the "Management Discussion and Analysis"– "Risk Management" in this report.

8.9 Internal Control

The Board is responsible for the establishment and implementation of a sound and effective internal control system and the evaluation of its effectiveness, and truthfully disclosing the internal control evaluation report. The Board of Supervisors is responsible for supervising the establishment and implementation of the internal control system by the Board. The Senior Management is responsible for organizing the daily operation of the internal control system of the Company. The Board, the Board of Supervisors and Directors, Supervisors and members of the Senior Management of the Company undertake that information in this report does not contain any false representations, misleading statements or material omissions, and jointly and individually take responsibility for the truthfulness, accuracy and completeness of this report.

The objectives of the internal control of the Company are to reasonably ensure its operation and management are in compliance with laws and regulations, assets safety, the truthfulness and completeness of financial reports and relevant information, to improve operation efficiency and effects, and to facilitate the Company to achieve its development strategic targets. Due to its inherent limitations, which are designed to manage rather than eliminate the risk of failure to achieve business objectives, internal control can only provide reasonable assurance regarding the achievement of the above objectives. Moreover, changes in circumstances may render the internal control mechanisms inappropriate, or reduce the degree of compliance with policies and procedures, so that predicting the effectiveness of internal control in the future according to the evaluation results of internal control may involve certain risks.

The Company has established a management structure of internal control consisting of three precautionary mechanisms under the leadership of the Board, the Board of Supervisors and the management.

In respect of the corporate governance, the Board is responsible for the thorough examination and evaluation of the establishment, improvement and effective implementation of the internal control system as well as the effectiveness of the internal control, while the Board of Supervisors is responsible for supervising the Board and the management on the establishment, improvement, effective implementation and regular evaluation of the Company's internal control system. The management organizes and guides the daily operation of the internal control of the Company, establishes and improves the relevant systems of the operation segment's internal control system, and comprehensively promotes the implementation of the internal control system.

In respect of the Company's operation, the headquarters, branches, and subsidiaries, as the first line of defense, establishes an internal control mechanism of consciously implementing the internal control, self-assessing the risk exposure, self-correcting and reporting timely. The compliance department, as the second line of defense, acts as the functional department for internal control and compliance management, leads the establishment and maintenance of the internal control system, and supervises and examines the internal control by means of routine supervision and special inspection. The audit department, as the third line of defense, audits and evaluates the adequacy and effectiveness of internal control, reports the audit problems to the Board, and supervises and follows up the rectification.

The risk and compliance management position in each department of the Company's headquarters, the compliance and internal control management position and the specified audit position in each branch have been set up and charged with the implementation and evaluation of the internal control management within the organization. The compliance and internal control department of each subsidiary is responsible for the establishment and maintenance of the internal control system. Each subsidiary has its own internal control contact person to be in charge of the establishment, implementation and promotion of the internal control system within the subsidiary, the routine maintenance and inspection, and report on the significant events and periodic reports.

Pursuant to the Measures on the Internal Control of Financial Asset Management Companies, the Basic Internal Control Norms for Enterprises and the Guidelines for Internal Control of Commercial Banks, as well as the regulatory requirements of CG Code, the Company has established and continuously improved the internal control management system in line with the internal control objectives of the Company.

During the Reporting Period, the Company continued to strengthen the quality and efficiency of management in key areas of internal control, and promoted the continuous improvement of the Company's internal control system.

The Company continued to improve the system framework, carried out special system re-inspection in accordance with the Administrative Measures for the Distressed Asset Operations of Financial Asset Management Companies to improve more than 20 systems, involving key fields of operation and management, such as business management, business review, risk management, asset evaluation, and further strengthened the compliance and operability of the internal control system; the Company continued to strengthen training and promotion of the system, continuously enhancing employees' understanding and mastery about the system, and promoting the implementation of the system; and the Company strengthened employee behavior management with a focus on key personnels, carried out in-depth investigation on employee abnormal behavior and job checks and balances, continuously strengthened the internal control restraint mechanism, and continuously consolidated internal management.

According to the Guidelines for the Evaluation of Internal Control of Enterprises, the CG Code, the Guidelines for Internal Control of Commercial Banks and relevant documents of the MOF and the internal control system of the Company, the Company worked out the Implementation Plan for Internal Control Evaluation for 2024. The scope of internal control evaluation in 2024 incorporated the main business lines, and high-risk areas covering each department of the headquarters, branches, subsidiaries and their subordinate units. The Company identified defects in internal control, actively implemented the rectification, and optimized the establishment and implementation of internal control, by organizing and conducting the comprehensive self-assessment, on-site (off-site) tests and inspection of key aspects and other methods.

The Board and the Audit Committee conduct the evaluation of the effectiveness of the internal control in various aspects including but not limited to finance, operation and compliance, and review the internal control evaluation report at least once a year. The Board believes that the Company has maintained effective and adequate internal control of financial reporting in all material aspects in accordance with the requirements of the corporate internal control regulation system and relevant provisions. No material or significant defects in the internal control of the financial reporting and non-financial reporting were identified while some matters to be addressed did not have a substantial impact on the operation and management of the Company.

The Company had appointed Ernst & Young Hua Ming LLP to conduct an audit on the internal control of the Company. The audit opinions of the internal control were consistent with the evaluation results of the effectiveness of the internal control of the Company.

8.10 Internal Audit

The Company has implemented an internal audit system. An audit department is established at the headquarters of the Company with dedicated professional auditors with a mission to independently and objectively supervise, inspect and evaluate the operating activities, risk exposure, the financial income and expenditure and internal control of the Company and report material deficiencies in the course of auditing to the Board or the Audit Committee and the Board of Supervisors.

In 2024, the Company continuously explored and innovated the forms of organization and working methods of internal audits, and fully completed the annual internal audit as scheduled. In accordance with the regulatory requirements and adhering to a risk-oriented approach, with serving the development of the Company as core, the Company aimed to promote the establishment of a sound and effective risk management mechanism, internal control system and corporate governance procedures, and fully leverage the supervisory, appraisal and advisory functions of internal audit.

Carrying out regular audits. Centering on the strategic development goal of the Company, playing the audit supervision function and focusing on key business, major projects, important links, as well as corporate finance and internal management, the Company completed the regular audits of certain branches.

Carrying out special audits. In accordance with the regulatory requirements, the Company, with the goal of strengthening the construction of risk prevention and compliance, centering on the major and difficult points in its operation and management, completed the special audits of the compliance and effectiveness of key service procurement projects, compliance management, corporate governance, management of the Group's related party transactions, etc.

Carrying out economic responsibility audits. Strengthening the supervision of the performance of cadres continuously, performing the audit for the economic responsibilities of major cadres and the audit of relevant outgoing officials of the Company.

Further improving internal audit system. In accordance with regulatory requirements and the realities of the Company, the Company steadily promoted the implementation of the internal audit development plan, improved a centralized internal audit management system, strengthened the coordination of internal audit plan, enhanced the independence of budget and assessment, optimized the audit management of subsidiaries, deepened the management and construction of the audit talent pool, improved the training mechanism for internal auditors, continued to promote the standardization and digitalization construction of internal audit, supervised the implementation of rectifications on the problems identified through the audits, and strengthened the application of the audit findings to continuously enhance the independence and effectiveness of internal audit.

8.11 Establishment and Implementation of Accountability System for Material Errors in Annual Reports

The Company has formulated and implemented the Administrative Measures on the Preparation of Regular Information Disclosure Reports, and indicated accountability of material errors in the disclosure of the annual reports. During the Reporting Period, the Company has strictly complied with the policies and regulations relating to the preparation and disclosure of annual reports to strengthen the awareness of this accountability, so as to enhance the quality and transparency of information disclosure in annual reports. During the Reporting Period, there were no material errors discovered in the information disclosed in the annual reports.

8.12 Procedures and Internal Controls for the Handling and Dissemination of Inside Information

During the Reporting Period, the Company improved the compliance awareness of employees and better managed inside information in accordance with the Information Disclosure Policy and the Insider Information Management System. The Company had also enhanced the confidentiality of inside information and strictly implemented the insider registration to limit the number of insiders as well as proactively prevent inside dealing. To the knowledge of the Company, during the Reporting Period, there was no incident of inside trading of the shares of the Company by taking advantage of the inside information.

8.13 Communication with Shareholders

8.13.1 Shareholders' Communication Policy

The Company has formulated, in accordance with the requirements of regulatory laws and regulations, relevant systems including the Information Disclosure Policy and the Provisional Measures of Investor Relations Work, and ensured that shareholders can obtain appropriate and comprehensive information in a timely manner through various means such as convening general meetings and carrying out information disclosure and investor relations work, which effectively protected shareholders' right to know and facilitated communication between shareholders and the Company.

During the Reporting Period, the Company has reviewed the implementation of the shareholders' communication policies and related work such as information disclosure and investor relations, and considered such policies effective and adequate. The Company actively practiced social responsibility by gradually increasing the proportion of paperless communications, off-site meetings and other environmentally friendly means of shareholder communication to advance its goals of green financial development.

8.13.2 Information Disclosure and Investor Relations

The Company has carried out information disclosure and investor relations management, in strict compliance with regulatory provisions and the internal requirements. The Company also communicated and interacted with shareholders and potential investors through various channels to assist them in making rational investment decisions and to protect investors' rights and interests.

The Company is dedicated to information disclosure in strict compliance with the principles of truth, accuracy, completeness, timeliness and fairness. The Company continued to follow the updates of the regulatory rules in real time and improve the disclosure form and content of the regular reports and increase the richness, usability and transparency of disclosures contained in regular reports in line with the Company's business situation and the latest developments in the industry; the Company is also dedicated to the compliance disclosure of temporary announcements, protecting investors' right to know, focusing on major market concerns and carrying out voluntary disclosure; the Company strictly implemented the registration of insiders as a part of its efforts to strengthen confidentiality management of inside information.

The Company attached great importance to communication with investors, actively listened to their opinions and suggestions, and conducted two-way communication with investors to help them correctly understand the Company's value. The Company has set up a multi-layered and all-around channel for interactive communication with investors, and strengthened the online and offline communication. By means of results announcement, participation in large investment forums and investment bank summits, investor visits, and answering investor hotline, it introduced the development of the industry, and the Company's strategy, business philosophy, competitive advantages and business development to investors. The Company responded to the investors' concerns in a timely manner and fully demonstrated its expertise and commitments to social responsibilities, thus boosting the investors' confidence, and further improving the recognition and brand influence of the Company in the capital market.

During the Reporting Period, the Company completed the preparation and disclosure of regular reports as scheduled, optimized the presentation of its business, added and revised certain disclosures, and carried out the disclosure of temporary announcements in a timely and compliance manner. The Company organized investor on-site research activities to provide an in-depth introduction of the Company's business model, development strategy and typical cases of its core business of distressed assets through site visits and face-to-face discussions. Furthermore, the Company proactively communicated with the market by various forms of investor communication activities, such as holding on-site results releases and global analyst teleconferences and participating in online and offline summits.

8.13.3 Contacts of Board of Directors' Office

The board of directors' office is responsible for assisting in the daily operation of the Board. Should investors have any enquiries or shareholders have any suggestions, enquiries or proposals, please contact:

The Board of Directors' Office of China Cinda Asset Management Co., Ltd.
Address: No. 1 Building, 9 Naoshikou Street, Xicheng District, Beijing, PRC
Tel. No.: (86)10-63080528
Email address: ir@cinda.com.cn

8.14 Remuneration of the Accounting Firms

As approved by the 2023 annual general meeting, the Company had appointed Ernst & Young Hua Ming LLP and Ernst & Young (collectively "**Ernst & Young**") as its domestic and international accounting firms for 2024, respectively, to provide audit service of the annual financial statements, review of the interim financial statements, and audit of internal control as well as other professional services for the Company for the year of 2024. During the Reporting Period, the audit fee incurred with respect to the audit of financial statements and audit of internal control provided by Ernst & Young and its member firms amounted to a total of RMB30.82 million. The related fees incurred in respect of other verification services provided by Ernst & Young and its member firms amounted to a total of RMB1.13 million. In 2024, the fees incurred with respect to tax and consulting services provided by Ernst & Young and its member firms amounted to a total of RMB3.45 million. There are no non-audit services provided by Ernst & Young and its member firms to the Group other than those mentioned above.

8.15 Responsibilities of Directors in respect of Financial Statements

The Directors are responsible for adopting applicable accounting policies in accordance with PRC GAAP and IFRS Accounting Standards. They are also responsible for implementing relevant accounting requirements of MOF subject to PRC GAAP and IFRS Accounting Standards and supervising the preparation of the annual and interim financial statements of the Company so that the financial statements can truly and fairly reflect the Company's operating condition.

8.16 Securities Transactions by Directors, Supervisors and Senior Management

The Company has formulated the Code for Securities Transactions by Directors, Supervisors and Senior Management which regulates securities transactions by Directors, Supervisors and Senior Management and is not less lenient than the Model Code for Securities Transactions by Directors of Listed Issuers specified in Appendix C3 to the Hong Kong Listing Rules. The Company has made enquiries to all Directors and Supervisors who confirmed that they had complied with such code and the requirements set out there during the Reporting Period.

8.17 Relationship between Directors, Supervisors and Senior Management

There was no financial, business or family relationship, or other relationships required to be disclosed between any of the Directors, Supervisors and Senior Management.

8.18 The Independence of Independent Non-executive Directors

The Company established a mechanism to ensure that the Board can obtain independent views and opinions, fully protected the information rights of all Directors and provided assistance to Directors in obtaining external professional advice. The implementation and effectiveness of such mechanism was reviewed by the Board on an annual basis. The Company continued to provide the necessary working conditions for the independent non-executive Directors to better perform their duties. In 2024, the independent non-executive Directors put forward professional and feasible opinions and suggestions for the Company's strategic planning, corporate governance, risk management, internal control and compliance, related party transaction management, internal and external audits, and Digital Cinda construction. At the same time, independent opinions were expressed on major issues such as profit distribution plan, nomination of candidates for Directors and appointment of the accounting firms, in which way the independent non-executive Directors played a leading and promoting role in the standardized and scientific operation and the optimization and upgrading of the decision-making mechanism of the Board, as well as the long-term stable development of the Company.

The Company attached great importance to and continuously improved the communication mechanism with independent non-executive Directors, and strove to protect the Directors' right to know. The Company regularly reported to the Directors on the operation results, organized the Directors to conduct investigation in branches and subsidiaries, arranged relevant business training, so as to facilitate the independent non-executive Directors to have an in-depth understanding of the Company's operation, timely understand the changes in the regulatory policies and the market economic environment, and continuously improved their ability to perform their duties. The Company has established a mechanism to safeguard the implementation of the suggestions of the Directors, and has responded and adopted the recommendations and opinions of all Directors, including the independent non-executive Directors, in a timely manner. During the Reporting Period, the Board has reviewed the implementation of the above mechanism and considered it effective during the Reporting Period.

When nominating independent non-executive Directors, the Board paid special attention to the number of Directors who were concurrently serving as directors of other institutions. The Company set out the minimum time required for independent non-executive Directors to work for the Company every year, and regularly reviewed the composition of the Board and the independence of independent non-executive Directors.

All independent non-executive Directors are independent persons. The Company has received annual confirmation letters from each of the independent non-executive Directors to confirm their independence. As at the Latest Practicable Date, the Company considered that all independent non-executive Directors are independent. The independence of independent non-executive Directors complies with the relevant guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

8.19 Training for Directors

The Board focused on the professional development of the Directors by encouraging and organizing for them to take part in the training. In accordance with Code Provision C.1.4 of the CG Code, the Directors participated in relevant training organized by industry organizations, professional organizations and the Company. In addition, the Directors further improved their professionalism through multiple approaches such as attending seminars as well as conducting on-site research on our branches and subsidiaries. During the Reporting Period, the major categories of training the Directors have participated in are as follows:

Members of the Board during the Reporting Period	Domestic and overseas environment and Macroeconomy	Financial and distressed assets management industry	Regulatory requirements, corporate governance and performance of directors	Financial accounting, law, risk management, internal control and information technology
Executive Directors				
Zhang Weidong	✓	✓	✓	✓
Liang Qiang	✓	✓	✓	✓
Zhao Limin	✓	✓	✓	✓
Non-executive Directors				
Chen Xiaowu	✓	✓	✓	✓
Zeng Tianming	✓	✓	✓	✓
Independent Non-executive Directors				
Lu Zhengfei	✓	✓	✓	✓
Lam Chi Kuen	✓	✓	✓	✓
Wang Changyun	✓	✓	✓	✓
Sun Maosong	✓	✓	✓	✓
Shi Cuijun	✓	✓	✓	✓
Directors Resigned during the Reporting Period				
Wang Shaoshuang	✓	✓	✓	✓
Zhang Yuxiang	✓	✓	–	–

8.20 Company Secretary

Mr. Ai Jiuchao is the Company Secretary. He has served the Company for many years and is familiar with the Company's daily operations. In respect of corporate governance, the Hong Kong Listing Rules and other applicable laws and regulations related to the Company and other matters, Mr. Ai shall report to the Directors and/or the President. During the Reporting Period, Mr. Ai had participated in the relevant professional training courses for 15 hours, which is in compliance with the requirements of Rule 3.29 of the Hong Kong Listing Rules.

9 REPORT OF THE BOARD OF DIRECTORS

9.1 Principal Business

The Group primarily engages in distressed asset management and financial services. Details of the analysis of business review and operating performance, major risks, risk management and future development of the Group are set out in "Management Discussion and Analysis" in this report. During the Reporting Period, there were no significant changes to the principal business scope of the Group.

9.2 Profit and Dividend Distribution

The profit and financial condition of the Group for the year ended December 31, 2024 are set out in the section headed "Management Discussion and Analysis" – "Analysis of Financial Statements" in this report.

Having considered the long-term development requirement and the interests of investors of the Company, the Board proposed to distribute cash dividends for 2024 in the amount of RMB0.2387 per 10 shares (tax inclusive) to holders of Domestic Shares and H Shares whose names appear on the register of members on the record date, representing total cash dividends of approximately RMB0.91 billion on the basis of 38,164,535,147 Domestic Shares and H Shares in issue on December 31, 2024.

The profit distribution plan for 2024 of the Company shall be subject to approval by the annual general meeting for 2024. Subject to the approval, the cash dividend for 2024 is expected to be distributed on or around August 22, 2025 to the holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on the record date for dividend distribution. The cash dividend will be denominated and declared in Renminbi and will be paid in Renminbi to holders of Domestic Shares and in Hong Kong dollars to holders of H Shares. The amount of Hong Kong dollar will be calculated on the basis of the average basic exchange rate between Renminbi and Hong Kong dollar quoted by PBOC one week prior to the date of the annual general meeting for 2024 (including the date of the meeting).

The Company will announce the date of the annual general meeting for 2024 and the period of closure of register of members of the Company for the determination of the entitlement of shareholders to attend the annual general meeting for 2024 and to vote thereon and the period of closure of registered of members of the Company to determine the entitlement of shareholders for 2024 cash dividends in due course.

The Company attaches great importance to shareholders' return and has set up sound decision – making procedures and mechanisms for profit distribution. It is clearly provided in the Articles that the Company shall maintain a consistent and stable profit distribution policy, taking into account the Company's long-term interest and sustainable development as well as the interests of its shareholders as a whole. Profit shall be distributed in cash dividend in priority. Any adjustment to the profit distribution policy of the Company shall be subject to approval of shareholders by a special resolution passed at the general meeting upon review of the Board.

For individual holders of H Shares, pursuant to the Individual Income Tax Law of the People's Republic of China, the Implementation Regulations of the Individual Income Tax Law of the People's Republic of China, other laws and regulations and relevant regulatory documents promulgated by the State Administration of Taxation of the PRC, the Company shall, as a withholding agent, withhold and pay individual income tax at the rate of 10% for the individual holders of H Shares in respect of the dividend for 2024 to be distributed to them. The individual holders of H Shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H Shares are domiciled and the tax arrangements between mainland China, Hong Kong or Macao.

For non-resident enterprise holders of H Shares in China, the Company will withhold and pay enterprise income tax at the tax rate of 10% for such holders of H Shares pursuant to the Enterprise Income Tax Law of the People's Republic of China, the Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China, other laws and regulations and relevant regulatory documents of the State Administration of Taxation of the PRC. A non-PRC resident enterprise shareholder which is entitled to a preferential tax rate under a tax agreement or an arrangement may, directly or through its entrusted agent or withholding agent, apply to the competent tax authorities for a refund of the excess amount of tax withheld.

China Securities Depository and Clearing Corporation Limited is the nominee of the Company's H Shares held by investors of H Shares of Southbound Trading, and the Company will then re-distribute the 2024 cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system. Pursuant to the relevant requirements of the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127), the Company shall withhold and pay individual income tax at the rate of 20% on behalf of domestic individual investors. For domestic securities investment funds, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors which shall report and pay the relevant tax themselves. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares of the Company.

Should the holders of H Shares of the Company have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for the relevant tax impact in mainland China, Hong Kong and other countries (regions) on the holding and disposal of the H Shares of the Company.

Details of the Company's dividend for preference shares during the Reporting Period are set out in the section headed "Changes in Share Capital and Information on Substantial Shareholders" – "Preference Shares" in this report.

9.3 Distributable Reserves

Details of distributable reserves of the Group for the year ended December 31, 2024 are set out in the Consolidated Statement of Financial Position in the Consolidated Financial Statements.

9.4 Financial Summary

The operating results and summary of assets and liabilities of the Group for the year ended December 31, 2024 are set out in the "Financial Summary" in this report.

9.5 Donations

Donations made by the Group for the year ended December 31, 2024 amounted to RMB24.540 million.

9.6 Property and Equipment

None of the percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) of the properties held by the Group exceeds 5%. Details in relation to the changes in property and equipment of the Group for the year ended December 31, 2024 are set out in Note VI. 39 "Property and Equipment" to the Consolidated Financial Statements.

9.7 Pension Plan

According to the relevant regulations of the PRC, the employees of the Group participate in the social basic pension insurance schemes implemented by the local labour and social security departments. The Group shall pay pension insurance fee to the local social basic pension insurance agency according to the base and proportion prescribed by the local regulations. Such insurance fees payable are charged to the profit or loss for the period on an accrual basis. Local labour and social security departments will pay basic social pension to the staff upon their retirement. Qualified employees of the institutions of the Group in Hong Kong have participated in a locally-defined pension plan or defined benefit plan.

Besides basic social pension insurance, employees of the Company also participate in the annuity scheme established by the Company in accordance with relevant policies of the annuity system of the PRC. The Company makes contributions to the annuity scheme at a certain proportion of the total salaries of the employees, and the contributions are recorded as costs when incurred.

For details of the payment of pension by the Company for its employees, please see Note VI. 11 "Employee Benefits" to the Consolidated Financial Statements.

9.8 Major Clients and Suppliers

During the Reporting Period, the combined revenue from the top five clients of the Company did not exceed 30% of its total revenue for 2024. Due to the nature of the Company's business, the Company had no major suppliers. There are no clients, suppliers, employees or others who have a significant impact on the Group and on which the Group's success depends.

9.9 Share Capital and Public Float

As at December 31, 2024, the Company had a total of 38,164,535,147 shares in issue. Please see "Changes in Share Capital and Information on Substantial Shareholders" in this report for details. As at the Latest Practicable Date, based on the information available to the Company, the public float of the Company was not lower than 25% and in compliance with the relevant laws and regulations and the requirement of the Hong Kong Listing Rules.

9.10 Pre-emptive Right

During the Reporting Period, none of the shareholders was entitled to any pre-emptive right to subscribe for any shares in accordance with applicable PRC laws and the Articles, and the Company did not have any share option arrangement.

9.11 Purchase, Sale and Redemption of Listed Securities

During the Reporting Period, neither the Company nor its subsidiaries has purchased, sold or redeemed any listed securities (including the sale of treasury shares) of the Company. As at December 31, 2024, neither the Company nor its subsidiaries held any treasury shares.

9.12 Equity-linked Agreement

The Company set a trigger event term for 2021 Offshore Preference Shares, upon the occurrence of which 2021 Offshore Preference Shares would be irrevocably and compulsorily converted into H Shares. The details are set out in "Changes in Share Capital and Information on Substantial Shareholders" – "Preference Shares" in this report.

During the Reporting Period, the Company did not enter into any equity-linked agreement. As at December 31, 2024, the Company did not have any other such agreement subsisted.

9.13 Issuance of Securities

9.13.1 Issuance of Securities of the Company

During the Reporting Period, the issuance of bonds of the Company is set out in Note VI. 54 "Bonds Issued" to the Consolidated Financial Statements.

9.13.2 Issuance of Securities of Subsidiaries

During the Reporting Period, the issuance of bonds of the subsidiaries of the Company are set out in Note VI. 54 "Bonds Issued" to the Consolidated Financial Statements.

During the Reporting Period, the Company and its subsidiaries did not issue or grant any shares, convertible bonds, options or other securities.

9.14 Material Interests and Short Positions

For details of material interests and short positions of shareholders, please see "Changes in Share Capital and Information on Substantial Shareholders" – "Interests and Short Positions Held by Substantial Shareholders and Other Persons" in this report.

9.15 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 was to replenish the capital of the Company for supporting its business development.

9.16 Borrowings

The borrowings of the Group as at December 31, 2024 amounted to approximately RMB581.37 billion. Details of the borrowings are set out in Note VI. 49 "Borrowings" to the Consolidated Financial Statements.

9.17 Directors, Supervisors and Senior Management

Lists, biographical information and changes of the Directors, Supervisors and Senior Management are set out in "Directors, Supervisors and Senior Management" in this report. The daily operations of the Board are set out in "Corporate Governance Report" in this report.

9.18 Directors', Supervisors' and Chief Executive Officer's Interests and Short Positions in Shares and Underlying Shares

As at December 31, 2024, none of the Directors, Supervisors or Chief Executive Officer had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Hong Kong SFO), which was required to be recorded in the register kept by the Company pursuant to Section 352 of the Hong Kong SFO or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to Appendix C3 Model Code for Securities Transactions by Directors of Listed Issuers to the Hong Kong Listing Rules.

9.19 Interests in Transactions, Arrangements or Contracts and Service Contracts of Significance of Directors and Supervisors

During the Reporting Period, none of the Directors and Supervisors (or their connected entities) had any material interests, directly or indirectly, in any major transactions, arrangements or contracts (except service contracts) regarding the business of the Group entered into by the Company or any of its controlling companies, subsidiaries or fellow subsidiaries.

None of the Directors and Supervisors had entered into any service contract with the Company which was not terminable by the Company within one year without payment of compensation (other than statutory compensation).

9.20 Interests of Directors in Business Competing with the Company

During the Reporting Period, none of the Directors held any interest in business which directly or indirectly competed, or was likely to compete with the business of the Company.

9.21 Material Contracts with Controlling Shareholders

During the Reporting Period, the Company and its subsidiaries did not enter into any contract (including material contracts for the provision of services) with the controlling shareholder or any of its subsidiaries.

9.22 Management Contracts

During the Reporting Period, the Company did not enter into any management contracts with respect to the entire or substantial business of the Company.

9.23 Remuneration Policy of Directors, Supervisors and Senior Management

The Company has clearly standardized its remuneration policies for Directors, Supervisors and Senior Management. The remuneration policy for Chairman, President and other deputy responsible persons shall be implemented according to the regulations on the management of remuneration of representatives of state-owned financial enterprises. The independent non-executive Directors, external Supervisors and employee Supervisors receive allowances in the Company. Non-executive Directors do not receive remuneration in the Company. The remuneration of other Senior Management gives consideration to both incentive and restriction and is based on their performance as well as the risks and responsibilities of their positions and is subject to government supervision and adjustment along with market condition which comprises basic salary, bonus and other benefits. The Company organizes the Directors, Supervisors and Senior Management who are employees to participate in the corporate pension scheme in accordance with relevant state regulations. During the Reporting Period, the Company had no arrangement for any stock incentive plan for Directors, Supervisors and Senior Management.

9.24 Indemnity for Directors, Supervisors and Senior Management

According to the Articles, the Company may establish a liability insurance system for Directors, Supervisors and Senior Management as necessary in order to lower the risk exposure arising from their normal discharge of obligations. During the Reporting Period, the Company maintained liability insurance for directors, supervisors and senior management of the Group to protect them against any potential liability arising from the Group's activities to which they may be held liable.

During the Reporting Period, there was no permitted indemnity provision for the benefit of Directors.

9.25 Connected Transactions

During the Reporting Period, the Company did not conduct any connected transaction or continuing connected transaction required to be reported, announced or approved by independent shareholders under Chapter 14A "Connected Transactions" of the Hong Kong Listing Rules, and has complied with the disclosure requirements set out in Chapter 14A of the Hong Kong Listing Rules. Details of related party transactions as defined under the IFRS Accounting Standards are set out in Note VI. 69 "Related Party Transactions" to the Consolidated Financial Statements, which do not constitute the connected transaction or continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules.

9.26 Social Responsibility

Thoroughly implementing new development concept, adhering to the mission of "providing excellent service for customers, creating best return for shareholders, building a development platform for employees, resolving financial risks for the country, and assuming greater responsibility for the society", the Company deepened the shouldering of social responsibilities in preventing and defusing risks, serving the real economy, caring for the growth of employees, developing green finance, supporting rural revitalization and has achieved great results. In 2024, the Company was awarded the "Best Company in Listed Companies" by the China Financial Market, the Best ESG Information Disclosure Award in the Hong Kong International ESG List Annual Selection, and the Good News Award of "Inclusive Finance" of Banking by the China Banking Association, etc.

The Company regards its employees as the source of motivation to achieve better development. The Company effectively safeguarded the legitimate rights and interests of its employees, cared for the physical and mental health of its employees, protected the occupational safety of its employees, improved the business capacity of its employees, built a broad development platform for its employees, and pursued better development together with its employees. The Company adhered to the customer-centred approach, protected the rights and interests of customers, improved its service capability, promoted the construction of strategic customer groups and ecosystems for distressed assets, and created value together with customers.

The Company actively implemented the concept of green development and sustainable development strategy, proactively responded to the challenges of climate change, adhered to the business orientation of supporting green and low-carbon industries, gave full play to the advantages of the main business with preferential resources, increased investment in green enterprises and projects such as new energy and clean energy, and continuously improved the financial service capability to support the "dual-carbon" goal. The Company continued to practice the concept of green and low-carbon office, set environmental targets for energy saving and carbon reduction, and strove to reduce energy consumption and waste emissions in its own operations to make efforts to build a green enterprise.

Detailed information on the Company's performance in implementing social responsibility and the environmental, social and governance requirements of the Hong Kong Stock Exchange is set out in the 2024 Corporate Social Responsibility of China Cinda (to be disclosed separately).

9.27 Compliance with Relevant Laws and Regulations

During the Reporting Period, the Company has complied with the relevant laws and regulations which were material to its business and operation in all material respects, and obtained all material qualifications and permits necessary for its business operations in accordance with relevant laws and regulations.

9.28 Accounting Firms

The financial reports of the Company for 2024 prepared under the IFRS Accounting Standards and PRC GAAP have been audited by Ernst & Young and Ernst & Young Hua Ming LLP, respectively.

9.29 Statement for Changes of the Accounting Firms in the Past Three Years

According to the relevant provisions of the "Notice on Administrative Measures for State-owned Financial Enterprises to Select and Appoint Accounting Firms (Cai Jin [2020] No. 6)" issued by MOF, the term of appointment of the same accounting firm by a state-owned financial enterprise shall not exceed eight years. The terms of service of the Company's then accountants, Ernst & Young Hua Ming LLP and Ernst & Young, have reached the period stipulated in the aforesaid regulations. As considered and approved at the 2023 fifth meeting of the Board and the 2022 annual general meeting, the Company engaged PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as its domestic and international accounting firms for 2023, respectively, to provide the audit of the annual financial statements, review of the interim financial statements, audit of internal control and other relevant services to the Company for 2023.

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 2023 annual general meeting. As considered and approved at the 2024 second meeting and second regular meeting of the Board and the 2023 annual general meeting, the Company engaged Ernst & Young Hua Ming LLP and Ernst & Young (collectively "**Ernst & Young**") as its domestic and international accounting firms for 2024, respectively, to provide the audit of the annual financial statements, review of the interim financial statements, audit of internal control and other relevant services to the Company for 2024. 2024 was the first year for Ernst & Young to provide audit services for the Company.

By Order of the Board
ZHANG Weidong
Chairman

March 25, 2025

10 REPORT OF THE BOARD OF SUPERVISORS

In 2024, the Board of Supervisors followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, insisted on the political and people-oriented nature of financial work, focused on the main responsibilities and core business, prevented and defused financial risks, and supported real economy development. The Board of Supervisors, in accordance with the laws, regulations and the Articles, promoted the in-depth inspection and rectification, and vigorously carried out investigations and researches, conscientiously performed its supervisory duties, put forward opinions and suggestions and promoted their implementation. All these efforts have led to the profound integration between Party construction and corporate governance, and ensured the compliant operation of the Company.

10.1 Major Work Completed

Convene the meetings in accordance with the law. The Board of Supervisors held four meetings in 2024, and considered 10 resolutions, including the Company's regular reports, internal control evaluation report and performance evaluation reports. The Performance and Due Diligence Supervision Committee held two meetings and the Finance and Internal Control Supervision Committee held six meetings. The Board of Supervisors focused such priorities as the implementation of major national decisions and arrangements, prevention and mitigation of major risks, efforts in the inspection and rectification, concerned with the Company's strategy implementation, operation and development, challenges and countermeasures, and put forward opinions and suggestions. Supervisors performed their duties faithfully and diligently and provided independent opinions on the compliance operation, financial report, duty performance of relevant parties, and internal control of the Company for 2024 in accordance with the relevant laws and regulations.

Deepen the supervision over due diligence. Supervisors earnestly attended general meetings, actively participated in important work meetings such as the meetings of the Board and its special committees, the Company's working meetings, business scheduling meetings and regulatory agency's latest requirements briefings to deeply perform the due diligence supervision continuously. The Board of Supervisors formulated the key concerns of performing the due diligence supervision of 2024, outlined clear requirements on the implementation of the policies of the CPC Central Committee and the State Council, as well as the decisions and deployments of the Party Committee of the NFRA, specified major focus on the due diligence supervision, and promoted the integration of the Party leadership into the Company's corporate governance. The Board of Supervisors supervised the performance remuneration and business expenditure of the Company head, by an innovated way of carrying out performance evaluation questionnaires, the results of which had been utilized and implemented in the annual performance evaluation. The annual performance evaluation report on the Board, the Board of Supervisors, the Senior Management and their members was completed and reported to the regulatory authorities as required. The Board of Supervisors conducted researches on the establishment of synergy mechanism within the Group, and provided suggestions and continued to follow up their implementation in aspects as exploring replicable and extensible synergy business models, building teams to develop cross-field synergy business product, and optimizing the synergy decision-making mechanism and incentive policies. Progress has been made in stages.

Perform financial supervision. The Board of Supervisors strengthened the supervision of key aspects of financial management, earnestly performed the duty of financial reporting supervision, maintained routine communication with the auditor, and expressed independent opinions in accordance with the relevant laws and regulations. The Board of Supervisors also earnestly implemented the opinions on further strengthening the supervision of finance and accounting of the Central Government and conducted self-examination and self-correction against its duty of financial supervision.

Boost risk and internal control supervision. The Board of Supervisors strengthened risk supervision, focused on the quality of the Company's assets, and paid attention to the Company's reputation risk, major related party transactions and the disposal of major risk projects. The Board of Supervisors also continued to pay attention to the improvement and implementation of the Company's internal control and compliance system, carried out researches on the rectification and implementation of supervisory opinions, and put forward opinions and recommendations on deepening the rectification work, continuously strengthening the understanding of regulatory policies, further clarifying the business standards and boundaries, strengthening the construction and implementation of the system and enhancing management of the key link of the project, etc. The Board of Supervisors then shall continue to follow up the implementation of the recommendations.

Improve the effectiveness of supervision. The Board of Supervisors have endeavored to enhance communication with the Board and the management, provided regular updates on the work by the Board of Supervisors to the relevant authorities. Emphasis has been placed on transforming regulatory authority's priorities into supervisory work priorities and effectively implementing regulatory requirements. The Board of Supervisors was committed to refining the supervisory work mechanism and deepening the implementation of inspection and rectification measures. Proactive efforts have been made to foster communications and training aimed at enhancing professional performance. The Board of Supervisors also conducted researches on the transformation and development of smaller branches, and put forward relevant recommendations in terms of further developing primary business of distressed assets, continuously enhancing the service function, integrating various resources of the Group, improving the relevant management system, promoting breakthroughs in key projects, and promoting the experience when necessary. These ongoing initiatives sought to boost the implementation of recommendations by the Board of Supervisors, further advanced the transformation of supervisory accomplishments and ensured the efficiency of supervision.

10.2 Independent Opinions on Relevant Matters

Lawful operation

During the Reporting Period, the operation of the Company was in compliance with laws and regulations, and its decision-making procedures were in compliance with relevant laws, regulations and the requirements of the Articles. The Board of Supervisors had no objection to the matters submitted to the general meetings for consideration. The Board duly implemented the resolutions approved at the general meetings. Directors and Senior Management duly performed their duties. The Board of Supervisors was not aware of any breach of laws, regulations and the Articles or any act detrimental to the interests of the Company by any of the Directors or Senior Management in performing their duties.

Financial reports

The financial reports for the year reflected the financial position and operating results of the Company truthfully and fairly.

Opinions on the performance evaluation of Directors, Supervisors and Senior Management

There is no incompetent result of the performance evaluation of all Directors, Supervisors and Senior Management for 2024.

Internal control

During the Reporting Period, the Company continued to improve internal control and the Board of Supervisors had no disagreement with the evaluation opinions on internal control of the Company for 2024.

Board of Supervisors

March 25, 2025

11 SIGNIFICANT EVENTS

11.1 Material Litigation and Arbitration

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

11.2 Major Acquisition and Disposal of Assets and Merger

During the Reporting Period, the Company did not have any major acquisitions, disposal of assets and business mergers.

11.3 Appropriation of Funds by the Controlling Shareholder and other Related Parties

The controlling shareholder and other related parties have not appropriated the funds of the Company.

11.4 Implementation of Share Plan

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

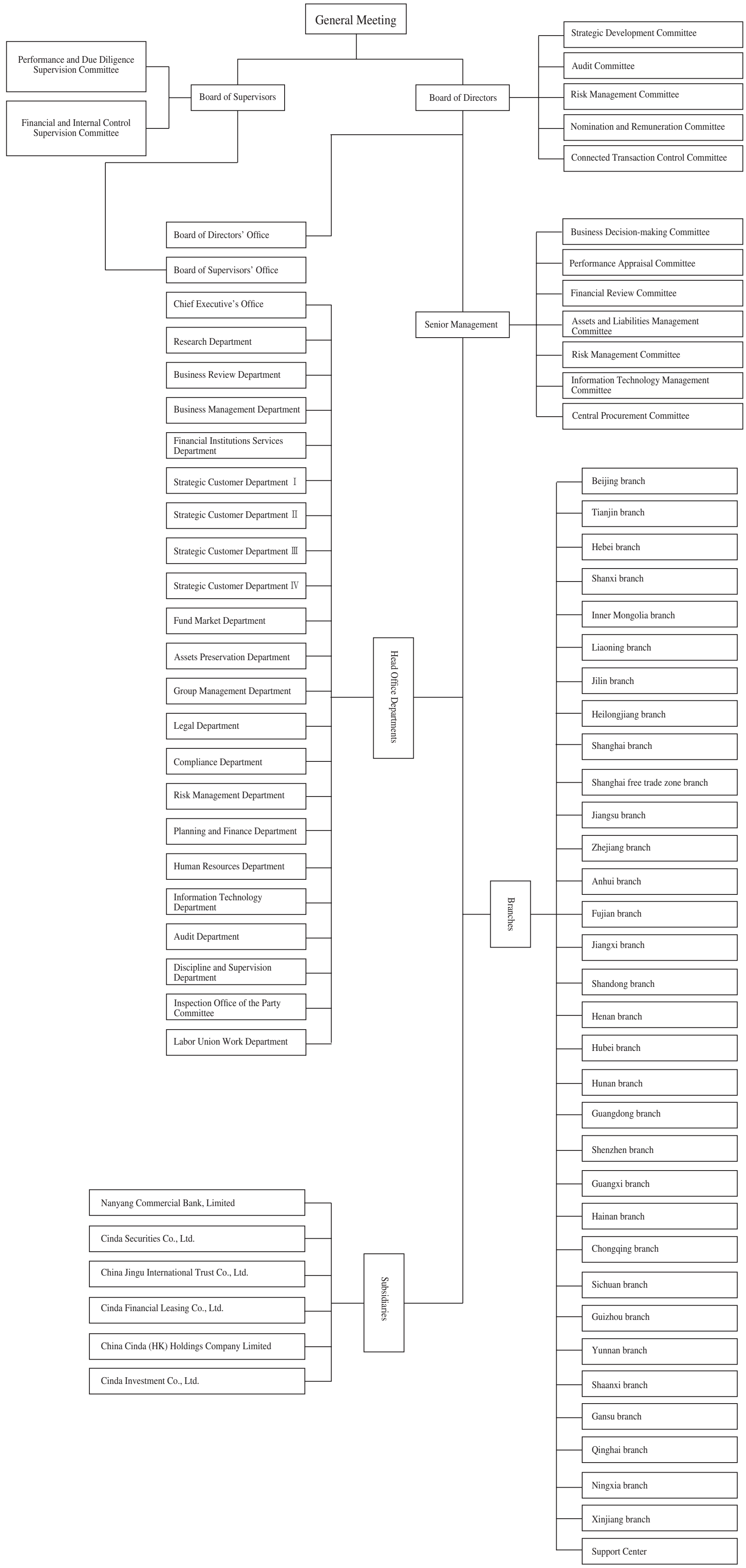
11.5 Major Custody, Contracting and Leasing

During the Reporting Period, the Company did not enter into any major 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.

11.6 Sanctions Imposed on the Company and Directors, Supervisors and Senior Management

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

12 ORGANIZATIONAL CHART



13 INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CHINA CINDA ASSET MANAGEMENT CO., LTD.

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

OPINION

We have audited the consolidated financial statements of China Cinda Asset Management Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 143 to 404, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
(1) Measurement of expected credit losses on loans and advances to customers and financial assets measured at amortized cost	
The Group adopts the expected credit loss model to assess the impairment of financial assets according to IFRS 9. Complex models and assumptions are used in the measurement of expected credit losses for loans and advances to customers and financial assets measured at amortized cost, for example: • Segmentation of financial instruments based on credit risk characteristics for losses – segmentation of business operations sharing similar credit risk characteristics, selection of appropriate models and determination of relevant key measurement parameters; • Significant increases in credit risk – the selection of criteria for identifying significant increases in credit risk is highly dependent on judgement and may have a significant impact on the expected credit losses for financial assets with long remaining periods to maturity; • Models and parameters – inherently complex models are used to measure expected credit losses. Modelled parameters have numerous inputs and the parameter estimation involves many judgements and assumptions; • Forward-looking information – expert judgement is used to make macroeconomic forecasts and to consider the impact on expected credit losses under multiple economic scenarios given different weights; and • Individual impairment assessments – identifying credit impaired financial assets requires consideration of a range of factors, and individual impairment assessments are dependent upon estimates of future cash flows. The Group's disclosures about accounting judgements and estimations of impairment of financial assets and the details of these financial assets are included in Note V.3 Impairment of financial assets, Note VI.29 Loans and advances to customers, Note VI.30 Financial assets at amortized cost and Note VI.70.1 Credit risk.	Our audit procedures included assessing and testing the design and operating effectiveness of controls over the measurement of expected credit losses on loans and advances to customers and financial assets measured at amortized cost. With the assistance of EY internal credit risk modelling experts, we evaluated and tested the reasonableness of the methodology, important parameters of the expected credit loss model, management's major judgements and related assumptions, including: • Evaluating the segmentation of business operations, and assessing the reasonableness of the modelling methodologies adopted for expected credit loss measurement according to the risk characteristics of assets; • Assessing the reasonableness of related parameters, including the probability of default, loss given default, risk exposure, and the significant increases in credit risk, in response to the macroeconomic changes; • Assessing the forward-looking information management used to determine expected credit losses, including the forecasts of macroeconomic variables and the assumptions and different weights of multiple macroeconomic scenarios; and • Evaluating the models and the related assumptions used in individual impairment assessments and analyzing the amount, timing and likelihood of management's estimated future cash flows, especially cash flows from collateral. Based on the financial and non-financial information of the debtors and other external evidence, we selected samples and assessed the appropriateness of the identification of credit ratings, significant increases in credit risk and credit-impaired financial assets applied by management. In addition, we selected samples and checked key data used in the models, including historical data and measurement data, to evaluate the accuracy and completeness of the data used. Furthermore, we checked the appropriateness of related disclosures including the disclosures of credit risk and expected credit losses.

Key audit matter	How our audit addressed the key audit matter
(2) Valuation of financial instruments	
Financial assets carried at fair value represented a significant portion of total assets. The fair values of Level 2 and Level 3 financial instruments are determined through the application of valuation techniques which often involve the exercise of judgement by management and the use of assumptions and estimates. The Group's disclosures about accounting judgements and estimation and the details of these financial assets are included in Note V.2 Fair value of financial instruments and Note VI.71 Fair values of financial instruments.	Our audit procedures included assessing and testing the design and operating effectiveness of controls over the identification, measurement and management of valuation risk. We compared observable inputs, such as quoted bid prices in an active market, against independent sources and externally available market data. For unobservable inputs, such as estimated future cash flows, we checked the appropriateness by comparing the cash flows against relevant contractual terms or performing assessments of cash flows from collaterals or profit forecasts. We re-performed valuations on a sample basis to evaluate the valuation techniques, assumptions and estimates adopted by the Group with the assistance of our internal valuation specialists. Furthermore, we checked the appropriateness of related disclosures of fair value including the disclosure of the fair value hierarchy.
(3) Assessment of controls, joint control and significant influence	
The Group makes significant judgements to assess whether the Group has control, joint control or significant influence over the structured entities and other investees. • The Group has interests in various structured entities including private equity funds, trusts, asset management plans, wealth management products and mutual funds. Whether to consolidate those entities is determined by the Group on the basis of control, which involves management's judgement upon power over the structured entities' relevant activities, exposure to variable returns from its involvement with the structured entities, and the ability to use the power to affect the amount of its returns; • The joint control over the structured entities and other investees is determined by the Group's assessment of the existence of sharing of control. The assessment involves judgement on whether decisions about the relevant activities require the unanimous consent of the parties sharing control; and	We evaluated and tested the design and operating effectiveness of the key controls related to the Group's assessment of whether it has control, joint control or significant influence over the structured entities and other investees. We assessed the Group's analysis and conclusions on whether it controls structured entities based on the Group's analysis on its power over structured entities' relevant activities, and the magnitude and variability of returns from its involvement with structured entities. We also evaluated the appropriateness of the Group's assessment on its legal or constructive obligation to absorb loss of structured entities by reviewing relevant agreements or contracts, and whether the Group has provided liquidity support or credit enhancement to structured entities. Furthermore, we checked the appropriateness of related disclosures including interests in consolidated and unconsolidated structured entities.

Key audit matter	How our audit addressed the key audit matter
(3) Assessment of controls, joint control and significant influence (Continued)	
• The significant influence over the structured entities and other investees is determined by the Group's assessment of its power to participate in the structured entities and other investees' financial and operating policy decisions. The assessment involves significant judgement based on factors such as the structured entities and other investees' policy-making process, composition of the board of directors or other governing bodies, change in ownership and existence of contractual arrangements. Due to the significance of these investments to the Group and the complexity of judgement exercised by management, this was considered as a key audit matter. The Group's disclosures about accounting judgements and estimation and the details of these equity investments are included in Note V.5 Control on structured entities, Note V.6 Judgement on joint control, Note V.7 Judgement on significant influence and Note VI.35 Interests in subsidiaries, Note VI.36 Interests in consolidated structured entities, Note VI.37 Interests in associates and joint ventures and Note VI.38 Interests in unconsolidated structured entities.	We assessed the Group's analysis and conclusions on the existence of joint control or significant influence over the structured entities and other investees. We made inquiries and inspections of the relevant contracts and agreements of investments to evaluate the Group's assessment of its power to joint control over the structured entities and other investees' relevant activities, or to participate in the structured entities and other investees' financial and operating policy decisions. We also reviewed the minutes of the meetings of the investors or shareholders, the board of directors or other governing bodies of the structured entities and other investees. Furthermore, we checked the appropriateness of related disclosures of interests in associates and joint ventures. We also evaluated the Group's reassessment of its influence over the structured entities and other investees on a continuous basis if facts and circumstances indicated that there were changes.

Key audit matter	How our audit addressed the key audit matter
(4) Impairment assessment of goodwill	
As at 31 December 2024, the net book value of goodwill in the Group's consolidated financial statements was RMB23,564 million. Certain risks may exist that the carrying amount of the goodwill cannot be recovered. The Group is required to, at least annually, perform impairment assessment of goodwill. For the purpose of impairment assessment, the Group allocated goodwill of RMB23,939 million to the cash-generating units of Nanyang Commercial Bank, Limited ("NCB"). To evaluate the recoverability of the goodwill, the Group engaged external appraisal experts to calculate the recoverable amount of NCB's cash-generating units using discounted cash flow model based on management's forecasted future cash flows. The Group adopted key assumptions, including forecasted periods, forecasted cash flows, growth rates, discounted rates in impairment assessment of goodwill. These assumptions are subject to inherent uncertainty. Considering the significant impact and the usage of key assumptions, we treated the impairment assessment of goodwill as a key audit matter. The Group's disclosures about accounting judgements and estimation and the details of goodwill are included in Note V.10 Impairment of goodwill and Note VI.40 Goodwill.	Our audit procedures included reviewing accounting policies in relation to impairment assessment of goodwill, assessing and testing the design and operating effectiveness of controls over impairment assessment of goodwill, assessing management's identification of cash-generating units and allocation of goodwill, and evaluating professional competency of external appraisal experts. With the support of our internal valuation specialists, we evaluated and tested the model and key assumptions adopted by management in the goodwill's impairment assessment, including: • Evaluating the impairment assessment model for goodwill; • Assessing management's future cash flow forecasts, including forecasted revenues and costs, forecasted periods, and growth rates, and comparing the forecast with the Group's business plan, economic growth and development of the industry, and historical actual operating performance; • Recalculating discount rates using Capital Asset Pricing Model ("CAPM") based on information of risk-free interest rate, market return rate, comparable companies and risk factors, and comparing the results with the discount rates adopted in the impairment assessment to evaluate its reasonableness; • Testing the accuracy of the calculation of goodwill's recoverable amount; and • Evaluating the sensitivity analysis of key management's assumptions, to ascertain if adverse changes would impact the result of impairment assessment of goodwill. Furthermore, we checked the appropriateness and completeness of related disclosures of goodwill.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leung Shing Kit.

Ernst & Young
Certified Public Accountants

Hong Kong
25 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts in thousands of RMB, unless otherwise stated)

		Year ended December 31	
	Note VI	**2024**	2023
Income from distressed debt assets at amortized cost	*1*	**2,114,667**	6,084,166
Fair value changes on distressed debt assets	*2*	**8,891,584**	7,618,401
Fair value changes on other financial instruments	*3*	**13,244,460**	11,214,156
Investment income	*4*	**595,811**	289,233
Interest income	*5*	**32,961,375**	33,061,460
Revenue from sales of inventories	*6*	**8,239,381**	9,502,405
Commission and fee income	*7*	**4,921,207**	4,903,436
Net gains on disposal of subsidiaries, associates and joint ventures	*8*	**76,775**	538,647
Other income and other net gains or losses	*9*	**1,994,633**	2,955,902
Total		**73,039,893**	76,167,806
Interest expense	*10*	**(42,912,399)**	(44,080,500)
Employee benefits	*11*	**(5,526,083)**	(5,709,862)
Purchases and changes in inventories	*6*	**(7,043,094)**	(7,716,746)
Commission and fee expense	*12*	**(784,216)**	(804,629)
Taxes and surcharges		**(667,338)**	(481,675)
Depreciation and amortization expenses		**(2,192,619)**	(2,040,454)
Other expenses		**(3,607,238)**	(3,813,384)
Credit impairment losses	*13*	**(9,423,771)**	(8,475,494)
Impairment losses on other assets	*14*	**(1,307,025)**	(1,274,030)
Total		**(73,463,783)**	(74,396,774)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts in thousands of RMB, unless otherwise stated)

	Note VI	Year ended December 31 **2024**	2023
Change in net assets attributable to other holders of consolidated structured entities	*36*	**(13,642)**	(18,260)
Profit before share of results of associates and joint ventures and tax		**(437,532)**	1,752,772
Share of results of associates and joint ventures		**4,427,806**	6,433,539
Profit before tax	*15*	**3,990,274**	8,186,311
Income tax expense	*16*	**(482,078)**	(1,192,834)
Profit for the year		**3,508,196**	6,993,477
Profit attributable to:			
Equity holders of the Company		**3,036,354**	5,820,905
Non-controlling interests		**471,842**	1,172,572
		3,508,196	6,993,477
Earnings per share attributable to ordinary equity holders of the Company (Expressed in RMB Yuan per share)	*17*		
– Basic		**0.04**	0.11
– Diluted		**0.04**	0.11

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts in thousands of RMB, unless otherwise stated)

	Year ended December 31	
	2024	2023
Profit for the year	**3,508,196**	6,993,477
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 year	**1,545,735**	1,297,393
Amounts reclassified to profit or loss upon disposal	**(601,440)**	(294,231)
Amounts of profit or loss upon impairment	**1,009**	(207,825)
	945,304	795,337
Exchange differences arising on translation of foreign operations	**(163,959)**	47,997
Share of other comprehensive income of associates and joint ventures	**54,417**	18,673
Subtotal	**835,762**	862,007
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of supplementary retirement benefits	**(7,812)**	11,891
Fair value changes on equity instruments designated as at fair value through other comprehensive income	**1,204,356**	422,384
Subtotal	**1,196,544**	434,275
Other comprehensive income for the year, net of income tax	**2,032,306**	1,296,282
Total comprehensive income for the year	**5,540,502**	8,289,759
Total comprehensive income attributable to:		
Equity holders of the Company	**4,615,512**	7,074,491
Non-controlling interests	**924,990**	1,215,268
	5,540,502	8,289,759

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
(Amounts in thousands of RMB, unless otherwise stated)

		As at December 31	
	Note VI	**2024**	2023
Assets			
Cash and balances with central banks	*22*	**13,383,479**	15,237,506
Deposits with banks and financial institutions	*23*	**95,758,114**	81,997,616
Deposits with exchanges and others	*24*	**2,612,351**	2,622,029
Placements with banks and financial institutions	*25*	**37,103,443**	24,169,785
Financial assets at fair value through profit or loss	*26*	**548,690,234**	518,309,820
Financial assets held under resale agreements	*27*	**7,188,369**	9,239,139
Financial assets at fair value through other comprehensive income	*28*	**197,325,308**	170,875,858
Loans and advances to customers	*29*	**374,238,308**	403,161,759
Financial assets at amortized cost	*30*	**77,966,226**	119,749,889
Accounts receivable	*31*	**3,999,391**	4,186,709
Properties held for sale	*33*	**73,813,552**	58,859,876
Investment properties	*34*	**8,778,434**	9,041,575
Interests in associates and joint ventures	*37*	**97,507,828**	91,685,030
Property and equipment	*39*	**14,668,395**	13,274,412
Goodwill	*40*	**23,563,619**	23,160,416
Other intangible assets	*41*	**4,614,134**	4,043,300
Deferred tax assets	*42*	**11,673,414**	10,956,488
Other assets	*43*	**46,075,658**	33,786,240
Total assets		**1,638,960,257**	1,594,357,447

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2024

(Amounts in thousands of RMB, unless otherwise stated)

		As at December 31	
	Note VI	**2024**	2023
Liabilities			
Borrowings from the central bank	*44*	**9,642,209**	986,058
Accounts payable to brokerage clients	*45*	**23,718,703**	17,264,084
Financial liabilities at fair value through profit or loss	*46*	**8,514,476**	9,449,199
Financial assets sold under repurchase agreements	*47*	**28,335,657**	33,338,049
Placements from banks and financial institutions	*48*	**28,304,859**	29,474,595
Borrowings	*49*	**581,366,056**	558,870,502
Due to customers	*50*	**370,459,220**	339,219,789
Deposits from banks and financial institutions	*51*	**7,418,681**	14,994,573
Accounts payable	*52*	**6,182,061**	4,782,991
Tax payable	*53*	**1,968,871**	3,582,550
Bonds issued	*54*	**289,779,584**	302,762,132
Contract liabilities	*55*	**3,695,683**	6,131,999
Deferred tax liabilities	*42*	**2,089,929**	1,723,273
Other liabilities	*56*	**54,328,850**	54,621,458
Total liabilities		**1,415,804,839**	1,377,201,252
Equity			
Share capital	*57*	**38,164,535**	38,164,535
Other equity instruments	*58*	**32,748,001**	32,748,001
Capital reserve	*59*	**24,173,754**	20,480,947
Other comprehensive income	*60*	**(1,839,516)**	(3,321,967)
Surplus reserve	*61*	**11,026,557**	11,270,467
General reserve	*62*	**17,919,314**	17,372,670
Retained earnings	*63*	**71,990,650**	76,114,348
Equity attributable to equity holders of the Company		**194,183,295**	192,829,001
Non-controlling interests		**28,972,123**	24,327,194
Total equity		**223,155,418**	217,156,195
Total equity and liabilities		**1,638,960,257**	1,594,357,447

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

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

CHAIRMAN

PRESIDENT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts in thousands of RMB, unless otherwise stated)

	Equity attributable to equity holders of the Company									
	Share capital *(Note VI.57)*	Other equity instruments *(Note VI.58)*	Capital reserve *(Note VI.59)*	Other comprehensive income *(Note VI.60)*	Surplus reserve *(Note VI.61)*	General reserve *(Note VI.62)*	Retained earnings *(Note VI.63)*	Subtotal	Non-controlling interests	Total
As at January 1, 2024	38,164,535	32,748,001	20,480,947	(3,321,967)	11,270,467	17,372,670	76,114,348	192,829,001	24,327,194	217,156,195
Profit for the year	-	-	-	-	-	-	3,036,354	3,036,354	471,842	3,508,196
Other comprehensive income for the year	-	-	-	1,579,158	-	-	-	1,579,158	453,148	2,032,306
Total comprehensive income for the year	-	-	-	1,579,158	-	-	3,036,354	4,615,512	924,990	5,540,502
Share-based payments	-	-	507	-	-	-	-	507	1,836	2,343
Acquisition of additional interests in subsidiaries	-	-	(17,845)	-	-	-	-	(17,845)	(152,496)	(170,341)
Issuance of capital securities*	-	-	(3,110)	-	-	-	-	(3,110)	4,499,157	4,496,047
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	502,505	502,505
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(293,101)	(293,101)
Appropriation to surplus reserve	-	-	-	-	305,842	-	(305,842)	-	-	-
Appropriation to general reserve	-	-	-	-	-	546,644	(546,644)	-	-	-
Dividends recognized as distribution *(Note VI.17, Note VI.18)*	-	-	-	-	-	-	(3,298,168)	(3,298,168)	-	(3,298,168)
Retained earnings transferred to capital	-	-	3,655,857	-	(549,752)	-	(3,106,105)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(361,355)	(361,355)
Dividends paid to capital securities issued by subsidiaries	-	-	-	-	-	-	-	-	(476,607)	(476,607)
Share of associates' equity changes other than comprehensive income and distribution	-	-	57,398	-	-	-	-	57,398	-	57,398
Other comprehensive income transferred to retained earnings	-	-	-	(96,707)	-	-	96,707	-	-	-
As at December 31, 2024	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

* Cinda Securities Co., Ltd., a subsidiary of the Company, issued RMB4.5 billion perpetual subordinated bonds in 2024, with transaction costs of RMB3.95 million.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts in thousands of RMB, unless otherwise stated)

	Equity attributable to equity holders of the Company									
	Share capital *(Note VI.57)*	Other equity instruments *(Note VI.58)*	Capital reserve *(Note VI.59)*	Other comprehensive income *(Note VI.60)*	Surplus reserve *(Note VI.61)*	General reserve *(Note VI.62)*	Retained earnings *(Note VI.63)*	Subtotal	Non–controlling interests	Total
As at January 1, 2023	38,164,535	32,748,001	19,481,312	(4,543,285)	10,756,092	16,859,366	74,739,721	188,205,742	19,789,380	207,995,122
Profit for the year	–	–	–	–	–	–	5,820,905	5,820,905	1,172,572	6,993,477
Other comprehensive income for the year	–	–	–	1,253,586	–	–	–	1,253,586	42,696	1,296,282
Total comprehensive income for the year	–	–	–	1,253,586	–	–	5,820,905	7,074,491	1,215,268	8,289,759
Capital contribution from non-controlling interests of subsidiaries	–	–	851,049	–	–	–	–	851,049	1,772,541	2,623,590
Acquisition of additional interests in subsidiaries	–	–	(43,414)	–	–	–	–	(43,414)	(197,147)	(240,561)
Issuance of capital securities	–	–	–	–	–	–	–	–	2,186,511	2,186,511
Acquisition of interests in a subsidiary	–	–	25,503	–	–	–	–	25,503	213,301	238,804
Appropriation to surplus reserve	–	–	–	–	514,375	–	(514,375)	–	–	–
Appropriation to general reserve	–	–	–	–	–	513,304	(513,304)	–	–	–
Dividends recognized as distribution *(Note VI.17, Note VI.18)*	–	–	–	–	–	–	(3,450,867)	(3,450,867)	–	(3,450,867)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(284,987)	(284,987)
Dividends paid to capital securities issued by subsidiaries	–	–	–	–	–	–	–	–	(367,673)	(367,673)
Share of associates' equity changes other than comprehensive income and distribution	–	–	166,497	–	–	–	–	166,497	–	166,497
Other comprehensive income carried forward to retained earnings	–	–	–	(32,268)	–	–	32,268	–	–	–
As at December 31, 2023	38,164,535	32,748,001	20,480,947	(3,321,967)	11,270,467	17,372,670	76,114,348	192,829,001	24,327,194	217,156,195

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED December 31, 2024
(Amounts in thousands of RMB, unless otherwise stated)

	Year ended December 31	
	2024	2023
OPERATING ACTIVITIES		
Profit before tax	**3,990,274**	8,186,311
Adjustments for:		
Impairment losses on other assets	**1,307,025**	1,274,030
Credit impairment losses	**9,423,771**	8,475,494
Depreciation of property and equipment, investment properties and right-of-use assets	**1,675,305**	1,622,840
Amortization of intangible assets and other long-term assets	**517,314**	417,614
Share of results of associates and joint ventures	**(4,427,806)**	(6,433,539)
Net gains or losses on disposal of property and equipment, investment properties and other intangible assets	**(110,764)**	(61,626)
Net gains or losses on disposal of subsidiaries, associates and joint ventures	**(76,775)**	(538,647)
Fair value changes on financial assets	**(20,778,760)**	(5,004,369)
Investment income	**(595,811)**	14,624
Interest income	**(5,804,436)**	(4,976,972)
Borrowing costs	**15,029,977**	15,925,566
Operating cash flows before movements in working capital	**149,314**	18,901,326
(Increase)/Decrease in balances with central banks and deposits with banks and financial institutions	**(5,437,314)**	1,580,910
(Increase)/Decrease in financial assets at fair value through profit or loss	**(3,254,517)**	19,562,486
(Increase)/Decrease in placements with banks and financial institutions	**(3,653,968)**	2,900,647
Decrease in financial assets held under resale agreements	**1,321,577**	1,673,664
Decrease in financial assets at amortized cost	**36,721,713**	44,439,921
Decrease/(Increase) in loans and advances to customers	**29,788,125**	(13,273,199)
Decrease in accounts receivable	**111,951**	679,880
Increase in properties held for sale	**(12,762,783)**	(13,118,448)
Increase in due to customers and deposits from banks and financial institutions	**23,663,539**	18,324,994
Increase/(Decrease) in accounts payable to brokerage clients	**6,454,619**	(1,843,129)
Decrease in financial assets sold under repurchase agreements	**(4,582,901)**	(9,968,563)
Increase/(Decrease) in borrowings	**28,167,956**	(64,036,779)
Increase/(Decrease) in accounts payable	**1,399,070**	(163,912)
Decrease in contract liabilities	**(2,436,316)**	(1,393,642)
Increase in other operating assets	**(19,199,217)**	(685,399)
(Decrease)/Increase in other operating liabilities	**(2,464,564)**	15,395,413
Cash inflow from operations	**73,986,284**	18,976,170
Income taxes paid	**(2,767,712)**	(3,433,259)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**71,218,572**	15,542,911

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

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED December 31, 2024
(Amounts in thousands of RMB, unless otherwise stated)

	Year ended December 31	
	2024	2023
INVESTING ACTIVITIES		
Cash receipts from disposals and recovery of investment securities	**174,653,016**	51,377,667
Dividends received from investment securities	**8,712,034**	6,747,128
Dividends received from associates and joint ventures	**2,349,368**	2,308,328
Interest received from investment securities	**5,804,436**	4,976,972
Cash receipts from disposals of property and equipment, investment properties and other intangible assets	**418,852**	232,344
Net cash inflows/(outflows) from disposals of subsidiaries	**(108,269)**	–
Net cash flows from disposals of associates and joint ventures	**4,599,111**	5,144,797
Cash payments to acquire investment securities	**(231,330,848)**	(125,606,573)
Net cash (outflows)/inflows due to acquisition of subsidiaries	**(61,980)**	103,002
Net cash inflows from consolidated structured entities	**5,586,978**	(1,314,719)
Cash payments for purchase of property and equipment, investment properties and other intangible assets	**(3,942,555)**	(847,283)
Cash payments for establishment and acquisition of interests in associates and joint ventures	**(691,722)**	(3,701,645)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(34,011,579)**	(60,579,982)
FINANCING ACTIVITIES		
Proceeds from issuance of capital securities	**4,496,047**	2,186,511
Capital contribution from non-controlling interests of subsidiaries of the Company	**–**	2,623,590
Cash payment to acquire additional interests in subsidiaries	**(170,341)**	(240,561)
Cash receipts from borrowings raised	**25,901,091**	51,638,063
Cash receipts from bonds issued	**64,185,664**	99,481,397
Cash repayments of borrowings	**(28,097,072)**	(43,926,417)
Cash repayments of bonds	**(77,958,040)**	(90,302,836)
Interest expenses on borrowings and bonds	**(16,446,716)**	(16,251,817)
Cash paid for dividend distribution	**(3,298,168)**	(3,450,867)
Dividends paid to non-controlling interests of subsidiaries and capital securities	**(735,753)**	(652,660)
Cash payments for other financing activities	**(765,400)**	(390,961)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**(32,888,688)**	713,442

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

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED December 31, 2024
(Amounts in thousands of RMB, unless otherwise stated)

		Year ended December 31	
	Note VI	**2024**	2023
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**4,318,305**	(44,323,629)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**102,876,761**	145,411,977
Effect of foreign exchange changes		**2,102,649**	1,788,413
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	*64*	**109,297,715**	102,876,761
Net cash flows from operating activities include:			
Interest received		**27,156,939**	28,084,488
Interest paid		**27,896,064**	28,173,194

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

I. CORPORATE AND GROUP 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. As at December 31, 2024, the MOF directly owned 58.00% of the share capital of the Company.

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 Administration of Financial Regulation or other regulatory bodies.

II. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance.

Financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments) and financial assets at fair value through other comprehensive income are measured at fair value in the consolidated financial statements. Assets that meet the criteria to be classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Other accounting items are measured at historical costs. Impairment is recognized if there is objective evidence of impairment of assets.

II. BASIS OF PREPARATION (Continued)

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note V. Critical accounting judgements and key sources of estimation.

The 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.

III. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING ACCOUNTING STANDARDS

Standards, amendments and interpretations effective in 2024

In current year, the Group has applied the following applicable new standards, amendments and interpretations to IFRS Accounting Standards that are effective for the Group's annual period beginning on January 1, 2024.

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IFRS 7 and IAS 7	*Supplier Finance Arrangements*

Amendments to IAS 1 Classification of Liabilities as Current or Non-current specify the requirements for classifying liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Under the 2022 amendments, only covenants of a liability arising from a loan arrangement, which an entity must comply with on or before the reporting date affect the classification of that liability as current or non-current. The amendments are linked to the requirements on disclosure about such liabilities.

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining "lease payments" that are different from the general definition of lease payments of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

III. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING ACCOUNTING STANDARDS (Continued)

Standards, amendments and interpretations effective in 2024 (Continued)

The amendments to IFRS 7 and IAS 7 clarify and enhance the disclosure requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. The amendments require an entity to aggregate information about its supplier finance arrangements.

The adoption of the above amendments did not have a significant impact on the amounts reported and disclosures set out in these consolidated financial statements.

(Amounts in thousands of RMB, unless otherwise stated)

III. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING ACCOUNTING STANDARDS (Continued)

Standards, amendments and interpretations that are not yet effective in 2024

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

		Effective for annual periods beginning on or after
IFRS 18	*Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	January 1, 2027
Amendments to IFRS 9 and IFRS 7	*Amendments to classification and Measurement of Financial Instruments*	January 1, 2026
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
Amendments to IAS 21	*Lack of exchangeability*	January 1, 2025
Annual Improvements to IFRS Accounting Standards-Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*	January 1, 2026

IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements (PFS) and the notes. These new requirements are expected to impact all reporting entities. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations.

III. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING ACCOUNTING STANDARDS (Continued)

Standards, amendments and interpretations that are not yet effective in 2024 (Continued)

IFRS 19 reduces disclosure requirements to eligible entities while still applying the recognition, measurement and presentation in other IFRS Accounting Standards. The application of the standard is optional for eligible entities. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS Accounting Standards compliance statement. In the first year of applying IFRS 19, an entity is required to disclose comparative information for the current period as permitted or required under the standard..

The amendments to IFRS 9 and IFRS 7 clarify that a financial liability is derecognized on the settlement date, i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendments of IFRS 9 and IFRS 7 clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. The amendments also clarify the treatment of non-recourse assets and contractually linked instruments (CLI). The amendments require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

The amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture.

The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables user of financial statements to understand the impact of a currency not being exchangeable. Under the amendments, a currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

III. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING ACCOUNTING STANDARDS (Continued)

Standards, amendments and interpretations that are not yet effective in 2024 (Continued)

The amendments to the five IFRS Accounting Standards include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.

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

IV. MATERIAL ACCOUNTING POLICIES

1. Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. In addition, the consolidated financial statements include the applicable disclosures required by the Hong Kong Companies Ordinance.

2. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities (including structured entities) directly or indirectly controlled by the Company. Control is achieved if and only if the Company has all the following: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

2. Basis of consolidation (Continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting and potential voting rights; and
- any additional facts and circumstances that indicate that the Company has, or does not have the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests of consolidated subsidiaries are presented separately from the Group's equity therein.

The carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income and expenses of a subsidiary is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

2. Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The carrying amount of the non-controlling interests is adjusted at the non-controlling interests' proportionate share of the subsidiary's identifiable net assets. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognizes the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognizes the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognized as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Classification, recognition and measurement of financial assets or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

3. Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

4. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill arising on a business combination is measured at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statements of financial position. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

5. Cash and cash equivalents

Cash and cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

6. Foreign currency transactions

The functional currency of the Company and its subsidiaries operating in the Mainland China is RMB. The Company's subsidiaries operating outside the Mainland China choose their functional currency on the basis of the primary economic environment in which they operate.

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise, except for (I) exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognized in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation; (II) exchange differences arising from the changes of the fair value of monetary assets classified as financial assets at fair value through other comprehensive income (other than the changes relating to the amortized cost of the monetary assets) which are recognized in other comprehensive income and accumulated in equity.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at a rate that approximates the exchange rates at the dates of the transactions. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

7.1 Determination of fair value

Fair value is determined in the manner described in Note VI.71 Fair values of financial instruments.

7.2 Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or expense over the period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

7.3 Classification, recognition and measurement of financial assets

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.3 Classification, recognition and measurement of financial assets (Continued)

Business model

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows. For example, financial assets are held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. If above two situations are not applicable, the financial assets are classified as part of "other" business model. The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined on the basis of scenarios which are reasonably expected to occur, taking into account: how cash flows were realised in the past, how the performance are evaluated and reported to the entity's key management personnel; the risks that affect the performance and the way in which those risks are assessed and managed; and how managers of the business are compensated, etc.

The contractual cash flow characteristics

The assessment of contractual cash flow characteristics is to identity whether the cash flows are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial asset at initial recognition. However the principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets that the Group holds are subsequently measured at amortized cost, which mainly include distressed debt assets, loans and advances to customers as well as other debt investments.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.3 Classification, recognition and measurement of financial assets (Continued)

Financial assets at amortized cost (Continued)

The amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

Financial assets at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets that the Group holds mainly include debt securities, and are subsequently measured at fair value. A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognized in other comprehensive income, except for interests calculated using effective interest method, impairment gains or losses and foreign exchange gains and losses. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Expected credit losses of such financial assets shall be recognized in other comprehensive income. The impairment gain or loss shall not adjust the carrying amount of such financial assets item and be recognized in profit or loss.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.3 Classification, recognition and measurement of financial assets (Continued)

Financial assets at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, which mainly include distressed debt assets, equity investments as well as fund.

Such financial assets that the Group holds are subsequently measured at fair value. A gain or loss on a financial asset that is measured at fair value shall be recognized in profit or loss unless it is part of a hedging relationship. Qualified dividends generated by such equity instruments, which the Group is entitled to collect, shall be recognized in the statement of profit or loss.

Equity instruments

The Group may, at initial recognition, irrevocably designate an equity instrument, except a trading equity instrument as a financial asset measured at fair value through other comprehensive income when it meets the definition of equity instruments under IAS 32 Financial Instruments: Presentation. When the equity instrument is derecognized the cumulative gain or loss previously recognized in other comprehensive income shall be reclassified from other comprehensive income to retained earnings under equity. Qualified dividends generated by such equity instruments, which the Group is entitled to collect, shall be recognized in the statement of profit or loss. Such equity instruments do not recognize impairment losses.

Reclassification

Only if the Group changes the business model for financial assets, the Group shall reclassify the affected financial assets. The reclassification shall be effective from the first day of the first reporting period after the change of its business model under the perspective method.

7.4 Impairment of financial assets

On the financial reporting date, the Group evaluates and confirms the relevant impairment allowances to financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, and loan commitments and financial guarantee contracts on the basis of expected credit losses.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.4 Impairment of financial assets (Continued)

The expected credit loss (ECL) is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all receivable contractual cash flows according to the contract and all cash flows expected to be received by the Group discounted to present value at the original effective interest rate, i.e. the present value of all cash shortfalls.

According to the changes of credit risk of financial instruments since the initial recognition, the Group calculates the ECL by three stages:

- Stage I: The financial instruments without significant increases in credit risk after initial recognition are included in Stage I to calculate their impairment allowance at an amount equivalent to the ECL of the financial instruments for the next 12 months;

- Stage II: Financial instruments that have had a significant increase in credit risk since initial recognition but have no objective evidence of impairment are included in Stage II, with their impairment allowance measured at an amount equivalent to the ECL over the lifetime of the financial instruments;

- Stage III: Financial assets with objective evidence of impairment at the financial reporting date are included in Stage III, with their impairment allowance measured at the amount equivalent to the ECL over the lifetime of the financial instruments.

For the previous accounting period, the impairment provision has been measured at the amount equivalent to the ECL over the entire lifetime of the financial instrument. However, at the financial reporting date, if the financial instrument no longer belongs to the situation of there being a significant increase in credit risk since initial recognition, the Group will measure the impairment allowance of the financial instruments on the financial reporting date according to the ECL in the next 12 months.

For purchased or originated credit-impaired financial assets, the Group only recognizes the lifetime cumulative change in expected credit losses after initial recognition on the financial reporting date as impairment allowance. On each financial reporting date, the Group recognizes the amount of the changes in expected credit losses as an impairment loss or reversal of impairment in profit or loss.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.4 Impairment of financial assets (Continued)

The Group shall measure ECL of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- The time value of money; and

- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

When measuring ECL, an entity need not necessarily identify every possible scenario. However, the Group shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low.

The Group conducted an assessment of ECL according to forward-looking information and used complex models and a large number of assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and borrower's creditworthiness (e.g., the likelihood of default by borrowers and the corresponding losses). The Group adopts judgement, assumption and estimation techniques in order to measure ECL according to the requirements of accounting standards such as:

- Segmentation of financial instruments based on credit risk characteristics for losses

- Criteria for judging significant increases in credit risk

- Definition of credit-impaired financial asset

- Parameters of the ECL measurement

- Forward-looking information

- Future cash flows forecast for credit-impaired corporate loans and financial assets

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.4 Impairment of financial assets (Continued)

(i) Segmentation of financial instruments based on credit risk characteristics for losses

For the purpose of ECL measurement, the Group has divided business with common credit risk characteristics into separate groups. the Group considered credit risk characteristics such as client type and the industry in which the client operates. The Group obtained sufficient information to ensure segmentation is statistically reliable. The Group reclassified certain business with common credit risk characteristics into separate groups.

(ii) Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each financial reporting date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments. The main criteria considered are as follows:

- Significant adverse change in the issuer or the debtor's operation or financial status;
- Significant downgrade in debtor's actual or expected internal and external credit ratings;
- The creditor offers the debtor a grace period or an extension period or debt restructuring;
- Significant increase in credit spread; and
- Overdue information.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.4 Impairment of financial assets (Continued)

(iii) Definition of credit-impaired financial asset

The standard adopted by the Group to determine whether a credit impairment occurs under IFRS 9-Financial Instruments (hereinafter referred to as "IFRS 9") is consistent with the internal credit risk management objectives of the relevant financial instruments. When the Group assesses whether the credit impairment of debtors occurred, the following factors are mainly considered:

- Significant financial difficulty of the issuer or the debtor;
- Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, has granted to the debtor a concession that the creditor would not otherwise consider;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses; and
- Overdue information.

Irrespective of the above, the Group considers that credit impaired has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging criterion is more appropriate.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.4 Impairment of financial assets (Continued)

(iv) Parameters of the ECL measurement

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Group measures the impairment loss for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of the ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). Based on the requirement of IFRS 9, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties) and forward-looking information in order to establish the models of PD, LGD and EAD.

Relative definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment in the next 12 months or throughout the entire remaining lifetime;

- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure, and is the percentage of loss of risk exposure at the time of default. LGD is calculated over the next 12 months or over the entire remaining lifetime;

- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

(v) Forward-looking information

The assessment of a significant increase in credit risk and the calculation of ECL involve forward-looking information. For year ended December 31, 2023, through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types, such as New House Price Index, Pre-owned House Price Index and CPI, etc. For year ended December 31,2024, through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types, such as GDP, completed investment in real estate development in China, loan balance of Chinese financial institutions, M1, etc. The Group forecasts GDP of 4% to 6% in 2025, real estate development investment completion in China of -4% to 9%, loan balances of Chinese financial institutions of 8% to 11% and M1 of -7% to 4%.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.4 Impairment of financial assets (Continued)

(v) Forward-looking information (Continued)

The impact of these economic indicators on the ECL measurement varies according to different types of business. The Group applies experts' judgement in this process, and predicts these economic indicators on a regular basis and determines the impacts on these economic indicators on the ECL measurement by conducting regression analysis.

In addition to providing a baseline economic scenario, the Group combines statistical analysis with experts' judgement to determine the weight of other possible scenarios. At December 31, 4, the Group reviewed the macroeconomic scenario weightings in conjunction with expert judgement. Overall, the benchmark scenario has been assigned with the highest weighting while the upside scenario shares the same weighting with the downside scenario. The Group measures the weighted average ECL of 12 months (Stage I) or life time (Stage II and Stage III). The weighted average credit loss above is calculated by multiplying the ECL for each scenario by the weight of the corresponding scenario.

(vi) Future cash flows forecast for credit-impaired corporate loans and financial assets

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event. For credit-impaired financial assets, the Group evaluates the future cash flows (including the recoverable value of the collateral held), mainly based on individual financial instruments, in different circumstances and accrue the differences between the present value and the book value determined at the original effective interest rate as impairment loss or gain in profit or loss.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.5 Modification of contractual cash flows

A modification or re-negotiation of a contract between the Group and a counterparty may result in a change to the contractual cash flows without resulting in the derecognition of the financial assets. Such restructuring activities include extended payment term arrangements, repayment schedule modifications and changes to the interest settlement method. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset and the book value of the financial asset is recalculated and the related gain or loss is included in current profit or loss. The recalculated book value of the financial asset is determined based on the present value of the contractual cash flows following the renegotiation or modification, as calculated using the original effective interest rate of the financial asset.

The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage III or Stage II to Stage I, the impairment allowance is changed to measure at an amount equivalent to the ECL of the financial instruments for the next 12 months from the ECL over the lifetime of the financial instruments.

7.6 Transfer of financial assets

The Group derecognizes a financial asset only when (1) the contractual rights to the cash flows from the asset expire, or (2) when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, or (3) when it transfers the financial asset and gives up the control of the transferred assets though the Group neither transfers nor retains substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognize the asset to the extent of its continuing involvement and recognizes an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes the financial liability for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss (exclude financial assets at fair value through other comprehensive income).

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.6 Transfer of financial assets (Continued)

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts. The difference between (i) the carrying amount allocated to the part derecognized; and (ii) the sum of the consideration received and receivable for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss (exclude financial assets at fair value through other comprehensive income).

7.7 Classification, recognition and measurement of financial liabilities

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

On initial recognition, the Group's financial liabilities are generally classified into financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL have two subcategories, including financial liabilities held for trading and those designated as at FVTPL on initial recognition.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.7 Classification, recognition and measurement of financial liabilities (Continued)

Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognized in the statement of profit or loss.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with gain or loss arising from derecognition or amortization recognized in profit or loss.

7.8 Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

7.9 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.9 Derivative financial instruments and hedge accounting (Continued)

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognized firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.

- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.9 Derivative financial instruments and hedge accounting (Continued)

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss.

The amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment.

Fair value hedge

The change in the fair value of a hedging instrument is recognized in the statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognized in the statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortized cost, the adjustment to carrying value is amortized through the statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in the statement of profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the statement of profit or loss. The changes in the fair value of the hedging instrument are also recognized in the statement of profit or loss.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

7. Financial instruments (Continued)

7.9 Derivative financial instruments and hedge accounting (Continued)

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

7.10 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when both of the following conditions are satisfied: (i) the Group has a legal right to set off the recognized amounts and the legal right is currently enforceable; and (ii) the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

8. Inventories

Properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realizable value on an individual basis. Cost comprises the acquisition cost and other costs directly attributable to such properties as well as borrowing costs capitalized in accordance with the Group's accounting policy.

Others

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

9. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities in the statement of financial position based on the relationship between performance obligations and customer payments.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Incremental costs of obtaining a contract

Other than the costs which are capitalized as inventories, property, plant and equipment and intangible assets, costs incurred to obtain a contract with a customer are capitalized as an asset, unless the amortization period of the assets is one year or less, if all of the following criteria are met:

- The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

The capitalized contract costs are amortized and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognized.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

10. Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parities parties that have joint control of the arrangement have the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates or joint ventures used for equity accounting purpose are prepared using uniform accounting policies as those of the group for like transactions and events in similar circumstances. Under the equity method, investments in associates or joint ventures are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

The Group held some equity investments in associates through venture capital institutions, mutual funds, trust companies or similar entities including investment linked insurance funds. The equity investments may be classified as financial assets measured at fair value through profit or loss in accordance with relevant accounting standards, and the remaining portion shall be accounted for using the equity method.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the investee is recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

10. Interests in associates and joint ventures (Continued)

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group can no longer exercise joint control of or significant influence over an investee due to partial disposal of equity investment or other reasons, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition of a financial asset in accordance with IFRS 9. The difference between the previous carrying amount of the associate or joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of associates and joint ventures. In addition, the Group accounts for all amount previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it can no longer exercise joint control of or significant influence over an investee. When a group entity transacts with its associate or joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

11. Investment properties

Investment properties are initially measured at cost, including any directly attributable expenditure.

Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalized as part of the carrying amount the investment properties under construction.

(Amounts in thousands of RMB, unless otherwise stated)

IV. MATERIAL ACCOUNTING POLICIES (Continued)

11. Investment properties (Continued)

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognized.

Investment properties are depreciated or amortized in accordance with the same policies of buildings and land use rights.

12. Property and equipment

Property and equipment including buildings held for use in the supply of services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of items of property and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The useful lives, estimated residual value rates and annual depreciation rates of each class of property and equipment are as follows:

	Depreciation period	Residual value rates	Annual depreciation rates
Buildings	20-50 years	3%-10%	1.80%-4.85%
Aircrafts and vessels	10-25 years	5%-15%	3.40%-8.64%
Machinery and equipment	2-15 years	0%-5%	6.33%-50.00%
Electronic equipment and furniture	2-15 years	0%-5%	6.33%-50.00%
Motor vehicles	2-15 years	0%-5%	6.33%-50.00%

Properties in the course of construction for supply of services or administrative purposes are carried at cost, less any recognized impairment loss and borrowing cost capitalized in accordance with the Group's accounting policy. Such properties are reclassified to the appropriate category of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

12. Property and equipment (Continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

13. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally. Capitalization is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences in connection with general-purpose borrowings are recognized in profit or loss in the period in which they are incurred.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

14. Intangible assets

Intangible assets include trading seat fee, computer software systems and others, trade names, core deposits intangible and credit card customer relationships, etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the reporting period, and makes adjustments when necessary.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period when the asset is derecognized.

15. Impairment losses on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

15. Impairment losses on tangible and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or a cash – generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

16. Resale and repurchase agreements

16.1 Financial assets held under resale agreements

Financial assets that have been purchased under agreements with a commitment to resell at a specific future date are not recognized in the consolidated statement of financial position. The cost (including interests) of purchasing such assets is presented under "financial assets held under resale agreements" in the consolidated statement of financial position. The difference between the purchasing price and reselling price is recognized as interest income during the term of the agreement using the effective interest method.

16.2 Financial assets sold under repurchase agreements

Financial assets sold subject to agreements with a commitment to repurchase at a specific future date are not derecognized in the consolidated statement of financial position. The proceeds (including interests) from selling such assets are presented under "financial assets sold under repurchase agreements" in the consolidated statement of financial position. The difference between the selling price and repurchasing price is recognized as interest expense during the term of the agreement using the effective interest method.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

17. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency such as action at law, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

18. Preference shares and Perpetual bonds

Preference shares issued by the Company contain no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; and preference shares issued are non-derivative instruments that will be settled in the Company's own equity instruments, but includes no contractual obligation for the Company to deliver a variable number of its own equity instruments. The Company classifies preference shares issued as an equity instrument. Fees, commissions and other transaction costs of preference shares issuance are deducted from equity. The dividends on preference shares are recognized as profit distribution at the time of declaration.

Perpetual bonds issued by the Company contain no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; and perpetual bonds issued includes no terms and arrangements that the bonds must or will alternatively be settled in the Company's own equity instruments. The Company classifies perpetual bonds issued as an equity instrument. Fees, commissions and other transaction costs of perpetual bonds issuance are deducted from equity. The interest on perpetual bonds is recognized as profit distribution at the time of declaration.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

19. Revenue recognition

19.1 Income from distressed assets

Income from distressed assets is mainly generated from distressed debt assets included in financial assets at amortized cost and financial assets at fair value through profit or loss, equity instruments relating to distressed asset business included in financial assets at fair value through profit or loss and assets in satisfaction of debts.

Income from distressed debt assets includes interest income and gains or losses arising on distressed debt assets classified as financial assets at amortized cost, gains or losses from disposal of distressed debt assets at fair value through profit or loss and unrealized fair value changes on such assets, both of which are accounted for as fair value changes on distressed debt assets. Any interest income arising from distressed debt assets at fair value through profit or loss is also included in fair value changes of such assets. Income is also generated from the disposal of assets in satisfaction of debts. The accounting policy for interest income arising on distressed debt assets classified as financial assets at amortized cost is detailed in Note IV.19.4 Interest income and expense.

Income from equity instruments relating to distressed asset business classified as financial assets at fair value through profit or loss includes dividend income, Unrealized fair value changes and gains or losses from disposal of these instruments and are presented under fair value changes of other financial instruments. The accounting policy for dividend income is detailed in Note IV.19.5 Investment income.

19.2 Commission and fee income

The Group earns commission and fee income from securities and futures brokerage business, securities underwriting business, fund and asset management business, consultancy and financial advisory business, trustee services business, banking business, agency business services, insurance brokerage services etc, which the Group provides to the customers. For those services that are provided over a period of time, commission and fee income are accrued in accordance with the actual progress. For other services, commission and fee income are recognized when the transactions are completed.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

19. Revenue recognition (Continued)

19.3 Revenue from sale of goods

Revenue from sale of goods of the Group is recognized when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

When the contract contains a financing component which provides the customer or the Group a significant benefit of financing the transfer of goods to the customer, either explicitly or implicitly, the transaction price for such contracts is discounted to take into consideration the significant financing component.

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

19.4 Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for interest income from distressed debt assets, are recognized within "interest income" and "interest expense" in profit or loss using the effective interest method.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

19.5 Investment income

Investment income includes dividend income from the equity instruments at fair value through other comprehensive income, and gain/loss from disposal of financial assets other than financial assets at fair value through profit or loss, equity investment at fair value through other comprehensive income and distressed debt assets at amortized cost.

Dividend income from investments is recognized when the shareholders' rights to receive the payment has been established and is recognized provided that the amount can be measured reliably and it is probable that the associated economic benefits will flow to the Group.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

19. Revenue recognition (Continued)

19.6 Other income

Property rental income

The property rental income is recognized when the amount can be measured reliably and it is probable that the associated economic benefits will flow to the Group.

Property management fee

The Group earns property management fee income from property management services which the Group provides to the customers. For those services that are provided over a period of time, property management fee income is accrued in accordance with the actual progress. For other property management services, property management fee income is recognized when the services are completed.

20. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

20.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

20.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

20. Taxation (Continued)

20.2 Deferred tax (Continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with interests in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

21. Leasing

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

21.1 As lessee

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. The Group includes the renewal period as part of the lease term for leases when the renewal options are reasonably certain to be exercised. The renewal periods for leases with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is relatively low when it is new as a lease of low-value asset. The Group chooses not to recognize the right-of-use assets and lease liabilities for short-term leases and leases of a low-value assets, and the rent is amortized on a straight-line basis in each period of the lease term and included in profit or loss.

The Group uses the incremental borrowing rate as the discount rate to calculate the present value of lease payments. When determining the incremental borrowing rate, each institution of the Group uses its economic environment and the observable interest rate as the foundation. On this basis, the applicable incremental borrowing rate is calculated through the adjustment of the reference interest rate, which is determined according to the situation of the institution and the underlying asset, the lease term, the amount of lease liability and other specific conditions of the lease.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

21. Leasing (Continued)

21.1 As lessee (Continued)

Right-of-use assets

The right-of-use assets of the Group mainly include buildings, machinery and equipment, vehicles and other right-of-use assets.

At the commencement date of the lease, the Group recognizes a right-of-use asset. The cost of the right-of-use asset comprises: (1) the amount of the initial measurement of the lease liability; (2) any lease payments made at or before the commencement date of the lease less any lease incentives received; (3) any initial direct cost incurred when the Group is a lessee; and (4) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the asset from the commencement date to the end of the useful life of the asset or the end of the lease term, whichever is shorter. The right-of-use assets are also subject to impairment assessment, which is detailed in Note IV.15 Impairment losses on tangible and intangible assets other than goodwill.

The Group remeasures the lease liability at the present value of the changed lease payments and adjusts the carrying amount of the right-of-use assets accordingly, when the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognizes the remaining amount of the remeasurement in profit or loss.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

21. Leasing (Continued)

21.1 As lessee (Continued)

Lease liability

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets.

In calculating the present value of the lease payments, the Group uses the incremental borrowing rate of lessee as the discount rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognizes such interest expenses in profit or loss. Variable lease payments that are not included in the measurement of the lease liabilities are recognized in profit or loss as incurred.

After the commencement date, the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate if either: (1) there is a change in the amounts expected to be payable under a residual value guarantee; (2) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or (3) there is a change in the assessment of an option to purchase, extend or terminate the underlying asset, assessed in the context of a purchase option.

Lease modification

Lease modification is a change in the scope of a lease, the consideration for a lease or lease term, that was not part of the original terms and conditions of the lease. For example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

21. Leasing (Continued)

21.2 As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

When the Group is a lessor under finance leases, the Group recognizes the receivable as the sum of the minimum lease payment receivable and initial direct costs at the commencement date, and records the unguaranteed residual value. The difference between the aggregation, which consists of the receivable and the unguaranteed residual value, and the sum of the present value is recognized as unearned finance income. The Group uses the effective interest method to recognize the current finance income. In the initial measurement of the finance lease receivable, the Group recognizes the net investment of the lease as the book value. The net investment in a lease is the sum of the unguaranteed residual value and the present value of the unreceived minimum lease payment receivable at the commencement date, which is discounted by the interest rate implicit in the lease. The Group calculates and recognizes the interest income in each period during the lease term using the constant periodic rate of interest, and recognizes such interest expenses in profit or loss. Variable lease payments that are not measured as part of the net investment in the lease are recognized in profit or loss as incurred.

When the Group is a lessor under operating leases, the Group still reflects the underlying assets as the Group's assets. The rent income is amortized on a straight-line basis in each period of the lease term and recognized in profit or loss. Variable lease payments that are not measured as part of the receivable in the lease are recognized in profit or loss as incurred.

22. Fiduciary activities

The Group's fiduciary activities mainly include trust and asset custody services.

The trust service of the Group refers to the business that the Group acts as trustee to undertake investment activity within the agreed period and scope on behalf of the third-party lenders who provide the fund.

The Group is responsible for the arrangement and collection of the entrusted loans and receives a commission for the services rendered. As the Group does not assume the risks and rewards of the entrusted loans and the funding for the corresponding entrusted funds, they are not recognized as assets and liabilities of the Group.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

23. Employee benefits

In the reporting period in which an employee has rendered services, the Group recognizes the employee benefits payable for those services as a liability.

Social welfare

Social welfare expenditure refers to payments for employees' social welfare system established by the PRC government, including social insurance, housing funds and other social welfare contributions. The Group contributes on a monthly basis to these funds based on certain percentage of the salaries of the employees and the contributions are recognized in profit or loss for the period in which they are incurred. The Group's liabilities in respect of these funds are limited to the contribution payable in the reporting period.

Annuity scheme

The employees of the Group participate in Annuity scheme set up by the Company (the "Annuity scheme"). The Group made annuity contributions with reference to employees' salaries of last year, and the contributions are expensed in profit or loss when incurred. The Group has no further obligation even if the Annuity scheme does not have sufficient assets for payment of supplementary retirement benefits to employees.

Defined benefit plans

The Group's subsidiary NCB operates a defined benefit plan for all its retired employees.

Under the plan, the employees are entitled to retirement benefits which included fully redeemed medical care, housing allowance and other retirement benefits.

The liability related to the above post-retirement benefit obligations existing at the end of each reporting period is calculated by independent actuaries using the projected unit credit method and is recorded as a liability. The present value of the liability is determined through discounting the estimated future cash outflows using interest rates of RMB treasury bonds which have terms to maturity approximating the terms of the related liability. The actuarial gains or losses of post-retirement benefit obligations are recognized in "other comprehensive income" immediately when they occur. Except for the actuarial changes, other changes are recognized in profit or loss for the period immediately when they occur.

IV. MATERIAL ACCOUNTING POLICIES (Continued)

24. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

V. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

The following are the critical judgements and key estimation uncertainties that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

1. Classification of financial assets

The Group's critical judgements on determining the classification of financial assets include assessment of business model and analysis of contractual cash flow characteristics. The Group's assessment of the business model is performed on a financial assets portfolio basis, taking into consideration of how to generate cash flows of the assets in the past, how the performance of the financial assets are evaluated and reported to the Group's key management personnel, how the risks are evaluated and managed, and how managers are compensated. The Group's critical judgements on whether the cash flows are solely payments of principal and interest on the principal amount outstanding include whether principal amount may change over the life of the financial asset (for example, if there are repayments of principal) and whether interest only consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

V. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION (Continued)

2. Fair value of financial instruments

The Group uses valuation techniques for financial instruments which are not quoted in an active market. Valuation techniques include the use of discounted cash flows, market comparison method or other valuation methods as appropriate. In practice, observable data are used in the models whenever possible. However, areas such as credit risk of the counterparty, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of the financial instruments.

3. Impairment of financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting losses).

- Segmentation of financial instruments based on credit risk characteristics for losses
- Criteria for judging significant increases in credit risk
- Definition of credit-impaired financial asset
- Parameters of the ECL measurement
- Forward-looking information
- Future cash flows forecast for credit-impaired corporate loans and financial assets

Refer to Note IV.7.4 impairment of financial assets for the description of the parameters, assumptions and estimation techniques used in measuring the ECL.

4. Transfer of financial assets

Whether the derecognition should be applied to part of a financial asset or the financial asset in its entirety, as well as whether, and to what extent, derecognition is appropriate requires significant judgement. In making this judgement, the Group evaluates whether it has transferred the right to collect the contractual cash flows, retained substantially all the risks and rewards of the transferred assets, or retained control of the transferred assets.

V. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION (Continued)

5. Control on structured entities

The Group's management needs to assess whether the Group has the power over a structured entity and is exposed to significant variable return of the structured entities. If such power and exposure exist, the Group should consolidate such structured entities. The judgments the Group used in determining if it has control over the structured entities are detailed in Note VI.36 Interests in consolidated structured entities.

The Group reassesses whether it controls a structured entity if facts and circumstances indicate that there are changes to one or more of the three elements of control as listed in Note IV.2 Basis of consolidation.

6. Judgment on joint control

The joint control over the structured entities and other investees is determined by the Group's assessment of the existence of sharing of control. The assessment involves judgment on whether decisions about the relevant activities require the unanimous consent of the parties sharing control.

7. Judgment on significant influence

The significant influence over the structured entities and other investees is determined by the Group's assessment of its power to participate in the investees' financial and operating policy decisions. The assessment involves significant judgment based on factors such as the structured entities and other investees' policy-making process, composition of board of directors or other governing body, change in ownership and existence of contractual arrangements.

8. Recognition and allocation of properties under development

The construction cost is accumulated in properties under development during the construction period and recognized as purchases and changes in inventories in the statement of profit or loss when they are sold. The construction cost is estimated by the management of the Group in accordance with budget and the progress of development. The cost directly related to development in current period is accumulated in properties under development and the common cost among construction periods cost is allocated among each period on the basis of saleable area.

9. Taxes

There are certain transactions and activities for which the ultimate tax determination is subject to the final approval of annual tax return the Group filed with relevant tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

V. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION (Continued)

10. Impairment of goodwill

Goodwill is tested for impairment annually or more frequently. This requires an estimate of the present value of future cash flows for the cash-generating units to which goodwill is allocated. When estimating the present value of future cash flows, the Group needs to adopt key assumptions, including forecasted periods, forecasted cash flows, and growth rates to anticipate future cash flows from the cash-generating units, and select the appropriate discount rate to determine the present value of future cash flows. These assumptions are subject to inherent uncertainty.

VI. EXPLANATORY NOTES

1. Income from distressed debt assets at amortized cost

The amounts mainly represent interest income and gains or losses from disposal of distressed debt assets at amortized cost, which were acquired from financial institutions and non-financial institutions (see Note VI.30 Financial assets at amortized cost).

For the year ended December 31, 2024, the net loss on the derecognition of distressed debt assets at amortized cost was RMB315 million (For the year ended December 31, 2023, the net gain was RMB828 million).

2. 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 year (see Note VI.26 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.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

3. 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 year (see Note VI.26 Financial assets at fair value through profit or loss and Note VI.46 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.

4. Investment income

	Year ended December 31	
	2024	2023
Net realized gain on disposal of		
– Financial assets at fair value through other comprehensive income	**575,501**	305,360
Dividend income from		
– Financial assets at fair value through other comprehensive income	**49,581**	33,696
Others	**(29,271)**	(49,823)
Total	**595,811**	289,233

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

5. Interest income

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

	Year ended December 31	
	2024	2023
Loans and advances to customers		
– Corporate and personal loans and advances	**16,410,032**	16,287,586
– Finance lease receivables	**3,435,608**	3,764,518
– Loans to margin clients	**574,288**	589,170
Other debt investments at amortized cost	**4,039,395**	3,633,403
Financial assets at fair value through other comprehensive income	**5,281,776**	4,858,363
Deposits with banks and financial institutions	**1,393,590**	2,003,329
Placements with banks and financial institutions	**940,323**	855,942
Financial assets held under resale agreements	**302,478**	358,979
Others	**583,885**	710,170
Total	**32,961,375**	33,061,460

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

	Year ended December 31	
	2024	2023
Revenue from sales of inventories	**8,239,381**	9,502,405
Purchases and changes in inventories	**(7,043,094)**	(7,716,746)
Including:		
Revenue from sales of properties held for sale	**8,239,381**	9,502,405
Purchases and changes in properties held for sale	**(7,043,094)**	(7,716,746)
Gross profit from sales of inventories	**1,196,287**	1,785,659

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

6. Revenue from sales of inventories and purchases and changes in inventories (Continued)

Recognition time of revenue from sales of properties held for sale

	Year ended December 31	
	2024	2023
Recognized at a point in time		
Sales of properties held for sale	**8,199,919**	9,252,807
Recognized over time		
Primary land development	**39,462**	249,598

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31 are as follows:

	Year ended December 31	
	2024	2023
Amounts expected to be recognized as revenue:		
Within one year	**1,351,457**	4,073,553
After one year	**2,191,701**	1,443,757
Total	**3,543,158**	5,517,310

7. Commission and fee income

	Year ended December 31	
	2024	2023
Securities and futures brokerage	**1,223,912**	1,103,943
Trustee services	**1,041,807**	538,376
Fund and asset management business	**1,021,030**	1,516,762
Banking business	**559,346**	633,624
Insurance brokerage services	**355,900**	328,849
Agency business	**287,953**	237,759
Consultancy and financial advisory services	**216,847**	386,649
Securities underwriting business	**92,892**	49,984
Others	**121,520**	107,490
Total	**4,921,207**	4,903,436

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

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

	Year ended December 31	
	2024	2023
Net losses on disposal of subsidiaries	**(122,854)**	–
Net gains on disposal of associates and joint ventures	**199,629**	538,647
Total	**76,775**	538,647

9. Other income and other net gains or losses

	Year ended December 31	
	2024	2023
Rental income	**966,704**	733,417
Income from liquidated damages	**189,266**	585,483
Revenue from hotel operation	**409,342**	506,680
Net gains or losses on exchange differences	**(403,405)**	369,522
Revenue from project supervision	**243,561**	354,691
Government grants and compensation (1)	**182,245**	191,957
Net gains on disposal of other assets	**80,282**	7,456
Others	**326,638**	206,696
Total	**1,994,633**	2,955,902

(1) For the year ended December 31, 2024, the government grant and compensation from operating activities, as part of other income and other net gains or losses, amounted to RMB164.17 million (for the year ended December 31, 2023: RMB169.29 million).

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

10. Interest expense

	Year ended December 31	
	2024	2023
Borrowings		
– Wholly repayable within five years	**(16,831,098)**	(19,592,497)
– Not wholly repayable within five years	**(1,849,089)**	(979,630)
Bonds issued	**(11,104,409)**	(11,891,855)
Due to customers	**(11,146,059)**	(9,032,622)
Financial assets sold under repurchase agreements	**(714,357)**	(1,328,934)
Placements from banks and other financial institutions	**(544,929)**	(532,736)
Deposits from banks and financial institutions	**(394,276)**	(490,684)
Accounts payable to brokerage clients	**(96,808)**	(129,534)
Lease liabilities	**(51,505)**	(68,464)
Others	**(179,869)**	(33,544)
Total	**(42,912,399)**	(44,080,500)

11. Employee benefits

	Year ended December 31	
	2024	2023
Wages or salaries, bonuses, allowances and subsidies	**(3,793,170)**	(4,008,425)
Defined contribution plans	**(626,970)**	(636,557)
Social insurance	**(357,626)**	(356,260)
Housing funds	**(288,390)**	(278,665)
Labor union fees and staff education expenses	**(94,018)**	(90,546)
Defined benefit plans	**(4,919)**	(5,046)
Others	**(360,990)**	(334,363)
Total	**(5,526,083)**	(5,709,862)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

12. Commission and fee expense

	Year ended December 31	
	2024	2023
Securities and futures brokerage	**(380,375)**	(322,745)
Fund and asset management business	**(201,525)**	(299,644)
Securities underwriting business	**(3,202)**	(9,073)
Others	**(199,114)**	(173,167)
Total	**(784,216)**	(804,629)

13. Credit impairment losses

	Year ended December 31	
	2024	2023
Financial assets at amortized cost		
– Distressed debt assets	**(1,500,912)**	(1,766,081)
– Other debt investments	**(2,645,913)**	(2,916,749)
Loans and advances to customers	**(4,170,179)**	(3,800,224)
Accounts receivable	**(73,540)**	104,193
Other receivables	**12,466**	(221,834)
Interest receivable	**(1,091,150)**	(163,596)
Financial assets at fair value through other comprehensive income	**3,626**	34,968
Financial assets held under resale agreements	**(22,212)**	(19,546)
Other credit impairment losses	**64,043**	273,375
Total	**(9,423,771)**	(8,475,494)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

14. Impairment losses on other assets

	Year ended December 31	
	2024	2023
Goodwill	**(100,837)**	(638,000)
Properties held for sale	**(925,261)**	(371,691)
Foreclosed assets	**(245,730)**	(218,597)
Interests in associates and joint ventures	**–**	(36,355)
Investment properties	**(9,742)**	–
Property and equipment	**(12,136)**	(9,387)
Others	**(13,319)**	–
Total	**(1,307,025)**	(1,274,030)

15. Profit before tax

	Year ended December 31	
	2024	2023
Profit before tax for the year has been arrived at after charging:		
Depreciation of property and equipment	**(823,767)**	(848,167)
Depreciation of right-of-use assets	**(462,538)**	(385,111)
Amortization	**(517,314)**	(408,385)
Depreciation of investment properties	**(389,000)**	(398,791)
Operating lease expenses	**(140,349)**	(162,588)

Principal auditors' remuneration for the year ended December 31, 2024 was RMB31.95 million (for the year ended December 31, 2023: RMB34.18 million).

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

16. Income tax expense

	Year ended December 31 **2024**	2023
Current income tax:		
– PRC Enterprise Income Tax	**(1,601,795)**	(1,497,393)
– PRC Land Appreciation Tax ("LAT")	**107,144**	(111,104)
– Hong Kong Profits Tax	**(48,652)**	(314,135)
– Overseas taxation	**(469)**	(8,356)
(Underprovision)/Overprovision in prior years	**31,739**	348,225
Subtotal	**(1,512,033)**	(1,582,763)
Deferred income tax (Note VI.42)	**1,029,955**	389,929
Total	**(482,078)**	(1,192,834)

The statutory income tax rate applicable to PRC enterprises is 25% for the year (2023: 25%). A subsidiary of the Company set up in the Western Region of the PRC is taxed at 15% (2023: 15%) subject to an annual special approval by the tax bureau.

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profit for the year.

In December 2021, the OECD published Tax Challenges Arising from the Digitalization of the Economy – Global Anti-Base Erosion Model Rules ("Pillar Two"). Under Pillar Two legislative rules, low tax jurisdictions with effective tax rates below 15% may have Top-up Tax.

The Group is within the scope of the Pillar Two rules. As at 31 December 2024, Chinese mainland has not legislated the Pillar Two, and China Hong Kong has not yet completed the legislation of Pillar Two. The United Kingdom, Ireland and China Hong Kong, etc., where some of the Group's branches and subsidiaries are located, local legislation or draft legislation on Pillar Two has been enacted, and have come into effect on or after 1 January 2024. The legislation of the above jurisdictions has no significant impact on the Group's financial position and operating results in 2024. Meanwhile, the Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 Income Taxes issued in May 2023.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

16. Income tax expense (Continued)

Reconciliation of profit before tax to income tax expense is as follows:

	Year ended December 31	
	2024	2023
Profit before tax	**3,990,274**	8,186,311
Income tax calculated at the tax rate of 25%	**(997,569)**	(2,046,578)
Effect of tax losses and deductible temporary differences not recognized	**(1,471,869)**	(1,125,587)
Tax effect of expenses not deductible for tax purposes (2)	**(457,354)**	(166,823)
LAT	**107,144**	(111,104)
Tax effect of LAT	**(26,786)**	27,776
Tax effect of income not taxable for tax purposes (1)	**1,737,959**	1,164,380
Effect of different tax rates of subsidiaries	**85,141**	(549,841)
Tax effect of share of results of associates and joint ventures	**94,338**	442,611
(Underprovision)/Overprovision in prior years	**31,739**	348,225
Adjustment in respect of cost and distribution payment for additional equity instruments	**321,242**	303,578
Effect of utilization of tax losses not previously recognized	**93,937**	520,528
Income tax expense	**(482,078)**	(1,192,834)

(1) Income not taxable for tax purposes mainly includes interest income on treasury bonds and dividend income.

(2) Expenses not deductible for tax purposes mainly include commission and fee expense, employee benefits and entertainment expenses in excess of the tax deduction limits according to the PRC tax regulations.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

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

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

	Year ended December 31	
	2024	2023
Earnings:		
Profit attributable to equity holders of the Company	**3,036,354**	5,820,905
Less: Dividends on preference shares declared and distributed	**592,159**	597,161
Less: Dividends on undated capital bonds declared and distributed	**959,600**	959,600
Profit attributable to ordinary equity holders of the Company	**1,484,595**	4,264,144
Number of shares:		
Weighted average number of shares outstanding for the purpose of basic earnings per share (in thousand)	**38,164,535**	38,164,535
Weighted average number of shares outstanding for the purpose of diluted earnings per share (in thousand)	**38,164,535**	38,164,535
Basic earnings per share (RMB Yuan)	**0.04**	0.11
Diluted earnings per share (RMB Yuan)	**0.04**	0.11

There were no potentially dilutive shares outstanding for the years ended December 31, 2024 and December 31, 2023.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

18. Dividends

	Year ended December 31	
	2024	2023
Final dividends of 2023	**1,746,409**	–
Final dividends of 2022	**–**	1,894,106
Dividends recognized as distribution during the year	**1,746,409**	1,894,106

The resolution on the profit distribution plan for 2023 was duly approved by the shareholders at the Annual General Meeting held on June 26, 2024. In accordance with the plan, the dividend of RMB1,746.41 million was distributed during the year.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

19. Emoluments of directors and supervisors

	Year ended December 31, 2024			
	Fees	Paid remuneration	All kinds of social insurance, housing funds and annuity scheme	Total (before tax)
Executive directors				
ZHANG Weidong	–	481	232	713
LIANG Qiang	–	481	233	714
ZHAO Limin	–	440	225	665
Non-executive directors				
WANG Shaoshuang (1)(2)	–	–	–	–
CHEN Xiaowu (1)	–	–	–	–
ZHANG Yuxiang (1)(3)	–	–	–	–
ZENG Tianming (1)(4)	–	–	–	–
Independent non-executive directors				
LU Zhengfei	250	–	–	250
LAM Chi Kuen	250	–	–	250
WANG Changyun	250	–	–	250
SUN Maosong	250	–	–	250
SHI Cuijun	250	–	–	250
Supervisors				
ZHEN Qinggui	200	–	–	200
LIU Li	200	–	–	200
CAI Xiaoqiang	200	–	–	200
GONG Hongbing (5)	20	–	–	20
LU Baoxing (5)	20	–	–	20
YUAN Liangming (5)	20	–	–	20
ZHOU Lihua (5)	20	–	–	20
Total	1,930	1,402	690	4,022

VI. EXPLANATORY NOTES (Continued)

19. Emoluments of directors and supervisors (Continued)

(1) These non-executive directors did not receive any fees from the Company.

(2) WANG Shaoshuang ceased to be a non-executive director in September 2024.

(3) ZHANG Yuxiang ceased to be a non-executive director in February 2024.

(4) ZENG Tianming was nominated as the non-executive director by the Board in December 2022, which was approved by the 2023 1st extraordinary general meeting in February 2023, and his qualification was approved by the NFRA in December 2024.

(5) The amounts only included fees for their services as employee representative supervisors.

The total compensation packages for the above executive directors and supervisors for the year ended December 31, 2024 have not yet been finalized in accordance with regulations of the relevant authorities in the PRC. The final compensation will be disclosed in a separate announcement when determined.

During the year, no emolument was paid by the Group to any of the directors, supervisors, key management personnel and the five highest paid individuals as set out in Note VI.20 Key management personnel and five highest paid individuals below as an inducement to join or upon joining the Group or as a compensation for loss of office. None of them waived any emoluments during the year. Bonus was determined based on the performance of individuals by the Group on a discretionary basis.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

19. Emoluments of directors and supervisors (Continued)

	Year ended December 31, 2023			
	Fees	Paid remuneration	All kinds of social insurance, housing funds and annuity scheme	Total (before tax)
Executive directors				
ZHANG Weidong	–	768	230	998
LIANG Qiang	–	769	231	1,000
ZHAO Limin	–	691	223	914
Non-executive directors				
HE Jieping (1)(2)	–	–	–	–
WANG Shaoshuang (1)	–	–	–	–
CHEN Xiaowu (1)	–	–	–	–
ZHANG Yuxiang (1)	–	–	–	–
TANG Jiang (1)(3)	–	–	–	–
LIU Chong (1)(4)	–	–	–	–
Independent non-executive directors				
LU Zhengfei	250	–	–	250
LAM Chi Kuen	250	–	–	250
WANG Changyun	250	–	–	250
SUN Maosong	250	–	–	250
SHI Cuijun (5)	181	–	–	181
Supervisors				
GONG Jiande (6)	–	64	41	105
ZHEN Qinggui	200	–	–	200
LIU Li	200	–	–	200
CAI Xiaoqiang	200	–	–	200
GONG Hongbing (7)	20	–	–	20
LU Baoxing (7)	20	–	–	20
YUAN Liangming (7)	20	–	–	20
ZHOU Lihua (7)	20	–	–	20
Total	1,861	2,292	725	4,878

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

19. Emoluments of directors and supervisors (Continued)

(1) These non-executive directors did not receive any fees from the Company.

(2) HE Jieping ceased to be a non-executive director in August 2023

(3) TANG Jiang ceased to be a non-executive director in March 2023.

(4) LIU Chong ceased to be a non-executive director in November 2023.

(5) SHI Cuijun was nominated as the independent non-executive director in December 2022, which was approved by the 2023 1st extraordinary general meeting in February 2023, and her qualification was approved by the CBIRC in April 2023.

(6) GONG Jiande ceased to be a supervisor in December 2022. The disclosure has been updated based on 2023 post-compensation data.

(7) The amounts only included fees for their services as employee representative supervisors.

The total compensation packages for the above executive directors and supervisors for the year ended December 31, 2023 have been approved by the Annual General Meeting.

20. Key management personnel and five highest paid individuals

(1) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and executive officers. The aggregate compensation paid/payable to key management personnel for employment services, excluding the directors and supervisors whose emolument details have been reflected in Note VI.19 Emoluments of directors and supervisors, is as follows:

	Year ended December 31	
	2024	2023
Emoluments of key management personnel		
Paid emoluments	**6,680**	11,599
All kinds of social insurance, housing funds and annuity schemes	**2,837**	2,696
Total (before tax)	**9,517**	14,295

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

20. Key management personnel and five highest paid individuals (Continued)

(1) Key management personnel (Continued)

The number of key management personnel with emoluments within the following bands is as follows:

	Year ended December 31	
	2024	2023
RMB0 to RMB100,000	**–**	–
RMB100,001 to RMB500,000	**6**	5
RMB500,001 to RMB1,000,000	**5**	–
RMB1,500,001 to RMB2,000,000	**–**	5
RMB2,000,001 to RMB2,500,000	**–**	–
Total	**11**	10

(2) Five highest paid individuals

The emoluments of the five highest paid individuals whose emoluments were the highest in the Group for the year ended December 31, 2024 were as follows:

	Year ended December 31	
	2024	2023
Remuneration	**15,245**	21,376
All kinds of social insurance, housing funds and annuity schemes	**1,297**	1,610
Total (before tax)	**16,542**	22,986

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

20. Key management personnel and five highest paid individuals (Continued)

(2) Five highest paid individuals (Continued)

Among the five highest paid individuals in the Group, none of them was a director. The number of these five individuals with emoluments within the following bands is as follows:

	Year ended December 31	
	2024	2023
RMB2,500,001 to RMB3,000,000	**1**	–
RMB3,000,001 to RMB3,500,000	**4**	2
RMB3,500,001 to RMB4,000,000	**–**	1
RMB4,500,001 to RMB5,000,000	**–**	1
RMB6,000,001 to RMB6,500,000	**–**	1
Total	**5**	5

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

21. Statement of financial position

		Year ended December 31	
	Notes VI	**2024**	2023
Assets			
Cash and balances with central banks	*22*	**359**	522
Deposits with banks and financial institutions	*23*	**29,360,142**	25,392,346
Financial assets at fair value through profit or loss	*26*	**423,755,135**	394,267,824
Financial assets held under resale agreements	*27*	**3,000,946**	5,747,782
Financial assets at fair value through other comprehensive income	*28*	**6,561,693**	5,028,788
Financial assets at amortized cost	*30*	**31,891,418**	66,540,763
Accounts receivable	*31*	**997,331**	1,187,364
Amounts due from subsidiaries	*32*	**37,242,834**	40,706,514
Investment properties	*34*	**213,712**	230,158
Interests in subsidiaries	*35*	**40,856,049**	39,568,579
Interests in consolidated structured entities	*36*	**76,643,071**	65,375,906
Interests in associates and joint ventures	*37*	**70,456,892**	68,587,432
Property and equipment	*39*	**863,328**	938,282
Other intangible assets	*41*	**22,261**	29,013
Deferred tax assets	*42*	**5,771,116**	5,406,566
Other assets	*43*	**22,070,878**	16,525,195
Total assets		**749,707,165**	735,533,034

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

21. Statement of financial position (Continued)

		Year ended December 31	
	Notes VI	**2024**	2023
Liabilities			
Borrowings from central bank	*44*	**9,629,677**	986,058
Financial liabilities at fair value through profit or loss	*46*	**1,955,875**	1,483,959
Placements from banks and financial institutions	*48*	**3,001,050**	2,781,401
Borrowings	*49*	**446,013,405**	423,014,868
Accounts payable	*52*	**1,000**	1,000
Tax payable	*53*	**108**	–
Bonds issued	*54*	**119,864,511**	140,473,077
Other liabilities	*56*	**13,785,543**	12,346,118
Total liabilities		**594,251,169**	581,086,481
Equity			
Share capital	*57*	**38,164,535**	38,164,535
Other equity instruments	*58*	**32,748,001**	32,748,001
Capital reserve	*59*	**18,558,652**	18,480,099
Other comprehensive income	*60*	**(1,189,902)**	(2,360,543)
Surplus reserve	*61*	**11,565,731**	11,259,889
General reserve	*62*	**11,107,014**	11,107,014
Retained earnings	*63*	**44,501,965**	45,047,558
Total equity		**155,455,996**	154,446,553
Total equity and liabilities		**749,707,165**	735,533,034

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

CHAIRMAN *PRESIDENT*

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

22. Cash and balances with central banks

Group

	As at December 31	
	2024	2023
Cash	**445,942**	523,309
Mandatory reserve deposits with central banks (1)	**5,570,628**	5,898,288
Surplus reserve deposits with central banks	**5,088,378**	6,469,912
Other deposits with central banks	**2,278,531**	2,345,997
Total	**13,383,479**	15,237,506
Including:		
Restricted		
– Balances with central banks	**5,570,628**	5,898,288

Company

	As at December 31	
	2024	2023
Cash	**246**	243
Other deposits with central banks	**113**	279
Total	**359**	522

(1) In accordance with relevant regulations, NCB, 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 December 31, 2024, the mandatory deposits were calculated at 6% (As at December 31, 2023: 7%) of customer deposits denominated in RMB and 4% (As at December 31, 2023: 4%) of customer deposits denominated in foreign currencies. Mandatory reserve deposits are not available for use by the Group in its daily operations.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

23. Deposits with banks and financial institutions

Group

	As at December 31	
	2024	2023
Deposits with banks		
– House accounts	**68,551,059**	62,253,340
– Cash held on behalf of clients	**18,862,654**	13,553,130
Clearing settlement funds		
– House accounts	**1,121,665**	699,428
– Clients	**3,542,395**	2,029,737
Deposits with other financial institutions		
– House accounts	**3,572,157**	3,176,174
Interest receivable	**129,618**	285,949
Subtotal	**95,779,548**	81,997,758
Less: Allowance for impairment losses	**21,434**	142
Total	**95,758,114**	81,997,616
Including:		
Restricted funds	**32,547,118**	17,999,456

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

23. Deposits with banks and financial institutions (Continued)

Company

	As at December 31	
	2024	2023
Deposits with banks	**29,259,214**	25,170,749
Interest receivable	**103,210**	221,597
Subtotal	**29,362,424**	25,392,346
Less: Allowance for impairment losses	**2,282**	–
Total	**29,360,142**	25,392,346

Pledged bank deposits represent deposits that have been pledged to secure bank borrowings. As at December 31, 2024, the Group's pledged bank deposits amounted to RMB11.82 million (As at December 31, 2023: Nil).

The Group's clearing settlement funds were interest-bearing at prevailing market interest rates and mainly deposited in the China Securities Depository and Clearing Corporation Limited. As at December 31, 2024, the Group's restricted clearing settlement funds amounted to RMB3,542.40 million (As at December 31, 2023: RMB2,029.74 million).

As at December 31 2024 and 2023, the Group's deposits with banks and financial institutions were all in Stage I.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

24. Deposits with exchanges and others

Group

	As at December 31	
	2024	2023
Shenzhen Stock Exchange	**45,483**	37,116
Shanghai Stock Exchange	**225,382**	38,763
Shanghai Clearing House	**7,922**	22,802
The Stock Exchange of Hong Kong Limited	**4,716**	4,275
National Equities Exchange and Quotations	**–**	1,016
Hong Kong Securities Clearing Company Limited	**509**	283
China Securities Finance Corporation Limited	**406,023**	416,499
China Financial Futures Exchange	**612,230**	332,132
Shanghai Futures Exchange	**582,124**	526,246
Zhengzhou Commodity Exchange	**298,340**	245,992
Dalian Commodity Exchange	**317,224**	791,693
Shanghai International Energy Exchange	**64,067**	107,911
Guangzhou Futures Exchange	**43,281**	58,783
Others	**5,050**	38,518
Total	**2,612,351**	2,622,029

The Company had no deposits with exchanges or financial institutions at the end of 2024 and 2023.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

25. Placements with banks and financial institutions

Group

	As at December 31	
	2024	2023
Banks	**35,229,922**	22,032,598
Other financial institutions	**1,793,449**	2,121,000
Interest receivable	**94,384**	33,839
Subtotal	**37,117,755**	24,187,437
Less: Allowance for impairment losses	**14,312**	17,652
Total	**37,103,443**	24,169,785

As at December 31, 2024 and 2023, the Group's placements with banks and financial institutions were all in Stage I.

The Company had no placements with banks and financial institutions at the end of 2024 and 2023.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

26. Financial assets at fair value through profit or loss

Group

	As at December 31	
	2024	2023
Financial assets classified as at fair value through profit or loss		
Listed investments:		
Equity investments	**15,078,470**	17,655,325
Debt securities		
– Corporate bonds	**27,614,099**	21,392,428
– Government bonds	**497,280**	2,169,521
– Financial institution bonds	**405,649**	950,799
– Public sector and quasi-government bonds	**282,866**	–
Funds	**6,177,326**	4,028,274
Corporate convertible bonds	**198,753**	813,685
Certificates of deposit	**39,912**	–
Asset-backed securities	**263,598**	2,916,778
Subtotal	**50,557,953**	49,926,810
Unlisted investments:		
Distressed debt assets	**241,569,650**	241,982,055
Funds	**123,818,478**	126,237,081
Equity investments	**57,943,853**	56,675,732
Trust products and asset management plans	**29,356,819**	17,305,026
Debt instruments	**16,569,705**	11,169,359
Security investments	**12,768,647**	10,121,937
Wealth management products	**9,311,608**	2,700,637
Derivative financial assets (1)	**3,208,969**	1,513,374
Others	**3,584,552**	677,809
Subtotal	**498,132,281**	468,383,010
Total	**548,690,234**	518,309,820

As at December 31, 2024 and December 31, 2023, the Group's financial assets at fair value through profit or loss included financial assets designated at fair value through profit or loss.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

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

Group (Continued)

(1) Derivative financial instruments

	As at December 31, 2024			As at December 31, 2023		
	Contractual/ Notional amount	**Fair value**		Contractual/ Notional amount	Fair value	
		Assets	**Liabilities**		Assets	Liabilities
Exchange rate derivatives						
Spot and forwards, currency swaps, and cross-currency interest rate swaps	**212,424,381**	**2,402,595**	**(459,944)**	104,641,555	850,216	(957,760)
Currency options	**2,897,610**	**18,149**	**(19,878)**	5,925,272	82,388	(79,330)
Subtotal	**215,321,991**	**2,420,744**	**(479,822)**	110,566,827	932,604	(1,037,090)
Interest rate derivatives						
Interest rate swaps, interest rate options, and interest rate futures	**49,694,046**	**326,086**	**(244,350)**	71,169,885	179,683	(145,541)
Equity derivatives	**3,261,124**	**416,686**	**(18,623)**	3,380,097	377,072	–
Commodity derivatives and others	**321,891**	**45,453**	**–**	797,899	24,015	(4,430)
Total[(i)]	**268,599,052**	**3,208,969**	**(742,795)**	185,914,708	1,513,374	(1,187,061)

Please refer to Note VI.71.2 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 assets.

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

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

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

Company

	As at December 31	
	2024	2023
Financial assets classified as at fair value through profit or loss		
Distressed debt assets	**251,410,946**	242,066,411
Funds	**111,419,876**	94,299,780
Equity investments	**30,882,473**	31,393,214
Debt instruments	**15,265,379**	13,312,965
Trust products and asset management plans	**14,077,322**	11,928,556
Security investments	**–**	607,971
Others	**699,139**	658,927
Total	**423,755,135**	394,267,824
Analysed as:		
Listed	**10,477,675**	8,362,828
Unlisted	**413,277,460**	385,904,996

As at December 31, 2024 and December 31, 2023, the Company's Financial assets at fair value through profit or loss included financial assets designated at fair value through profit or loss.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

27. Financial assets held under resale agreements

Group

	As at December 31	
	2024	2023
By collateral type		
Bonds	**6,330,949**	9,234,873
Stocks	**862,913**	–
Interest accrued	**9,847**	6,896
Subtotal	**7,203,709**	9,241,769
Less: Allowance for impairment losses	**15,340**	2,630
Total	**7,188,369**	9,239,139

As at December 31, 2024, the Group's assets held under resale agreements in Stage I, II and III amounted to RMB6,783.73 million, nil and RMB419.98 million, respectively (As at December 31, 2023: RMB9,241.77 million, nil and nil, respectively). The allowance for impairment losses amounted to RMB3.52 million, nil and RMB11.82 million, respectively (As at December 31, 2023: RMB2.63 million, nil and nil, respectively).

Company

	As at December 31	
	2024	2023
By collateral type		
Bonds	**3,000,017**	5,746,092
Interest accrued	**1,230**	4,114
Subtotal	**3,001,247**	5,750,206
Less: Allowance for impairment losses	**301**	2,424
Total	**3,000,946**	5,747,782

As at December 31, 2024 and December 31, 2023, the Company's assets held under resale agreements were all in Stage I.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

28. Financial assets at fair value through other comprehensive income

Group

	As at December 31	
	2024	2023
Debt investments at fair value through other comprehensive income		
Debt securities		
– Government bonds	**82,271,382**	64,967,797
– Public sector and quasi-government bonds	**4,120,730**	4,387,932
– Financial institution bonds	**64,842,234**	63,271,078
– Corporate bonds	**32,478,682**	30,505,738
– Medium-term notes	**71,381**	–
Certificates of deposit	**2,065,658**	–
Interest receivable	**1,734,038**	1,371,007
Subtotal	**187,584,105**	164,503,552
Equity investments designated as at fair value through other comprehensive income		
Equity instruments	**9,741,203**	6,372,306
Subtotal	**9,741,203**	6,372,306
Total	**197,325,308**	170,875,858

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

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

Group (Continued)

As at December 31, 2024, the Group's debt investments at fair value through other comprehensive income in Stage I, II and III amounted to RMB178,610.41 million, RMB6,987.93 million, RMB132.73 million, respectively (As at December 31, 2023: RMB156,389.04 million, RMB6,542.71 million, RMB192.05 million, respectively). The allowance for impairment losses amounted to RMB74.71 million, RMB40.98 million and RMB188.45 million, respectively (As at December 31, 2023: RMB101.64 million, RMB36.81 million and RMB186.56 million, respectively).

As at December 31, 2024, 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 in nature.

During the year ended December 31, 2024, the Group received dividends in the amount of RMB49.58 million (During the year ended December 31, 2023: RMB33.70 million) from equity investments designated as at fair value through other comprehensive income.

Company

	As at December 31	
	2024	2023
Equity investments designated as at fair value through other comprehensive income		
Equity instruments	**6,561,693**	5,028,788
Total	**6,561,693**	5,028,788

As at December 31, 2024 and December 31, 2023, the Company had no debt investments at fair value through other comprehensive income.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

29. Loans and advances to customers

Group

	As at December 31	
	2024	2023
At amortized cost		
Corporate loans and advances		
– Loans and advances	**243,823,237**	265,824,184
Personal loans and advances		
– Mortgages	**22,520,145**	24,636,137
– Personal consumption loans	**20,640,812**	21,463,959
Loans to margin clients	**12,158,047**	10,534,152
Finance lease receivables	**71,633,655**	76,567,284
Subtotal	**370,775,896**	399,025,716
Interest accrued	**2,884,626**	3,501,455
Total loans and advances to customers at amortized cost	**373,660,522**	402,527,171
At fair value through profit or loss		
Corporate loans and advances	**14,764,333**	14,973,649
Total loans and advances to customers	**388,424,855**	417,500,820
Less: Allowance for impairment losses on loans and advances to customers at amortized cost	**14,186,547**	14,339,061
Net loans and advances to customers	**374,238,308**	403,161,759

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

29. Loans and advances to customers (Continued)

Group (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 December 31, 2024				
Gross loans and advances	**330,700,013**	**16,712,819**	**26,247,690**	**373,660,522**
Less: Allowances for impairment losses	**2,912,100**	**2,861,185**	**8,413,262**	**14,186,547**
Net loans and advances to customers	**327,787,913**	**13,851,634**	**17,834,428**	**359,473,975**

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at December 31, 2023				
Gross loans and advances	356,039,246	23,112,322	23,375,603	402,527,171
Less: Allowances for impairment losses	3,672,077	2,774,298	7,892,686	14,339,061
Net loans and advances to customers	352,367,169	20,338,024	15,482,917	388,188,110

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

29. Loans and advances to customers (Continued)

Group (Continued)

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

	2024			
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at January 1	3,672,077	2,774,298	7,892,686	14,339,061
Convert to Stage I	251,543	(251,543)	–	–
Convert to Stage II	(183,988)	383,385	(199,397)	–
Convert to Stage III	(149,753)	(247,324)	397,077	–
Impairment losses recognized	1,261,921	945,012	3,372,988	5,579,921
Impairment losses reversed	(1,718,529)	(695,128)	(387,659)	(2,801,316)
Stage conversion	(223,899)	553,858	1,061,615	1,391,574
Write-off and transfer out	–	(607,560)	(4,223,559)	(4,831,119)
Recovery of loans and advances written off in previous years and transfer in	–	–	663,658	663,658
Unwinding of discount on allowance	–	–	(203,734)	(203,734)
Exchange differences	2,728	6,187	39,587	48,502
As at December 31	2,912,100	2,861,185	8,413,262	14,186,547

The gross carrying amount of loans and advances to customers transferred from Stage III to Stage II or from Stage II to Stage I due to the modification of the contractual cash flows in the year of 2024 was not significant.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

29. Loans and advances to customers (Continued)

Group (Continued)

	2023			
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at January 1	3,720,086	3,090,970	3,463,520	10,274,576
Convert to Stage I	73,612	(73,612)	–	–
Convert to Stage II	(165,834)	466,079	(300,245)	–
Convert to Stage III	(863,553)	(1,387,596)	2,251,149	–
Impairment losses recognized	1,661,797	832,229	2,194,553	4,688,579
Impairment losses reversed	(707,351)	(260,728)	(792,282)	(1,760,361)
Stage conversion	(46,686)	106,956	811,736	872,006
Write-off and transfer out	–	–	(2,841,204)	(2,841,204)
Recovery of loans and advances written off in previous years and transfer in	–	–	3,104,199	3,104,199
Unwinding of discount on allowance	–	–	(10,699)	(10,699)
Exchange differences	6	–	11,959	11,965
As at December 31	3,672,077	2,774,298	7,892,686	14,339,061

The gross carrying amount of loans and advances to customers transferred from Stage III to Stage II or from Stage II to Stage I due to the modification of the contractual cash flows in the year of 2023 was not significant.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

29. Loans and advances to customers (Continued)

Group (Continued)

Finance lease receivables are analyzed as follows:

	As at December 31	
	2024	2023
Minimum finance lease receivables:		
Within 1 year (inclusive)	**31,663,971**	32,780,778
1 year to 2 years (inclusive)	**21,963,726**	25,422,254
2 years to 3 years (inclusive)	**11,460,801**	15,236,652
3 years to 4 years (inclusive)	**6,049,609**	5,786,070
4 years to 5 years (inclusive)	**4,203,387**	2,894,684
Over 5 years	**2,014,964**	1,241,747
Gross amount of finance lease receivables	**77,356,458**	83,362,185
Less: Unearned finance income	**5,722,803**	6,794,901
Subtotal	**71,633,655**	76,567,284
Interest accrued	**406,066**	488,644
Net amount of finance lease receivables	**72,039,721**	77,055,928
Less: Allowance for impairment losses	**4,416,187**	4,108,608
Carrying amount of finance lease receivables	**67,623,534**	72,947,320
Present value of minimum lease receivables:		
Within 1 year (inclusive)	**29,351,228**	29,896,864
1 year to 2 years (inclusive)	**20,518,247**	23,536,659
2 years to 3 years (inclusive)	**10,796,343**	14,355,193
3 years to 4 years (inclusive)	**5,680,172**	5,439,888
4 years to 5 years (inclusive)	**3,895,482**	2,755,740
Over 5 years	**1,798,249**	1,071,584
Total	**72,039,721**	77,055,928
Including:		
Finance lease receivables pledged for borrowings	**4,121,044**	4,061,513

The Company had no loans and advances to customers as at December 31, 2024 and 2023.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

30. Financial assets at amortized cost

Group

	As at December 31	
	2024	2023
Distressed debt assets		
– Acquired from financial institutions	**1,324,299**	1,775,690
– Acquired from non-financial institutions	**33,643,733**	63,916,774
Subtotal	**34,968,032**	65,692,464
Interest accrued	**1,495,712**	4,408,287
Gross of distressed debt assets	**36,463,744**	70,100,751
Less: Allowance for impairment losses	**7,970,349**	10,907,745
Net of distressed debt assets	**28,493,395**	59,193,006
Other debt investments	**50,888,330**	61,560,638
Interest accrued	**6,052,456**	4,437,731
Gross of other debt investments	**56,940,786**	65,998,369
Less: Allowance for impairment losses	**7,467,955**	5,441,486
Net of other debt investments	**49,472,831**	60,556,883
Total	**77,966,226**	119,749,889

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

30. Financial assets at amortized cost (Continued)

Group (Continued)

Distressed debt assets are as follows:

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at December 31, 2024				
Gross distressed debt assets	**9,801,345**	**13,702,906**	**12,959,493**	**36,463,744**
Less: Allowance for impairment losses	**481,250**	**2,564,718**	**4,924,381**	**7,970,349**
Net distressed debt assets	**9,320,095**	**11,138,188**	**8,035,112**	**28,493,395**

The changes of gross carrying amounts of the Group were mainly due to the following:

In the year of 2024, the distressed debt assets with a gross carrying amount of RMB13,459 million were transferred from Stage I to Stage II, the gross carrying amount of distressed debt assets transferred from Stage I and Stage II to Stage III was RMB13,749 million, the gross carrying amount of distressed debt assets transferred from Stage III to Stage II was RMB268 million and the Group transferred out impaired distressed debt assets with a gross carrying amount of RMB4,703 million.

The Group had no distressed debt assets transferred from Stage III or Stage II to Stage I in the year of 2024.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

30. Financial assets at amortized cost (Continued)

Group (Continued)

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

	2024			
	Stage I (12-month ECL)	**Stage II (Lifetime ECL)**	**Stage III (Lifetime ECL-impaired)**	**Total**
As at January 1	**2,073,881**	**3,669,743**	**5,164,121**	**10,907,745**
Convert to Stage II	**(1,373,607)**	**1,455,664**	**(82,057)**	**–**
Convert to Stage III	**(33,955)**	**(2,308,018)**	**2,341,973**	**–**
Impairment losses recognized	**161,971**	**321,792**	**1,092,916**	**1,576,679**
Impairment losses reversed	**(347,040)**	**(405,243)**	**(79,420)**	**(831,703)**
Stage conversion	**–**	**575,377**	**180,559**	**755,936**
Write-off and transfer out	**–**	**(744,597)**	**(3,081,018)**	**(3,825,615)**
Unwinding of discount on allowance	**–**	**–**	**(612,693)**	**(612,693)**
As at December 31	**481,250**	**2,564,718**	**4,924,381**	**7,970,349**

Distressed debt assets are as follows:

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at December 31, 2023				
Gross distressed debt assets	37,357,295	20,865,167	11,878,289	70,100,751
Less: Allowance for impairment losses	2,073,881	3,669,743	5,164,121	10,907,745
Net distressed debt assets	35,283,414	17,195,424	6,714,168	59,193,006

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

30. Financial assets at amortized cost (Continued)

Group (Continued)

The changes of gross carrying amounts of the Group were mainly due to the following:

In the year of 2023, the distressed debt assets with a gross carrying amount of RMB14,654 million were transferred from Stage I to Stage II, the gross carrying amount of distressed debt assets transferred from Stage I and Stage II to Stage III was RMB7,495 million, the gross carrying amount of distressed debt assets transferred from Stage II to Stage I was RMB1,844 million and the Group transferred out impaired distressed debt assets with a gross carrying amount of RMB5,343 million.

The Group had no distressed debt assets transferred from Stage III to Stage II or Stage I in the year of 2023.

The movements of allowance for distressed debt assets in the year of 2023 are as follows:

	2023			
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at January 1	3,610,887	3,279,209	6,340,338	13,230,434
Convert to Stage I	460,333	(460,333)	–	–
Convert to Stage II	(1,213,730)	1,213,730	–	–
Convert to Stage III	(64,689)	(1,244,414)	1,309,103	–
Impairment losses recognized	689,761	141,595	1,080,808	1,912,164
Impairment losses reversed	(931,329)	(262,635)	(127,479)	(1,321,443)
Stage conversion	(353,555)	1,112,318	416,597	1,175,360
Write-off and transfer out	(123,797)	(109,727)	(3,392,504)	(3,626,028)
Unwinding of discount on allowance	–	–	(462,742)	(462,742)
As at December 31	2,073,881	3,669,743	5,164,121	10,907,745

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

30. Financial assets at amortized cost (Continued)

Company

	As at December 31	
	2024	2023
Distressed debt assets		
– Acquired from financial institutions	**1,324,299**	1,775,690
– Acquired from non-financial institutions	**33,453,101**	63,726,142
Subtotal	**34,777,400**	65,501,832
Interest accrued	**1,495,712**	4,408,287
Gross of distressed debt assets	**36,273,112**	69,910,119
Less: Allowance for impairment losses	**7,799,512**	10,736,837
Net of distressed debt assets	**28,473,600**	59,173,282
Other debt investments	**4,455,499**	8,056,546
Interest accrued	**44,309**	219,182
Gross of other debt investments	**4,499,808**	8,275,728
Less: Allowance for impairment losses	**1,081,990**	908,247
Net of other debt investments	**3,417,818**	7,367,481
Total	**31,891,418**	66,540,763

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

30. Financial assets at amortized cost (Continued)

Company (Continued)

Distressed debt assets are as follows:

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at December 31, 2024				
Gross distressed debt assets	**9,801,345**	**13,702,906**	**12,768,861**	**36,273,112**
Less: Allowance for impairment losses	**481,250**	**2,564,718**	**4,753,544**	**7,799,512**
Net distressed debt assets	**9,320,095**	**11,138,188**	**8,015,317**	**28,473,600**

Refer to the Group for the changes of gross carrying amounts of the Company.

The movements of allowance for distressed debt assets in the year of 2024 are as follows:

	2024			
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at January 1	**2,073,881**	**3,669,743**	**4,993,213**	**10,736,837**
Convert to Stage II	**(1,373,607)**	**1,455,664**	**(82,057)**	**–**
Convert to Stage III	**(33,955)**	**(2,308,018)**	**2,341,973**	**–**
Impairment losses recognized	**161,971**	**321,792**	**1,092,916**	**1,576,679**
Impairment losses reversed	**(347,040)**	**(405,243)**	**(79,349)**	**(831,632)**
Stage conversion	**–**	**575,377**	**180,559**	**755,936**
Write-off and transfer out	**–**	**(744,597)**	**(3,081,018)**	**(3,825,615)**
Unwinding of discount on allowance	**–**	**–**	**(612,693)**	**(612,693)**
As at December 31	**481,250**	**2,564,718**	**4,753,544**	**7,799,512**

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

30. Financial assets at amortized cost (Continued)

Company (Continued)

Distressed debt assets are as follows:

	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at December 31, 2023				
Gross distressed debt assets	37,357,295	20,865,167	11,687,657	69,910,119
Less: Allowance for impairment losses	2,073,881	3,669,743	4,993,213	10,736,837
Net distressed debt assets	35,283,414	17,195,424	6,694,444	59,173,282

Refer to the Group for the changes of gross carrying amounts of the Company.

The movements of allowance for distressed debt assets in the year of 2023 are as follows:

	2023			
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL-impaired)	Total
As at January 1	3,610,887	3,279,209	6,170,452	13,060,548
Convert to Stage I	460,333	(460,333)	–	–
Convert to Stage II	(1,213,730)	1,213,730	–	–
Convert to Stage III	(64,689)	(1,244,414)	1,309,103	–
Impairment losses recognized	689,761	141,595	1,079,786	1,911,142
Impairment losses reversed	(931,329)	(262,635)	(127,479)	(1,321,443)
Stage conversion	(353,555)	1,112,318	416,597	1,175,360
Write-off and transfer out	(123,797)	(109,727)	(3,392,504)	(3,626,028)
Unwinding of discount on allowance	–	–	(462,742)	(462,742)
As at December 31	2,073,881	3,669,743	4,993,213	10,736,837

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

31. Accounts receivable

Group

	As at December 31	
	2024	2023
Accounts receivable from sales of properties	**1,949,605**	1,938,968
Accounts receivable relating to distressed debt assets	**602,125**	746,547
Commission and fee receivables	**667,055**	715,586
Accounts receivable relating to equity assets	**423,674**	425,502
Others	**828,857**	627,106
Gross of accounts receivable	**4,471,316**	4,453,709
Less: Allowance for impairment losses	**471,925**	267,000
Net of accounts receivable	**3,999,391**	4,186,709

Company

	As at December 31	
	2024	2023
Accounts receivable relating to distressed debt assets	**506,872**	677,872
Accounts receivable relating to equity assets	**400,000**	400,201
Others	**283,097**	286,391
Gross of accounts receivable	**1,189,969**	1,364,464
Less: Allowance for impairment losses	**192,638**	177,100
Net of accounts receivable	**997,331**	1,187,364

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

31. Accounts receivable (Continued)

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

Group

	As at December 31, 2024				As at December 31, 2023			
	Gross amount	%	Allowance for impairment losses	Carrying amount	Gross amount	%	Allowance for impairment losses	Carrying amount
Within 1 year (inclusive)	50,403	5	–	50,403	185,327	16	(1,034)	184,293
1 year to 2 years (inclusive)	19,663	2	(93)	19,570	154,711	13	(6,608)	148,103
2 years to 3 years (inclusive)	125,541	12	(2,930)	122,611	405,847	35	(118,059)	287,788
Over 3 years	830,192	81	(185,458)	644,734	426,164	36	(42,054)	384,110
Total	1,025,799	100	(188,481)	837,318	1,172,049	100	(167,755)	1,004,294

Company

	As at December 31, 2024				As at December 31, 2023			
	Gross amount	%	Allowance for impairment losses	Carrying amount	Gross amount	%	Allowance for impairment losses	Carrying amount
Within 1 year (inclusive)	–	–	–	–	143,681	13	(1,034)	142,647
1 year to 2 years (inclusive)	3,480	1	(93)	3,387	140,900	13	(6,608)	134,292
2 years to 3 years (inclusive)	109,900	12	(2,930)	106,970	393,492	36	(118,059)	275,433
Over 3 years	793,492	87	(185,458)	608,034	400,000	38	(42,054)	357,946
Total	906,872	100	(188,481)	718,391	1,078,073	100	(167,755)	910,318

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

31. Accounts receivable (Continued)

The movements of allowance for impairment losses are as follows:

Group

	Year ended December 31	
	2024	2023
At beginning of the year	**267,000**	362,484
Impairment losses recognized	**117,322**	118,620
Impairment losses reversed	**(43,782)**	(184,385)
Amounts written off and transferred out and others	**131,385**	(29,719)
At end of the year	**471,925**	267,000

Company

	Year ended December 31	
	2024	2023
At beginning of the year	**177,100**	291,720
Impairment losses recognized	**58,961**	18,567
Impairment losses reversed	**(38,750)**	–
Amounts written off and transferred out and others	**(4,673)**	(133,187)
At end of the year	**192,638**	177,100

32. Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured. The Company expected to recover a majority portion of the amounts due from subsidiaries within one year from the end of 2024 of the fiscal year.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

33. Properties held for sale

Group

	As at December 31	
	2024	2023
Completed properties	**22,437,309**	16,454,990
Properties under development	**56,670,715**	44,411,031
Others	**36,391**	22,870
Subtotal	**79,144,415**	60,888,891
Less: Allowance for impairment losses	**5,330,863**	2,029,015
Total	**73,813,552**	58,859,876
Including:		
Pledged for borrowings	**29,427,253**	16,045,513

As at December 31, 2024 and 2023, included in the properties held for sale amounted to RMB8,224 million and RMB8,488 million which represented the carrying amounts of the properties expected to be completed and sold within twelve months from the end of each reporting period.

The Company had no properties held for sale at the end of 2024 and 2023.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

34. Investment properties

Group

	Year ended December 31	
	2024	2023
Cost		
At beginning of the year	**11,499,779**	11,451,020
Additions during the year	**29,597**	213,632
Transfer in/(out)	**250,216**	(102,314)
Disposals	**(65,646)**	(62,559)
At end of the year	**11,713,946**	11,499,779
Accumulated depreciation		
At beginning of the year	**(2,388,358)**	(2,105,076)
Charge for the year	**(389,000)**	(360,903)
Transfer (in)/out	**(91,040)**	28,243
Disposals	**13,843**	49,378
At end of the year	**(2,854,555)**	(2,388,358)
Allowance for impairment losses		
At beginning of the year	**(69,846)**	(88,284)
Charge for the year	**(9,742)**	–
Decrease in the year	**–**	18,438
Transfer (in)/out	**(1,369)**	–
At end of the year	**(80,957)**	(69,846)
Net book value		
At beginning of the year	**9,041,575**	9,257,660
At end of the year	**8,778,434**	9,041,575
Net book value of investment properties pledged for borrowings	**2,355,807**	2,586,288

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

34. Investment properties (Continued)

Group (Continued)

The net book value of investment properties is analyzed based on the remaining terms of the leases as follows:

	As at December 31	
	2024	2023
Net book value:		
– on long-term leases (over 50 years)	**1,354,070**	1,851,390
– on medium-term leases (10 to 50 years)	**7,405,065**	7,146,937
– on short-term leases (less than 10 years)	**19,299**	43,248
Total	**8,778,434**	9,041,575

As at December 31, 2024, the Group's investment properties for which the Group has not obtained a certificate of land use right or certificate of property ownership amounted to RMB6.32 million (As at December 31, 2023: RMB15.10 million).

Company

	Year ended December 31	
	2024	2023
Cost		
At beginning of the year	**448,526**	448,526
At end of the year	**448,526**	448,526
Accumulated depreciation		
At beginning of the year	**(218,368)**	(201,917)
Charge for the year	**(16,446)**	(16,451)
At end of the year	**(234,814)**	(218,368)
Net book value		
At beginning of the year	**230,158**	246,609
At end of the year	**213,712**	230,158

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

34. Investment properties (Continued)

Company (Continued)

The net book value of investment properties is analyzed based on the remaining terms of the leases as follows:

	As at December 31	
	2024	2023
Net book value:		
– on medium-term leases (10 to 50 years)	**213,712**	230,158

35. Interests in subsidiaries

Company

	As at December 31	
	2024	2023
At cost	**40,856,049**	39,568,579
Total	**40,856,049**	39,568,579

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

35. Interests in subsidiaries (Continued)

Company (Continued)

Name of entity	Place of incorporation and operation	Date of incorporation/ establishment	Authorized/paid-in capital as at December 31, 2024	Proportion of ownership held by the Group(1) As at December 31		Proportion of voting rights held by the Group(1) As at December 31		Principal activities
				2024	2023	**2024**	2023	
			(In '000)	*%*	*%*	*%*	*%*	
China Cinda (HK) Holdings Co., Ltd.*	Hong Kong, PRC	December 16, 1998	HKD24,975,487	**100.00**	100.00	**100.00**	100.00	Investment holding
Cinda Securities Co., Ltd.* (d)(I)	Beijing, PRC	September 4, 2007	RMB3,243,000	**78.67**	78.67	**78.67**	78.67	Securities brokerage
Cinda Investment Co., Ltd.*(a)	Beijing, PRC	August 1, 2000	RMB4,682,317.2	**100.00**	100.00	**100.00**	100.00	Business investment
China Jingu International Trust Co., Ltd.*(f)	Beijing, PRC	April 21, 1993	RMB2,200,000	**93.75**	93.75	**93.75**	93.75	Trust service
Cinda Financial Leasing Co., Ltd.*(f)	Lanzhou, PRC	December 28, 1996	RMB3,505,249	**99.98**	99.98	**99.98**	99.98	Financial leasing
Zhongrun Economic Development Co., Ltd.*(f)	Beijing, PRC	May 8, 2000	RMB30,000	**100.00**	100.00	**100.00**	100.00	Investment management
Nanyang Commercial Bank, Limited	Hong Kong, PRC	February 2, 1948	HKD3,144,517	**100.00**	100.00	**100.00**	100.00	Commercial Bank
China Cinda (HK) Asset Management Co., Ltd.	Hong Kong, PRC	April 21, 1999	HKD0.002	**100.00**	100.00	**100.00**	100.00	Asset management
China Cinda Fund Management Co., Ltd.	Hong Kong, PRC	June 23, 1999	HKD0.002	**100.00**	100.00	**100.00**	100.00	Fund management
China Cinda (HK) Investment Management Co., Ltd.	Hong Kong, PRC	November 22, 2006	HKD0.001	**100.00**	100.00	**100.00**	100.00	Investment holding
Cinda (China) Investment Co., Ltd.	Hong Kong, PRC	March 24, 1994	HKD10	**100.00**	100.00	**100.00**	100.00	Investment holding
China Cinda (Macau) Asset Management Co., Ltd.	Macao, PRC	May 28, 1999	AUD100	**100.00**	100.00	**100.00**	100.00	Asset management
Well Kent International Group Co., Ltd.	Hong Kong, PRC	May 27, 1993	HKD1,000	**100.00**	100.00	**100.00**	100.00	Investment holding
Cinda Financial Holdings Co., Limited	Hong Kong, PRC	August 11, 2015	HKD68,000,001	**100.00**	100.00	**100.00**	100.00	Investment holding
Cinda Futures Co., Ltd.(a)	Hangzhou, PRC	October 5, 1995	RMB600,000	**78.67**	78.67	**100.00**	100.00	Futures and brokerage
Xinfeng Investment Management Co., Ltd.(a)	Beijing, PRC	April 9, 2012	RMB400,000	**78.67**	78.67	**100.00**	100.00	Investment management
Cinda Innovation Investment Co., Ltd.(a)	Beijing, PRC	August 20, 2013	RMB700,000	**78.67**	78.67	**100.00**	100.00	Investment management
Cinda Fund Management Co., Ltd.(b)	Shenzhen, PRC	June 5, 2006	RMB100,000	**42.48**	42.48	**54.00**	54.00	Fund management
Cinda Capital Management Co., Ltd.(f)	Tianjin, PRC	December 16, 2008	RMB200,000	**100.00**	100.00	**100.00**	100.00	Investment holding
Shanghai Tongda Venture Capital Co., Ltd.	Shanghai, PRC	July 27, 1991	RMB139,144	**40.68**	40.68	**40.68**	40.68	Investment holding

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

35. Interests in subsidiaries (Continued)

Company (Continued)

Name of entity	Place of incorporation and operation	Date of incorporation/ establishment	Authorized/paid-in capital as at December 31, 2024 *(In '000)*	Proportion of ownership held by the Group(1) As at December 31 **2024** %	2023 %	Proportion of voting rights held by the Group(1) As at December 31 **2024** %	2023 %	Principal activities
Cinda Real Estate Co., Ltd.(d)(I)	Beijing, PRC	July 20, 1984	RMB2,851,879	**54.45**	54.45	**54.45**	54.45	Real estate development
Hebei Cinda Jinjian Investment Co., Ltd	Hebei, PRC	November 24, 1998	RMB76,000	**100.00**	100.00	**100.00**	100.00	Investment holding
Wuhan Dongfang Jianguo Hotel Co., Ltd.	Wuhan, PRC	December 15, 1995	RMB282,000	**90.25**	90.25	**90.25**	90.25	Hotel Management
Changhuai Cinda Real Estate Co., Ltd. (a)	Anhui, PRC	June 8, 2006	RMB5,136,643	**54.45**	54.45	**100.00**	100.00	Real estate development
Cinda Jianrun Real Estate Co., Ltd.(b)	Beijing, PRC	December 28, 2007	RMB200,000	**70.00**	70.00	**70.00**	70.00	Real estate development
Cinda Securities (H.K.) Holdings Limited	Hong Kong, PRC	September 5, 2022	HKD64,426	**78.67**	78.67	**100.00**	100.00	Investment holding
Beijing Cinda Shiyuxin Investment Management Co., Ltd.(a)	Beijing, PRC	May 11, 2015	RMB10,000	**54.45**	54.45	**100.00**	100.00	Asset management
Beijing Cinda Real Estate Development Co., Ltd. (a)	Beijing, PRC	September 14, 2015	RMB10,000	**54.45**	54.45	**100.00**	100.00	Real estate development
Jade Aviation LLC	Cayman Islands/ Ireland	January 11, 2018	USD87,440	**80.00**	80.00	**80.00**	80.00	Aircraft leasing
China Cinda(2020) I Management Limited	BVI/Hong Kong, PRC	November 26, 2019	USD10	**100.00**	100.00	**100.00**	100.00	Capital raising (debt issuing)

The above table lists the principal subsidiaries of the Company. To give details of other subsidiaries would, in the opinion of management, result in particulars of excessive length.

VI. EXPLANATORY NOTES (Continued)

35. Interests in subsidiaries (Continued)

Company (Continued)

* These subsidiaries are directly held by the Company.

(a) This entity is registered as a limited liability company solely invested by a corporation under the PRC laws.

(b) This entity is registered as a Sino-foreign joint venture limited liability company under the PRC laws.

(c) This entity is registered as a mainland joint venture with a Hong Kong, Macao or Taiwan limited liability company under the PRC laws.

(d) This entity is registered as a listed joint stock limited company under the PRC laws.

(e) This entity is registered as an unlisted joint stock limited company under the PRC laws.

(f) This entity is registered as other limited liability company under the PRC laws.

(I) The shares of these subsidiaries are listed in Mainland China.

(1) The percentage of voting rights is combined by a direct holding percentage and an indirect controlling percentage of the subsidiaries. The percentage of ownership is the multiple of the holding percentages of different control levels.

(2) The Group's shareholding in Shanghai Tongda Venture Capital Co., Ltd. ("Shanghai Tongda") is less than 50%, but the shareholding percentage of other shareholders is widely dispersed. Moreover, according to the corporate charter, the Board's resolutions must be approved by more than half of all the directors, and the Group takes three of the four seats of Shanghai Tongda's Board. Therefore, Shanghai Tongda is accounted for as a subsidiary of the Company.

VI. EXPLANATORY NOTES (Continued)

36. Interests in consolidated structured entities

The Group had consolidated certain structured entities including private equity funds, trusts and asset management plans. To determine whether to consolidate these entities, the Group uses the following judgements:

(1) For the private equity funds where the Group is involved as both general partner and limited partner and has power over the funds the Group assesses whether the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of the funds that is of such significance that it indicates that the Group is a principal. The funds shall be consolidated if the Group acts in the role of principal.

(2) For the trusts or asset management plans where the Group is involved as trustee or manager and also as investor, and has power over the trusts or plans, the Group assesses whether the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of such trusts or plans that is of such significance that it indicates that the Group is a principal. The trusts or plans shall be consolidated if the Group acts in the role of principal.

(3) For the private equity funds, trusts and asset management plans, to which the Group has power over the structured entities and provides financial guarantees, the Group has an obligation to fund the losses beyond its investments, if any, in accordance with the guarantee agreements. The Group concludes that its exposure to variability of returns is of such significance that these structured entities shall be consolidated.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

36. Interests in consolidated structured entities (Continued)

Details of the Group's significant consolidated structured entities are as follows:

Name of structured entity	Paid-in capital/size of trust plan As at December 31 2024 *(In RMB'000)*	Proportion of interests held by the Group As at December 31 2024 %	2023 %	Principal activities
Shenzhen Guowei Equity Investment Center (Limited Partnership)	13,500,000	**55.56**	55.56	Investment management
Wuhu Ruyi Xinbo Investment Partnership (Limited Partnership)	8,689,215	**33.68**	32.51	Investment management
Ningbo Meishan Bonded Port Area Jusheng Jiada Investment Partnership (Limited Partnership)	5,746,898	**80.84**	80.86	Investment management
Shenzhen Zhengxin Century Investment Enterprise (limited Partnership)	5,446,495	**87.07**	87.07	Investment management
Jingu•Borui Single Capital Trust No.95	4,432,927	**100.00**	100.00	Trust
Nanning Qinjin Investment Partnership (Limited Partnership)	4,284,730	**83.66**	–	Investment management
Jingu•Xinyuan Assembled Capital Trust	4,255,568	**38.96**	92.19	Trust
Wuhu Tonghui Investment Partnership (Limited Partnership)	4,001,000	**100.00**	100.00	Investment management
Zhongjiang International•Yinhu 152 Liuzhou Liuyin Dongtong Investment Single Capital Trust	3,878,000	**100.00**	–	Trust
Wuhu Xinshi Heli Investment Management Partnership (Limited Partnership)	3,862,259	**100.00**	100.00	Investment management
Jingu•Borui Assembled Capital Trust No.94	3,488,313	**100.00**	100.00	Trust
Tianjin Xinchuangda Corporate Management Partnership (Limited Partnership)	3,329,854	**49.46**	–	Investment management
Wuhu Xinda Lowering Leverage Investment Management Partnership (Limited Partnership)	2,731,000	**100.00**	100.00	Investment management

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

36. Interests in consolidated structured entities (Continued)

Name of structured entity	Paid-in capital/size of trust plan As at December 31 2024 *(In RMB'000)*	Proportion of interests held by the Group As at December 31 2024 %	2023 %	Principal activities
Shenzhen Xincheng Yuanyou Industrial Development Partnership (Limited Partnership)	2,678,000	**100.00**	100.00	Investment management
Wuhu Guangjiao Huizhan Investment Partnership (Limited Partnership)	2,597,080	**99.99**	100.00	Investment management
Ningbo Meishan Bonded Port Jinxin Tairun Investment Partnership (Limited Partnership)	2,584,250	**99.96**	99.92	Investment management
Jingu•Shenzhen Baoneng Motor Single Capital Trust	2,288,863	**100.00**	100.00	Trust
Jingu•Jinxiang Capital Trust No.3	1,849,962	**100.00**	–	Trust
Jingu•Jinzhao Capital Trust No.22	1,800,000	**100.00**	–	Trust
Jingu•Jinzhao Capital Trust No.18	1,498,058	**100.00**	100.00	Trust

The financial impacts of each of the private equity funds, trusts and asset management plans on the Group's financial position as at December 31, 2024 and 2023, and results and cash flows for the years ended December 31, 2024 and 2023, though consolidated, were not significant and therefore were not disclosed separately.

Interests in all consolidated structured entities directly held by the Company amounted to RMB76,643.07 million and RMB65,375.91 million at December 31, 2024 and 2023, respectively.

Interests held by other interest holders are presented as changes in net assets attributable to other holders of consolidated structured entities in the consolidated statement of profit or loss and included in other liabilities in the consolidated statement of financial position as set out in Note VI.56 Other liabilities.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

37. Interests in associates and joint ventures

Group

	As at December 31	
	2024	2023
Interests in associates		
Carrying amount of unlisted companies	**50,415,864**	46,561,469
Carrying amount of listed companies	**26,772,762**	28,216,719
Allowance for impairment losses	**(1,293,303)**	(1,373,191)
Net carrying amounts of associates	**75,895,323**	73,404,997
Interests in joint ventures		
Carrying amount of unlisted companies	**21,612,505**	18,787,412
Allowance for impairment losses	**–**	(507,379)
Net carrying amounts of joint ventures	**21,612,505**	18,280,033
Net carrying amounts	**97,507,828**	91,685,030

Company

	As at December 31	
	2024	2023
Interests in associates		
Carrying amount of unlisted companies	**44,390,704**	41,461,350
Carrying amount of listed companies	**21,056,586**	19,786,831
Allowance for impairment losses	**(500,000)**	(500,000)
Net carrying amounts of associates	**64,947,290**	60,748,181
Interests in joint ventures		
Carrying amount of unlisted companies	**5,509,602**	7,839,251
Allowance for impairment losses	**–**	–
Net carrying amounts of joint ventures	**5,509,602**	7,839,251
Net carrying amounts	**70,456,892**	68,587,432

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

37. Interests in associates and joint ventures (Continued)

Name of entity	Place of incorporation/ establishment principal activities	Authorized/ paid-in capital As at December 31	Book value As at December 31		Proportion of equity interests held by the Group As at December 31		Proportion of voting power held by the Group As at December 31		Principal activities
		2024	**2024**	2023	**2024**	2023	**2024**	2023	
		(In'000)	***(In'000)***	*(In'000)*	*%*	*%*	*%*	*%*	
Shenhua Group Zhungeer Energy Co., Ltd.	Ordos, PRC	RMB7,102,343	**20,787,165**	19,796,056	**42.24**	42.24	**42.24**	42.24	Coal mining
Wengfu Group Co., Ltd.(1)	Guiyang, PRC	RMB4,609,091	**5,397,486**	5,734,956	**34.43**	32.74	**34.43**	32.74	Chemical materials and products
Founder Securities Co., Ltd.(2)	Changsha, PRC	RMB8,232,101	**5,101,918**	5,218,569	**7.20**	7.62	**7.20**	7.62	Securities brokerage
China Nuclear Engineering Co., Ltd.(3)	Shanghai, PRC	RMB2,648,648	**4,164,389**	4,015,809	**10.27**	10.24	**10.27**	10.24	Construction
Shenzhen Tencent Cinda Limited Partnership (Limited Partnership) (4)	Shenzhen, PRC	RMB11,007,330	**4,222,794**	4,229,925	**36.35**	36.35	**36.35**	36.35	Investment holding
Huainan Mining (Group) Co., Ltd.(5)	Huainan, PRC	RMB18,102,549	**4,157,743**	3,916,016	**8.32**	8.32	**8.32**	8.32	Coal mining
Xishan Coal Electricity Group Co.,Ltd.(6)	Taiyuan, PRC	RMB9,250,327	**3,722,946**	3,652,156	**41.14**	41.14	**41.14**	41.14	Coal mining
Yancoal Australia Ltd.(7)	Australia	AUD6,698,000	**3,326,198**	5,441,143	**7.69**	11.87	**7.69**	11.87	Coal mining
Kailuan Energy Chemical Co., Ltd.(8)	Tangshan, PRC	RMB1,587,800	**3,178,634**	3,204,642	**21.16**	21.16	**21.16**	21.16	Coal mining
China Shipbuilding Industry Group Power Co., Ltd.(9)	Baoding, PRC	RMB2,186,718	**1,457,804**	1,814,452	**3.51**	4.86	**3.51**	4.86	Manufacturing
Baiyin Nonferrous Group Co., Ltd.(10)	Baiyin, PRC	RMB7,404,775	**1,406,500**	1,430,935	**4.63**	4.63	**4.63**	4.63	Mining
Gansu Energy Chemical Co., Ltd. (11)	Baiyin, PRC	RMB4,611,017	**1,422,002**	1,345,110	**8.59**	8.59	**8.59**	8.59	Coal mining
Ningxia Western Venture Industrial Co., Ltd.(12)	Yinchuan, PRC	RMB1,458,375	**1,148,996**	1,116,667	**13.34**	13.34	**13.34**	13.34	Transportation
Mongolia Boyuan Yingen Mining Co., Ltd.(13)	Alxa League, PRC	RMB279,297	**1,099,386**	1,062,076	**4.16**	4.16	**4.16**	4.16	Mining

The above table lists the principal associates and joint ventures of the Group. To give details of other associates and joint ventures would, in the opinion of the management, result in particulars of excessive length. The directors, therefore do not disclose them separately

VI. EXPLANATORY NOTES (Continued)

37. Interests in associates and joint ventures (Continued)

(1) The Company can exercise significant influence on the financial and operating policy decision of Wengfu Group Co., Ltd. by appointing five directors to its board of directors. The Company accounts for this investment by equity method as an associate.

(2) The Company can exercise significant influence on the financial and operating policy decision of Founder Securities Co., Ltd. by appointing a director to its board of directors. The Company accounts for this investment by equity method as an associate.

(3) The Company can exercise significant influence on the financial and operating policy decision of China Nuclear Engineering Co., Ltd. by appointing a director to its board of directors as the second largest shareholder. The Company accounts for this investment by equity method as an associate.

(4) The Group has joint control on the financial and operating policy decision of the partnership with other parties under the contractual agreement in Shenzhen Tencent Cinda Limited Partnership (Limited Partnership). The Group accounts for this investment by equity method as a joint venture.

(5) The Company can exercise significant influence on the financial and operating policy decision of Huainan Mining (Group) Co., Ltd. by appointing a director to its board of directors. The Company accounts for this investment by equity method as an associate.

(6) The Company can exercise significant influence on the financial and operating policy decision of Xishan Coal Electricity Group Co., Ltd. by appointing five directors to its board of directors and accrediting two supervisors to its board of supervisors. The Company accounts for this investment by equity method as an associate.

(7) The Group can exercise significant influence on the financial and operating policy decision of Yancoal Australia Ltd. by appointing a director to its board of directors. The Group accounts for this investment by equity method as an associate.

(8) The Company can exercise significant influence on the financial and operating policy decision of Kailuan Energy Chemical Co., Ltd. by appointing two directors to its board of directors. The Company accounts for this investment by equity method as an associate.

(9) The Company can exercise significant influence on financial and operating policy decision of China Shipbuilding Industry Group Power Co., Ltd. by appointing a director to its board of directors. The Company accounts for this investment by equity method as an associate.

(10) The Company can exercise significant influence on financial and operating policy decision of Baiyin Nonferrous Group Co., Ltd. by appointing a director to its board of directors. The Company accounts for this investment by equity method as an associate.

(11) The Company can exercise significant influence on financial and operating policy decision of Gansu Energy Chemical Co., Ltd. by appointing a director to its board of directors. The Company accounts for this investment by equity method as an associate.

(12) The Company can exercise significant influence on financial and operating policy decision of Ningxia Western Venture Industrial Co., Ltd. by appointing a director to its board of directors. The Company accounts for this investment by equity method as an associate.

(13) The Company can exercise significant influence on financial and operating policy decision of Inner Mongolia Boyuan Yingen Mining Co., Ltd. by appointing a director to its board of directors. The Company accounts for this investment by equity method as an associate.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

38. Interests in unconsolidated structured entities

The Group is principally involved with unconsolidated structured entities through financial investments. These structured entities generally purchase assets through financing. The Group determines whether to consolidate these structured entities depending on whether the Group has control over them. Whether control exists is determined by the manner described in Note VI.36 Interests in consolidated structured entities. The unconsolidated structured entities include private equity funds, trust products, asset management plans and mutual funds, etc. The interests held by the Group in the unconsolidated structured entities are set out below.

As at December 31, 2024, the maximum exposure to risk and the book value of relevant investments of the Group arising from the interests held in directly invested structured entities that are sponsored by the Group or the third party financial institutions are set out below:

	December 31, 2024		December 31, 2023	
	Carrying amount	**Maximum exposure to risk**	Carrying amount	Maximum exposure to risk
Financial assets at fair value through profit or loss	**166,080,091**	**166,080,091**	158,937,222	158,937,222
Financial assets at amortized cost	**15,873,501**	**15,873,501**	15,315,705	15,315,705
Interests in associates and joint ventures	**10,761,753**	**10,761,753**	11,641,349	11,641,349

In 2024, the Group obtained management fees, commission and performance fees amounting to RMB1,770.64 million (2023: RMB2,107.86 million) from unconsolidated structured entities sponsored by the Group, in which the Group held no interests as at the year end.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

39. Property and equipment

Group

	Buildings	Aircrafts and vessels	Machinery and equipment	Electronic equipment and furniture	Motor vehicles	Construction in progress	Total
Cost							
As at January 1, 2024	12,144,957	4,772,865	236,142	1,131,179	182,317	288,040	18,755,500
Acquisition of subsidiaries	25,220	–	–	5,585	161	–	30,966
Additions	4,649	1,019,536	7,135	450,254	9,646	1,415,489	2,906,709
Disposals of subsidiaries	(490,887)	–	–	(84,185)	(315)	–	(575,387)
Disposals	(189,366)	–	(22,647)	(91,456)	(26,359)	(22,265)	(352,093)
Construction in progress transfer in/(out)	118,432	1,107	156,117	14,141	–	(621,327)	(331,530)
Exchange differences	177,789	35,563	27,492	–	–	2,547	243,391
As at December 31, 2024	11,790,794	5,829,071	404,239	1,425,518	165,450	1,062,484	20,677,556
Accumulated depreciation							
As at January 1, 2024	(3,537,099)	(725,729)	(166,657)	(826,238)	(118,852)	–	(5,374,575)
Charge for the year	(439,201)	(231,856)	(45,927)	(93,159)	(13,624)	–	(823,767)
Disposals of subsidiaries	176,245	–	–	68,171	217	–	244,633
Disposals	38,600	–	21,668	27,750	17,487	–	105,505
Exchange differences	(16,332)	(23,181)	(2,176)	–	–	–	(41,689)
As at December 31, 2024	(3,777,787)	(980,766)	(193,092)	(823,476)	(114,772)	–	(5,889,893)
Allowance for impairment losses							
As at January 1, 2024	(6,126)	(99,649)	(16)	–	(238)	(484)	(106,513)
Charge for the year	–	(12,134)	–	(2)	–	–	(12,136)
Writen-offs during the year	1,400	–	–	–	238	–	1,638
Exchange differences	(5)	(2,366)	–	–	–	–	(2,371)
As at December 31, 2024	(4,731)	(114,149)	(16)	(2)	–	(484)	(119,382)
Net book value							
As at January 1, 2024	8,601,732	3,947,487	69,469	304,941	63,227	287,556	13,274,412
As at December 31, 2024	8,008,276	4,734,156	211,131	602,040	50,678	1,062,000	14,668,281
Fixed asset cleanup							
As at December 31, 2024	–	–	–	91	23	–	114
Including:							
Net book value of assets pledged as at December 31, 2024	28,528	1,782,523	–	–	–	–	1,811,051

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

39. Property and equipment (Continued)

Group (Continued)

	Buildings	Aircrafts	Machinery and equipment	Electronic equipment and furniture	Motor vehicles	Construction in progress	Total
Cost							
As at January 1, 2023	12,098,254	5,005,528	335,747	934,424	193,007	139,770	18,706,730
Acquisition of subsidiaries	–	–	1,215	7,637	1,044	176,728	186,624
Additions	16,563	–	16,491	95,961	10,993	37,602	177,610
Disposals	(170,331)	–	(5,309)	(48,247)	(25,245)	(60,983)	(310,115)
Construction in progress transfer in/(out)	13,301	–	756	10,590	–	(7,685)	16,962
Transfer in/(out)	94,892	(86,930)	(113,809)	129,409	2,402	–	25,964
Exchange differences	92,278	(145,733)	1,051	1,405	116	2,608	(48,275)
As at December 31, 2023	12,144,957	4,772,865	236,142	1,131,179	182,317	288,040	18,755,500
Accumulated depreciation							
As at January 1, 2023	(3,008,504)	(762,322)	(240,404)	(701,643)	(131,931)	–	(4,844,804)
Acquisition of subsidiaries	–	–	(1,170)	(2,213)	(726)	–	(4,109)
Charge for the year	(470,222)	(233,592)	(12,990)	(103,968)	(13,050)	–	(833,822)
Disposals	16,348	–	4,554	44,375	23,535	–	88,812
Transfer (in)/out	(57,837)	–	84,067	(61,860)	3,419	–	(32,211)
Exchange differences	(16,884)	270,185	(714)	(929)	(99)	–	251,559
As at December 31, 2023	(3,537,099)	(725,729)	(166,657)	(826,238)	(118,852)	–	(5,374,575)
Allowance for impairment losses							
As at January 1, 2023	(6,122)	(88,721)	(16)	–	(238)	(484)	(95,581)
Charge for the year	–	(9,387)	–	–	–	–	(9,387)
Exchange differences	(4)	(1,541)	–	–	–	–	(1,545)
As at December 31, 2023	(6,126)	(99,649)	(16)	–	(238)	(484)	(106,513)
Net book value							
As at January 1, 2023	9,083,628	4,154,485	95,327	232,781	60,838	139,286	13,766,345
As at December 31, 2023	8,601,732	3,947,487	69,469	304,941	63,227	287,556	13,274,412
Including:							
Net book value of assets pledged as at December 31, 2023	117,704	1,906,510	–	–	–	–	2,024,214

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

39. Property and equipment (Continued)

Group (Continued)

As at December 31, 2024 and 2023, the original cost of the fully depreciated property and equipment that were still in use amounted to RMB727.72 million and RMB741.44 million, respectively.

As at December 31, 2024 and 2023, the Group's property and equipment for which the Group has not obtained a certificate of property ownership amounted to RMB392.82 million and RMB401.24 million, respectively.

The net book value of buildings located on land with the following remaining lease terms are as follows:

	As at December 31	
	2024	2023
Net book value:		
– on long-term leases (over 50 years)	**2,094,663**	2,091,525
– on medium-term leases (10 to 50 years)	**5,888,614**	6,302,844
– on short-term leases (less than 10 years)	**24,999**	207,363
Total	**8,008,276**	8,601,732

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

39. Property and equipment (Continued)

Company

	Buildings	Machinery and equipment	Electronic equipment and furniture	Motor vehicles	Construction in progress	Total
Cost						
As at January 1, 2024	1,018,492	104,424	416,971	94,245	21,782	1,655,914
Additions	–	8	28,677	6,209	–	34,894
Disposals	–	(7,095)	(29,455)	(8,422)	(21,782)	(66,754)
As at December 31, 2024	1,018,492	97,337	416,193	92,032	–	1,624,054
Accumulated depreciation						
As at January 1, 2024	(242,448)	(79,417)	(328,503)	(67,264)	–	(717,632)
Charge for the year	(33,584)	(7,423)	(37,605)	(7,156)	–	(85,768)
Disposals	–	5,864	28,579	8,117	–	42,560
As at December 31, 2024	(276,032)	(80,976)	(337,529)	(66,303)	–	(760,840)
Net book value						
As at January 1, 2024	776,044	25,007	88,468	26,981	21,782	938,282
As at December 31, 2024	742,460	16,361	78,664	25,729	–	863,214
Fixed asset cleanup						
As at December 31, 2024	–	–	91	23	–	114

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

39. Property and equipment (Continued)

Company (Continued)

	Buildings	Machinery and equipment	Electronic equipment and furniture	Motor vehicles	Construction in progress	Total
Cost						
As at January 1, 2023	1,057,609	104,338	390,318	96,006	8	1,648,279
Additions	–	106	39,274	7,065	21,774	68,219
Disposals	(39,117)	(20)	(12,621)	(8,826)	–	(60,584)
As at December 31, 2023	1,018,492	104,424	416,971	94,245	21,782	1,655,914
Accumulated depreciation						
As at January 1, 2023	(220,229)	(75,099)	(298,804)	(69,361)	–	(663,493)
Charge for the year	(33,813)	(4,319)	(42,124)	(6,402)	–	(86,658)
Disposals	11,594	1	12,425	8,499	–	32,519
As at December 31, 2023	(242,448)	(79,417)	(328,503)	(67,264)	–	(717,632)
Net book value						
As at January 1, 2023	837,380	29,239	91,514	26,645	8	984,786
As at December 31, 2023	776,044	25,007	88,468	26,981	21,782	938,282

As at December 31, 2024 and 2023, the original cost of the fully depreciated property and equipment that were still in use amounted to RMB324.96 million and RMB330.35 million, respectively.

The net book value of buildings located on land with the following remaining lease terms are as follows:

	As at December 31	
	2024	2023
Net book value:		
– on medium-term leases (10 to 50 years)	**742,460**	775,935
– on short-term leases (within 10 years)	**–**	109
Total	**742,460**	776,044

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

40. Goodwill

Group

	As at December 31	
	2024	2023
Carrying amount		
At beginning of the year	**25,040,115**	24,616,355
Derecognition upon absorption merger of a subsidiary	**(1,105,342)**	–
Exchange differences and others	**517,863**	423,760
At end of the year	**24,452,636**	25,040,115
Allowance for impairment losses		
At beginning of the year	**(1,879,699)**	(1,238,068)
Derecognition upon absorption merger of a subsidiary	**1,105,342**	–
Charge for the year	**(100,837)**	(638,000)
Exchange differences	**(13,823)**	(3,631)
At end of the year	**(889,017)**	(1,879,699)
Net book value		
At beginning of the year	**23,160,416**	23,378,287
At end of the year	**23,563,619**	23,160,416

VI. EXPLANATORY NOTES (Continued)

40. Goodwill (Continued)

Group (Continued)

The goodwill acquired from business combination is assessed for impairment at each annual financial reporting date or more frequently. The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset (value in use, "VIU").

The goodwill acquired through the business combination of NCB in 2016, which was accounted for as the major portion of the Group's goodwill as of December 31, 2024, is allocated to the NCB cash-generating unit ("CGU") for impairment testing. The Group compared the fair value less costs of disposal and the value in use of the CGU, and the recoverable amount of the CGU was determined as its value in use.

The recoverable amount of the NCB CGU has been determined based on a value-in-use calculation method, using cash flow projections based on both financial forecasts covering a 5-year period approved by senior management, with extrapolated projections for the subsequent 5 years. As of December 31, 2024, the net carrying amount of the goodwill was RMB23,284 million (December 31, 2023: RMB22,785 million), with a cost of RMB23,939 million (December 31, 2023: RMB23,427 million) and an accumulated impairment of RMB655 million (December 31, 2023: RMB642 million).

The stable growth rates used to extrapolate the cash flows of the NCB CGU beyond the 10-year period are fixed at 1.36% (for the year ended December 31, 2023: 1.20%) (Hong Kong) and 1.58% (for the year ended December 31, 2023: 1.90%) (Mainland China), respectively, which do not exceed the long-term average growth rate of the banking industry. The pre-tax discount rates applied to the goodwill impairment testing are 10.60% (for the year ended December 31, 2023: 10.47%) (Hong Kong) and 10.44% (for the year ended December 31, 2023: 10.43%) (Mainland China), respectively.

For the goodwill impairment testing, the Group makes the following assumptions on the key hypothesis in the process of cash flow projection: 1) discount rate: pre-tax discount rate reflecting the specific risk of the relevant cash-generating units; 2) cash flow's growth rate: based on both the past performance and the projection of market development. The information used by the Group in determining these key assumptions is consistent with external and internal information.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

41. Other intangible assets

Group

	Trading rights	Computer software systems and others	Trade names	Core deposits intangible	Credit card customer relationships	Total
Cost						
As at January 1, 2024	23,834	1,944,674	631,199	3,821,503	8,265	6,429,475
Additions	–	1,006,249	–	–	–	1,006,249
Disposals	–	(40,203)	–	–	–	(40,203)
Exchange differences	28	24,445	13,693	83,581	180	121,927
Others	(1,400)	5,740	(5,056)	–	–	(716)
As at December 31, 2024	22,462	2,940,905	639,836	3,905,084	8,445	7,516,732
Accumulated amortization						
As at January 1, 2024	–	(930,982)	(21)	(1,448,988)	(6,184)	(2,386,175)
Charge for the year	–	(318,896)	–	(197,597)	(821)	(517,314)
Disposals	–	32,611	–	–	–	32,611
Exchange differences	–	(2,234)	–	(29,338)	(148)	(31,720)
Others	–	(21)	21	–	–	–
As at December 31, 2024	–	(1,219,522)	–	(1,675,923)	(7,153)	(2,902,598)
Net book value						
As at January 1, 2024	23,834	1,013,692	631,178	2,372,515	2,081	4,043,300
As at December 31, 2024	22,462	1,721,383	639,836	2,229,161	1,292	4,614,134

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

41. Other intangible assets (Continued)

Group (Continued)

	Trading rights	Computer software systems and others	Trade names	Core deposits intangible	Credit card customer relationships	Total
Cost						
As at January 1, 2023	23,817	1,531,825	617,195	3,766,893	8,147	5,947,877
Additions	–	456,003	–	–	–	456,003
Disposals	–	(60,232)	–	–	–	(60,232)
Exchange differences	17	6,995	8,948	54,610	118	70,688
Others	–	10,083	5,056	–	–	15,139
As at December 31, 2023	23,834	1,944,674	631,199	3,821,503	8,265	6,429,475
Accumulated amortization						
As at January 1, 2023	–	(757,961)	–	(1,239,937)	(5,292)	(2,003,190)
Charge for the year	–	(171,271)	–	(189,994)	(811)	(362,076)
Disposals	–	2,250	–	–	–	2,250
Exchange differences	–	(833)	–	(19,057)	(81)	(19,971)
Others	–	(3,167)	(21)	–	–	(3,188)
As at December 31, 2023	–	(930,982)	(21)	(1,448,988)	(6,184)	(2,386,175)
Net book value						
As at January 1, 2023	23,817	773,864	617,195	2,526,956	2,855	3,944,687
As at December 31, 2023	23,834	1,013,692	631,178	2,372,515	2,081	4,043,300

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

41. Other intangible assets (Continued)

Company

	Computer software systems and others	**Total**
Cost		
As at January 1, 2024	**156,716**	**156,716**
Additions	**6,816**	**6,816**
Disposals	**(30,817)**	**(30,817)**
As at December 31, 2024	**132,715**	**132,715**
Accumulated amortization		
As at January 1, 2024	**(127,703)**	**(127,703)**
Charge for the year	**(13,568)**	**(13,568)**
Disposals	**30,817**	**30,817**
As at December 31, 2024	**(110,454)**	**(110,454)**
Net book value		
As at January 1, 2024	**29,013**	**29,013**
As at December 31, 2024	**22,261**	**22,261**

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

41. Other intangible assets (Continued)

Company (Continued)

	Computer software systems and others	Total
Cost		
As at January 1, 2023	137,083	137,083
Additions	19,633	19,633
As at December 31, 2023	156,716	156,716
Accumulated amortization		
As at January 1, 2023	(114,826)	(114,826)
Charge for the year	(12,877)	(12,877)
As at December 31, 2023	(127,703)	(127,703)
Net book value		
As at January 1, 2023	22,257	22,257
As at December 31, 2023	29,013	29,013

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

42. Deferred taxation

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

Group

	As at December 31	
	2024	2023
Deferred tax assets	**11,673,414**	10,956,488
Deferred tax liabilities	**(2,089,929)**	(1,723,273)
Deferred taxation	**9,583,485**	9,233,215

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

42. Deferred taxation (Continued)

Group (Continued)

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

	As at January 1, 2024	Credit/ (charge) to profit or loss	Charge to other comprehensive income/ (expense)	Others	As at December 31, 2024
Allowance for impairment losses	10,485,089	551,757	(4,285)	(11,904)	11,020,657
Withholding land appreciation tax	351,449	(19,573)	–	–	331,876
Asset revaluation	(894,839)	(185,430)	9,992	(18,491)	(1,088,768)
Fair value adjustments in business combination	(625,759)	43,032	–	(10,595)	(593,322)
Staff costs accrued but not paid	1,026,384	(215,635)	1,544	35,662	847,955
Interest capitalized on properties held for sale	198,471	(7,280)	–	–	191,191
Provisions	84,046	(14,075)	–	60	70,031
Changes in fair value of financial assets at FVTPL	3,009,061	50,413	–	(28,927)	3,030,547
Temporary differences related to the cost of associates and joint ventures (i)	(7,220,140)	(169,959)	(4,497)	(20,067)	(7,414,663)
Changes in fair value and impairment losses on financial assets at FVOCI	933,485	3	(702,161)	14,741	246,068
Unrealized loss due to income rights transfer	260,629	(39,972)	–	–	220,657
Tax losses	239,628	276,905	–	(17,242)	499,291
Partnership enterprise apportionment	429,725	713,586	–	–	1,143,311
Reorganization loss and others	955,986	46,183	5,398	71,087	1,078,654
Total	9,233,215	1,029,955	(694,009)	14,324	9,583,485

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

42. Deferred taxation (Continued)

Group (Continued)

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

	As at January 1, 2023	Credit/ (charge) to profit or loss	Charge to other comprehensive income/ (expense)	Others	As at December 31, 2023
Allowance for impairment losses	10,231,062	254,279	–	(252)	10,485,089
Withholding land appreciation tax	379,194	(27,745)	–	–	351,449
Asset revaluation	(894,658)	(181)	–	–	(894,839)
Fair value adjustments in business combination	(633,931)	592	–	7,580	(625,759)
Staff costs accrued but not paid	1,075,388	(46,654)	(2,350)	–	1,026,384
Interest capitalized on properties held for sale	417,622	(219,151)	–	–	198,471
Provisions	122,274	(38,228)	–	–	84,046
Changes in fair value of financial assets at FVTPL	1,552,411	1,455,120	–	1,530	3,009,061
Temporary differences related to the cost of associates and joint ventures (i)	(6,443,359)	(717,675)	(6,743)	(52,363)	(7,220,140)
Changes in fair value and impairment losses on financial assets at FVOCI	1,257,241	5,454	(315,538)	(13,672)	933,485
Unrealized loss due to income rights transfer	489,093	(228,464)	–	–	260,629
Tax losses	179,154	60,474	–	–	239,628
Partnership enterprise apportionment	72,313	357,412	–	–	429,725
Reorganization loss and others	1,443,259	(465,304)	(22,843)	874	955,986
Total	9,247,063	389,929	(347,474)	(56,303)	9,233,215

(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.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

42. Deferred taxation (Continued)

Group (Continued)

Tax losses and temporary differences that are not recognized as deferred income tax assets are as follows:

	As at December 31	
	2024	2023
Unused tax losses	**6,970,954**	6,080,407
Deductible temporary differences	**5,145,330**	5,332,724
Total	**12,116,284**	11,413,131

As at December 31, 2024, the above unused tax losses would expire from 2025 to 2029 (As at December 31, 2023: From 2024 to 2028).

Company

	As at December 31	
	2024	2023
Deferred tax assets	**5,771,116**	5,406,566
Deferred tax liabilities	**–**	–
Deferred taxation	**5,771,116**	5,406,566

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

42. Deferred taxation (Continued)

Company (Continued)

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

	As at January 1, 2024	Credit/ (charge) to profit or loss	Charge to other comprehensive income/ (expense)	Charge to capital reserve	As at December 31, 2024
Allowance for impairment losses	6,866,144	84	–	–	6,866,228
Staff costs accrued but not paid	690,873	(142,724)	–	–	548,149
Provisions	19,371	–	–	–	19,371
Changes in fair value of financial assets at FVTPL	2,543,146	279,977	–	–	2,823,123
Temporary differences related to the cost of associates and joint ventures (i)	(7,112,243)	(334,666)	(4,498)	(19,504)	(7,470,911)
Changes in fair value and impairment losses on financial assets at FVOCI	876,170	–	(383,227)	–	492,943
Unrealized loss due to income rights transfer	260,629	(39,972)	–	–	220,657
Tax losses	–	282,357	–	–	282,357
Partnership enterprise apportionment	429,317	270,817	–	–	700,134
Reorganization loss and others	833,159	455,906	–	–	1289,065
Total	5,406,566	771,779	(387,725)	(19,504)	5,771,116

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

42. Deferred taxation (Continued)

Company (Continued)

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

	As at January 1, 2023	Credit/ (charge) to profit or loss	Charge to other comprehensive income/ (expense)	Charge to capital reserve	As at December 31, 2023
Allowance for impairment losses	7,446,707	(580,563)	–	–	6,866,144
Staff costs accrued but not paid	613,561	77,312	–	–	690,873
Provisions	57,839	(38,468)	–	–	19,371
Changes in fair value of financial assets at FVTPL	1,290,193	1,252,953	–	–	2,543,146
Temporary differences related to the cost of associates and joint ventures (i)	(6,324,006)	(736,622)	(6,743)	(44,872)	(7,112,243)
Changes in fair value and impairment losses on financial assets at FVOCI	1,012,240	–	(136,070)	–	876,170
Unrealized loss due to income rights transfer	489,093	(228,464)	–	–	260,629
Partnership enterprise apportionment	371,983	57,334	–	–	429,317
Reorganization loss and others	1,222,470	(389,311)	–	–	833,159
Total	6,180,080	(585,829)	(142,813)	(44,872)	5,406,566

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

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

43. Other assets

Group

	As at December 31	
	2024	2023
Assets in satisfaction of debts (1)	**17,491,617**	12,462,076
Other receivables (2)	**10,682,296**	6,816,558
Prepayments	**6,349,950**	3,374,438
Assets held for sale (3)	**2,067,824**	2,859,440
Prepaid taxes	**2,480,668**	2,192,645
Dividends receivable	**2,632,438**	1,768,451
Right-of-use assets	**1,169,703**	1,341,613
Interest receivable	**697,404**	663,641
Long-term prepaid expenses	**339,737**	369,354
Assets with continuing involvement *(Note VI.67)*	**368,890**	345,575
Precious metals	**109,899**	242,965
Others	**1,685,232**	1,349,484
Total	**46,075,658**	33,786,240

Company

	As at December 31	
	2024	2023
Assets in satisfaction of debts (1)	**11,184,317**	9,191,500
Dividends receivable	**4,552,577**	3,654,473
Prepayments	**4,136,332**	1,620,574
Other receivables (2)	**1,122,366**	744,493
Right-of-use assets	**321,982**	464,088
Assets with continuing involvement *(Note VI.67)*	**303,776**	281,855
Prepaid taxes	**381,676**	243,652
Long-term prepaid expenses	**56,725**	43,252
Interest receivable	**11,043**	–
Others	**84**	281,308
Total	**22,070,878**	16,525,195

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

43. Other assets (Continued)

(1) Assets in satisfaction of debts

Assets in satisfaction of debts include those obtained from the Group's debtors to settle their defaulted debts and those acquired directly from financial institutions, which came into their possession through similar arrangements.

Group

	As at December 31	
	2024	2023
Buildings	**18,037,143**	12,989,908
Land use rights	**518,927**	315,375
Others	**202,943**	225,273
Subtotal	**18,759,013**	13,530,556
Less: Allowance for impairment losses	**1,267,396**	1,068,480
Net book value	**17,491,617**	12,462,076

Company

	As at December 31	
	2024	2023
Buildings	**11,540,428**	9,622,287
Land use rights	**518,927**	315,375
Others	**202,943**	172,623
Subtotal	**12,262,298**	10,110,285
Less: Allowance for impairment losses	**1,077,981**	918,785
Net book value	**11,184,317**	9,191,500

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

43. Other assets (Continued)

(2) Other receivables

Group

	As at December 31	
	2024	2023
Other receivables	**11,798,411**	7,735,478
Less: Allowance for impairment losses	**1,116,115**	918,920
Net book value	**10,682,296**	6,816,558

Company

	As at December 31	
	2024	2023
Other receivables	**1,278,571**	993,121
Less: Allowance for impairment losses	**156,205**	248,628
Net book value	**1,122,366**	744,493

Other receivables mainly include guarantee deposits and receivables relating to assets disposal within one year.

(3) Assets held for sale

In November 2024, the Group listed its equity of Xinjiang Changyuan Water Group Company Limited and Xinjiang Changyuan Tongda Investment Company Limited on the Shanghai United Assets and Equity Exchange. In December 2024, China Water Investment Group Company Limited picked the shares as the pending transferee. The transaction contract was signed and the payment was already made in January 2025.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

44. Borrowings from the central bank

Group

	As at December 31	
	2024	2023
Borrowings from the central bank (1)	**8,651,525**	–
Interest payable (2)	**990,684**	986,058
Total	**9,642,209**	986,058

Company

	As at December 31	
	2024	2023
Borrowings from the central bank (1)	**8,639,000**	–
Interest payable (2)	**990,677**	986,058
Total	**9,629,677**	986,058

(1) As at December 31, 2024, the Group has borrowed RMB8,639 million from the central bank as a special loan for real estate support borrowed by the Company from the People's Bank of China.

(2) As at December 31, 2024, the interest payable included RMB986 million of outstanding interest on the loans from the People's Bank of China for purchasing the non-performing assets of commercial banks. (December 31, 2023: RMB986 million, respectively)

45. Accounts payable to brokerage clients

Group

	As at December 31	
	2024	2023
Personal customers	**19,319,665**	11,569,236
Corporate customers	**4,399,038**	5,694,848
Total	**23,718,703**	17,264,084

VI. EXPLANATORY NOTES (Continued)

45. Accounts payable to brokerage clients (Continued)

Group (Continued)

Accounts payable to brokerage clients mainly include money held on behalf of clients at banks and at clearing houses by the Group, and the portion relating to securities brokerage clients amounting to RMB16,539.18 million at December 31, 2024 (As at December 31, 2023: RMB10,289.57 million) bears interest at the prevailing market interest rate.

The majority of the accounts payable balances are repayable on demand except where certain balances represent margin deposits and cash collateral received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, as the ageing analysis does not give additional value to the readers of this report in view of the nature of this business.

As at December 31, 2024 and 2023, included in the Group's accounts payable to brokerage clients were cash collateral of approximately RMB19,319.67 million and RMB439.90 million received from clients for margin financing and securities lending arrangement, respectively.

As at December 31, 2024 and 2023, the Company had no accounts payable to brokerage clients.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

46. Financial liabilities at fair value through profit or loss

Group

	As at December 31	
	2024	2023
Short positions in exchange fund bills and notes	**5,911,363**	6,867,182
Structured payment obligations for Distressed Assets (i)	**1,860,024**	1,388,108
Financing payables linked to stock index	**294**	6,848
Derivative financial liabilities *(Note VI.26(1))*	**742,795**	1,187,061
Total	**8,514,476**	9,449,199

Company

	As at December 31	
	2024	2023
Income guarantee and repurchase commitment	**95,851**	95,851
Structured payment obligations for Distressed Assets (i)	**1,860,024**	1,388,108
Total	**1,955,875**	1,483,959

(i) The Company acquired non-performing loans through a structured arrangement, the payable amounts for these transactions are based on changes in collection effectiveness, and as such, the outstanding transaction amounts as at December 31, 2024 were designated as financial liabilities at fair value through profit or loss.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

47. Financial assets sold under repurchase agreements

Group

	As at December 31	
	2024	2023
By collateral type:		
Debt securities	**27,324,994**	32,163,760
Finance lease receivables	**1,000,000**	1,000,000
Subtotal	**28,324,994**	33,163,760
Interest payable	**10,663**	174,289
Total	**28,335,657**	33,338,049

The Company had no financial assets sold under repurchase agreements as at December 31, 2024 and 2023.

48. Placements from banks and financial institutions

Group

	As at December 31	
	2024	2023
Placements from banks	**23,782,893**	26,764,163
Placements from financial institutions	**4,400,000**	2,603,221
Subtotal	**28,182,893**	29,367,384
Interest payable	**121,966**	107,211
Total	**28,304,859**	29,474,595

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

48. Placements from banks and financial institutions (Continued)

Company

	As at December 31	
	2024	2023
Placements from banks	**3,000,000**	–
Placements from financial institutions	**–**	2,780,000
Subtotal	**3,000,000**	2,780,000
Interest payable	**1,050**	1,401
Total	**3,001,050**	2,781,401

49. Borrowings

Group

	As at December 31	
	2024	2023
Banks and other financial institutions borrowings		
Unsecured loans	**551,954,122**	529,830,655
Loans secured by properties	**19,466,723**	11,536,869
Other secured loans	**7,929,001**	14,776,604
Subtotal	**579,349,846**	556,144,128
Interest payable	**2,016,210**	2,726,374
Total	**581,366,056**	558,870,502

Loans secured by properties were collateralized by properties held for sale, property and equipment and investment properties at an aggregate carrying amount of RMB33,594 million as at December 31, 2024 (December 31, 2023: RMB20,331 million).

Other secured loans were collateralized by interests in associates and joint ventures, finance lease receivables and non-listed equity investment at an aggregate carrying amount of RMB3,325 million as at December 31, 2024 (As at December 31, 2023: RMB3,168 million).

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

49. Borrowings (Continued)

Group (Continued)

	As at December 31	
	2024	2023
Carrying amount repayable*:		
Within one year	**327,541,369**	331,316,129
More than one year, but not exceeding two years	**215,350,944**	151,975,355
More than two years, but not exceeding five years	**29,769,643**	43,958,103
More than five years	**4,564,417**	5,578,620
Interest payable	**2,012,812**	3,351,514
Subtotal	**579,239,185**	536,179,721
Carrying amount of borrowings that contain a repayment on demand clause repayable:		
Within one year	**1,010,973**	22,603,130
More than one year, but not exceeding two years	**1,112,500**	–
Interest payable	**3,398**	87,651
Subtotal	**2,126,871**	22,690,781
Total	**581,366,056**	558,870,502

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

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

49. Borrowings (Continued)

Group (Continued)

The exposure of the Group's fixed-rate borrowings by the remaining contractual maturity period is as follows:

	As at December 31	
	2024	2023
Fixed-rate borrowings:		
Within one year	**315,134,486**	327,348,611
More than one year, but not exceeding two years	**194,424,460**	141,069,045
More than two years, but not exceeding five years	**20,548,534**	18,284,838
More than five years	**3,860,000**	543,200
Subtotal	**533,967,480**	487,245,694
Interest payable	**1,785,654**	2,476,890
Total	**535,753,134**	489,722,584

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"), Tokyo Overnight Average Rate ("TONAR"), Loan Prime Rate (LPR).

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

49. Borrowings (Continued)

Group (Continued)

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

	As at December 31	
	2024	2023
Effective interest rate		
Fixed-rate borrowings	**1.75%-7.30%**	2.25%-7.50%
Variable-rate borrowings	**1.19%-6.50%**	0.04%-6.90%

Company

	As at December 31	
	2024	2023
Bank borrowings		
Unsecured loans	**444,625,070**	421,190,600
Interest payable	**1,388,335**	1,824,268
Total	**446,013,405**	423,014,868

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

	As at December 31	
	2024	2023
Effective interest rate		
Fixed-rate borrowings	**1.87%-4.50%**	2.65%-4.50%

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

50. Due to customers

Group

	As at December 31	
	2024	2023
Demand deposits		
Corporate	**44,435,179**	31,308,701
Personal	**39,792,236**	34,678,006
Time deposits		
Corporate	**98,428,158**	125,890,254
Personal	**173,537,323**	134,039,463
Guarantee deposits	**10,819,099**	9,500,458
Subtotal	**367,011,995**	335,416,882
Interest payable	**3,447,225**	3,802,907
Total	**370,459,220**	339,219,789

The Company had no due to customers at the end of 2024 and 2023.

51. Deposits from banks and financial institutions

Group

	As at December 31	
	2024	2023
Banks	**5,953,754**	2,162,719
Other financial institutions	**1,365,026**	12,695,081
Subtotal	**7,318,780**	14,857,800
Interest payable	**99,901**	136,773
Total	**7,418,681**	14,994,573

The Company had no deposits from banks and financial institutions at the end of 2024 and 2023.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

52. Accounts payable

Group

	As at December 31	
	2024	2023
Accounts payable associated with real estate business (1)	**5,315,584**	4,177,701
Asset purchase payable	**6,768**	21,934
Others	**859,709**	583,356
Total	**6,182,061**	4,782,991

Company

	As at December 31	
	2024	2023
Asset purchase payable	**1,000**	1,000
Total	**1,000**	1,000

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

No ageing analysis is disclosed as in the opinion of the directors of the Company, as the ageing analysis on these items does not give additional value to the readers of this report in view of the nature of these items.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

53. Tax payable

Group

	As at December 31	
	2024	2023
PRC Enterprise Income Tax	**633,252**	1,291,704
PRC Land Appreciation Tax	**1,268,741**	2,070,937
Hong Kong Profits Tax	**66,878**	219,909
Total	**1,968,871**	3,582,550

Company

	As at December 31	
	2024	2023
PRC Land Appreciation Tax	**108**	–
Total	**108**	–

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

54. Bonds issued

Group

		As at December 31, 2024					As at December 31,2023
Bond type	*Notes*	**Face value**	**Currency**	**Term**	**Bond rate/ expected Return rate**	**Book value**	Book value
Financial Bonds	*(1)*	**107,500,000**	**CNY**	**3-10 years**	**2.20%-5.50%**	**110,566,389**	109,575,016
Corporate Bonds	*(2) (3) (4) (5)*	**42,472,000**	**CNY**	**1-5 years**	**1.72%-5.15%**	**43,226,328**	34,445,292
Asset-backed Securities	*(6)*	**14,060,000**	**CNY**	**11 months-2 years**	**2.10%-3.50%**	**14,160,357**	34,870,634
Mid-term Notes	*(7)*	**11,770,000**	**CNY**	**3-5 years**	**3.69%-5.10%**	**12,031,407**	12,978,233
USD Guaranteed Senior Notes	*(8)*	**11,465,000**	**USD**	**3-30 years**	**1.88%-5.75%**	**83,347,962**	82,931,718
Tier-II Capital Bonds	*(9)*	**8,000,000**	**CNY**	**5 years**	**4.50%**	**8,034,024**	8,028,943
Certificates of Deposit	*(10)*	**6,150,000**	**CNY**	**1 month-1 year**	**0.00%**	**6,128,447**	7,059,701
Certificates of Deposit	*(10)*	**14,600**	**USD**	**6 months**	**5.05%**	**106,851**	–
Beneficiary Certificates	*(11)*	**3,800,000**	**CNY**	**3 months-1 year**	**2.28%-2.5%**	**3,814,909**	4,669,264
Private Placement Notes		**1,700,000**	**CNY**	**3 years**	**5.00%-5.18%**	**1,746,136**	1,746,132
RMB Guaranteed Senior Notes	*(12)*	**1,500,000**	**CNY**	**3 years**	**3.70%**	**1,503,274**	1,501,963
Subordinated Notes		**700,000**	**USD**	**10 years**	**6.00%**	**5,113,500**	4,955,236
Total						**289,779,584**	302,762,132

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

54. Bonds issued (Continued)

Company

		As at December 31, 2024					As at December 31,2023
Bond type	*Notes*	**Face value**	**Currency**	**Term**	**Bond rate/ expected Return rate**	**Book value**	Book value
Financial Bonds	*(1)*	**95,000,000**	**CNY**	**3-10 years**	**3.10%-5.50%**	**97,675,990**	97,590,655
Asset-backed Securities	*(6)*	**14,060,000**	**CNY**	**11 months-2 years**	**2.10%-3.50%**	**14,158,195**	34,861,166
Tier-II Capital Bonds	*(9)*	**8,000,000**	**CNY**	**5 years**	**4.5%**	**8,030,326**	8,021,256
Total						**119,864,511**	140,473,077

(1) The Company issued financial bonds with a total face value of RMB95,000 million in the China Interbank Bond Market ("CIMB") in the period from September 2015 to November 2023 at fixed coupon rates. The Company's subsidiary Cinda Financial Leasing Co., Ltd. ("Cinda Financial Leasing") issued financial bonds with a total face value of RMB1,000 million in August 2022 at fixed coupon rates. The Company's subsidiary Nanyang Commercial Bank (China) Co., Ltd., issued financial bonds with a total face value of RMB11,500 million in the period from December 2020 to September 2024 at fixed coupon rates.

(2) Cinda Investment Co., Ltd. ("Cinda Investment"), a subsidiary of the Company, issued Tranche I and II corporate bonds with a total face value of RMB2,998 million in December 2023. The bonds have fixed coupon rates, payable annually. The face value of Tranche I is RMB998 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 RMB2,000 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 Investment issued Tranche I and II corporate bonds with a total face value of RMB1,999 million in January 2024. The bonds have fixed coupon rates, payable annually. The face value of Tranche I is RMB1,100 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 RMB899 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 Investment issued Tranche I and II corporate bonds with a total face value of RMB2,500 million in April 2024. The bonds have fixed coupon rates, payable annually. The face value of Tranche I is RMB1,500 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. The face value of Tranche II is RMB1,000 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.

VI. EXPLANATORY NOTES (Continued)

54. Bonds issued (Continued)

(2) (Continued)

Cinda Investment issued corporate bonds with a total face value of RMB1,000 million in August 2024. The bonds have fixed coupon rates, payable 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.

Cinda Investment issued Tranche I and II corporate bonds with a total face value of RMB2,375 million in September 2024. The bonds have fixed coupon rates, payable annually. The face value of Tranche I 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. The face value of Tranche II is RMB1,875 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.

(3) Cinda Real Estate Co., Ltd. ("Cinda Real Estate"), a subsidiary of Cinda Investment, issued Tranche I and II corporate bonds with a total face value of RMB2,770 million in January 2021, the bonds have fixed coupon rates, payable annually. The face value of Tranche I is RMB1,720 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. The issuer and investors adjusted the interest rate and all sold back in January 2023. The issuer resold all sold back in March 2023. The face value of Tranche II is RMB1,050 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 issuer and investors adjusted the interest rate and partially sold back in January 2024. The issuer resold all sold back in February 2024.

Cinda Real Estate issued Tranche I and II corporate bonds with a total face value of RMB3,030 million in March 2021, the bonds have fixed coupon rates, payable annually. The face value of Tranche I is RMB2,020 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. The issuer and investors adjusted the interest rate and partially sold back in March 2023. The issuer resold all sold back in April 2023. The face value of Tranche II is RMB1,010 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 issuer and investors adjusted the interest rate and partially sold back in March 2024. The issuer resold all sold back in March 2024.

Cinda Real Estate issued Tranche I and II corporate bonds with a total face value of RMB1,200 million in May 2022, the bonds have fixed coupon rates, payable 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 second year. The issuer and investors adjusted the interest rate and partially sold back in May 2024. The issuer resold all sold back in June 2024. The face value of Tranche II 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.

Cinda Real Estate issued corporate bonds with a face value of RMB1,500 million in August 2022, the bonds have fixed coupon rates, payable 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. The issuer and investors adjusted the interest rate and partially sold back in August 2024. The issuer resold all sold back in September 2024.

VI. EXPLANATORY NOTES (Continued)

54. Bonds issued (Continued)

(3) (Continued)

Cinda Real Estate issued Tranche I and II corporate bonds with a total face value of RMB1,500 million in June 2023, the bonds have fixed coupon rates, payable annually. The face value of Tranche I is RMB650 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. The face value of Tranche II is RMB850 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.

Cinda Real Estate issued corporate bonds with a face value of RMB800 million in December 2023, the bonds have fixed coupon rates, payable 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.

(4) WelI 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, with a fixed interest rate and annual interest payments, attached 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 partially sell back in March 2024, with a sold back amount of RMB1,200 million. Well Kent (Shenzhen) issued corporate bonds with a total face value of RMB500 million in June 2022, with fixed interest rates, payable 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.

Well Kent (Shenzhen) issued Tranche I and II corporate bonds with a total face value of RMB1,500 million in March 2024, with fixed interest rate, payable annually. The face value of Tranche I is RMB1,400 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 RMB100 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.

Well Kent (Shenzhen) issued corporate bonds with a face value of RMB1,000 million in April 2024, with a fixed interest rate and annual interest payment, 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.

Well Kent (Shenzhen) issued corporate bonds with a face value of RMB500 million in July 2024, with a fixed interest rate and annual interest payment, 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.

VI. EXPLANATORY NOTES (Continued)

54. Bonds issued (Continued)

(5) Cinda Securities Co., Ltd. ("Cinda Securities"), a subsidiary of the Company, issued a five-year corporate bond with a face value of RMB1,000 million at a fixed coupon rate of 3.57% on 27 March 2020; Cinda Securities issued a three-year corporate bond with a face value of RMB2,000 million in April 2023, at a fixed interest rate 3.23%; Cinda Securities issued a short-term corporate bond with a face value of RMB2,000 million in February 2024, at a fixed interest rate 2.33%; Cinda Securities issued a three-year corporate bond with a face value of RMB1,200 million in March 2024, at a fixed interest rate 2.65%; Cinda Securities issued a five-year corporate bond with a face value of RMB1,100 million in March 2024, at a fixed interest rate 2.85%; Cinda Securities issued a three-year corporate bond with a face value of RMB1,000 million in July 2024, at a fixed interest rate 2.25%; Cinda Securities issued a short-term corporate bond with a face value of RMB2,000 million in November 2024, at a fixed interest rate 2.00%; Cinda Securities issued a three-year corporate bond with a face value of RMB2,000 million in November 2024, at a fixed interest rate 2.26%; Cinda Securities issued a two-year corporate bond with a face value of RMB3,000 million in December 2024, at a fixed interest rate 1.96%; Cinda Securities issued a short-term corporate bond with a face value of RMB1,700 million in December 2024, at a fixed interest rate 1.72%.

(6) The Company issued asset-backed securities with a total face value of RMB14,060 million from June 2023 to July 2024, at fixed coupon rates.

(7) Cinda Investment, a subsidiary of the Company, issued medium-term notes with a face value of RMB1,770 million in March 2022, at a fixed interest rate, payable 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. Cinda Investment issued two medium-term notes in April 2023 with a total face value of RMB2,000 million, at fixed interest rates, payable annually. One of the two medium-term notes has an option to adjust the coupon rate and the investor's option to sell back at the end of the third year, while the other one has an option to adjust the coupon rate and the investor's option to sell back at the end of the second and fourth years.

Cinda Investment issued a medium-term note with a face value of RMB1,500 million in July 2023, with a fixed interest rate, payable annually, with an option for the issuer to adjust the coupon rate and the investor's option to sell back at the end of the second and fourth years.

Cinda Investment issued two medium-term notes with a total face value of RMB1,500 million in August 2023, with fixed rates, interest payable annually. One of the two medium-term notes has an option to adjust the coupon rate and the investor's option to sell back at the end of the third year, while the other one has an 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 a medium-term note with a face value of RMB580 million in April 2022 with fixed coupon rates, payable annually. Cinda Real Estate issued a medium-term note with a face value of RMB1,600 million in April 2023 with fixed coupon rates, payable annually, with an option for the issuer 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 issued medium-term notes with a face value of RMB1,000 million and RMB1,820 million in July 2023 and December 2023, respectively, with fixed coupon rates, payable annually, with an option to adjust the coupon rate and the investor's option to sell back at the end of the second and fourth years.

VI. EXPLANATORY NOTES (Continued)

54. Bonds issued (Continued)

(8) China Cinda Financial Co., Ltd., a subsidiary of China Cinda (Hong Kong) Holdings Limited ("Cinda Hong Kong"), issued a total face value of USD11,465 million of Guaranteed Senior Notes in Hong Kong in the period from June 2014 to July 2024.

(9) The Company issued Tier II capital bonds with a total face value of RMB8,000 million in November 2020, at fixed coupon rates, payable annually, and with a conditional issuer redemption right at the end of the fifth year. The issuer has the right to partially or fully redeem the bonds at par in one lump sum, subject to the prior approval obtained from the NFRA.

(10) Nanyang Commercial Bank, a subsidiary of Cinda Hong Kong, issued interbank certificates of deposit with a total face value of RMB6,150 million from April 2024 to December 2024 and issued interbank certificates of deposit with a face value of USD14.60 million in August 2024.

(11) Cinda Securities Co., Ltd., a subsidiary of the Company, issued Beneficiary Certificates with a total face value of RMB3,800 million from October 2024 to December 2024.

(12) China Cinda (2020) I Management Ltd., a subsidiary of Cinda Hong Kong, issued corporate bonds with a face value of RMB1,500 million in May 2023, at fixed interest rate, payable semi-annually. At any time prior to maturity, either the issuer or Cinda Hong Kong has the right to partially or fully redeem the bonds.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

55. Contract liabilities

Group

	As at December 31	
	2024	2023
Sales proceeds received in advance (1)	**3,558,660**	5,626,622
Others	**137,023**	505,377
Total	**3,695,683**	6,131,999

(1) Sales proceeds received in advance

	2024	2023
At beginning of the year	**5,626,622**	7,223,029
Deferred during the year	**5,755,846**	7,656,400
Recognized as revenue during the year	**(7,823,808)**	(9,252,807)
At end of the year	**3,558,660**	5,626,622

As at December 31, 2024 and December 31, 2023, no contract liability were held by the Company.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

56. Other liabilities

Group

	As at December 31	
	2024	2023
Other payables	**16,027,926**	20,897,350
Risk deposit	**5,576,236**	6,107,951
Staff costs payable (1)	**4,132,336**	5,143,915
Receipts in advance associated with disposal of distressed assets	**6,258,284**	5,052,875
Long-term payable	**4,970,305**	4,669,600
Payables to interest holders of consolidated structured entities *(Note VI. 36)*	**10,439,677**	4,852,699
Sundry taxes payable	**1,188,823**	1,416,630
Lease liabilities	**1,125,531**	1,294,165
Dividends payable	**102,209**	–
Notes payable	**50,139**	1,030,164
Liabilities held for sale	**–**	1,012,197
Receipts in advance	**648,134**	828,034
Items in the process of clearance and settlement	**1,083,669**	595,897
Provisions (2)	**1,221,273**	581,687
Liabilities with continuing involvement *(Note VI. 67)*	**368,890**	345,575
Others	**1,135,418**	792,719
Total	**54,328,850**	54,621,458

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

56. Other liabilities (Continued)

Group (Continued)

(1) Staff costs payable

	2024			
	As at January 1	**Increase in the current year**	**Decrease in the current year**	**As at December 31**
Wages or salaries, bonuses, allowances and subsidies	**4,021,489**	**3,941,808**	**(4,960,758)**	**3,002,539**
Social insurance	**140,835**	**358,130**	**(348,524)**	**150,441**
Defined contribution plans	**290,632**	**648,507**	**(678,051)**	**261,088**
Defined benefit plans (i)	**83,677**	**4,919**	**8,020**	**96,616**
Housing funds	**3,550**	**299,132**	**(299,857)**	**2,825**
Labor union fees and staff education expenses	**434,270**	**95,739**	**(84,119)**	**445,890**
Others	**169,462**	**373,974**	**(370,499)**	**172,937**
Total	**5,143,915**	**5,722,209**	**(6,733,788)**	**4,132,336**

	2023			
	As at January 1	Increase in the current year	Decrease in the current year	As at December 31
Wages or salaries, bonuses, allowances and subsidies	5,268,448	4,116,370	(5,363,329)	4,021,489
Social insurance	132,297	365,316	(356,778)	140,835
Defined contribution plans	247,004	654,360	(610,732)	290,632
Defined benefit plans (i)	95,374	5,046	(16,743)	83,677
Housing funds	3,363	287,037	(286,850)	3,550
Labor union fees and staff education expenses	435,084	92,254	(93,068)	434,270
Others	141,509	348,807	(320,854)	169,462
Total	6,323,079	5,869,190	(7,048,354)	5,143,915

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

56. Other liabilities (Continued)

Group (Continued)

(1) Staff costs payable (Continued)

(i) Defined benefit plans

Movements of retirement benefit of the Group's subsidiary NCB are as follows:

	2024	2023
At beginning of the year	**83,677**	95,374
Current service cost	**1,782**	1,496
Interest cost	**3,137**	3,550
Actuarial losses/(gains) on remeasurement	**9,356**	(14,241)
Benefit paid	**(3,333)**	(3,811)
Exchange differences	**1,997**	1,309
At end of the year	**96,616**	83,677

Principal actuarial assumptions used are as follows:

	As at December 31	
	2024	2023
Discount rate	**3.9%**	3.8%
Expected rate of medical insurance cost increases	**6%**	6%
Expected rate of social entertainment cost increases	**0%**	0%
Expected rate of retirement souvenir cost increases	**0%**	0%
Expected rate of rental increases	**2%**	3%
Expected rate of withdrawal	**1%-20%**	3%-18%
Expected death rate	**Hong Kong Life Tables 2023**	Hong Kong Life Tables 2022

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

56. Other liabilities (Continued)

Group (Continued)

(2) Movements of provisions

	2024	2023
At beginning of the year	**581,687**	779,128
Provided for the year	**988,189**	253,637
Settled/Reversed	**(348,603)**	(451,078)
At end of the year	**1,221,273**	581,687

Company

	As at December 31	
	2024	2023
Receipts in advance associated with disposal of distressed assets	**5,578,800**	5,052,875
Other payables	**4,488,090**	3,783,000
Staff costs payable (1)	**2,203,120**	2,525,730
Lease liabilities	**313,593**	452,185
Liabilities with continuing involvement	**303,776**	281,855
Sundry taxes payable	**129,167**	132,852
Provisions (2)	**16,100**	16,100
Others	**752,897**	101,521
Total	**13,785,543**	12,346,118

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

56. Other liabilities (Continued)

Company (Continued)

(1) Staff costs payable

	2024			
	As at January 1	**Increase in the current year**	**Decrease in the current year**	**As at December 31**
Wages or salaries, bonuses, allowances and subsidies	**2,214,337**	**1,207,549**	**(1,527,067)**	**1,894,819**
Social insurance	**95,597**	**130,061**	**(112,319)**	**113,339**
Defined contribution plans	**5,595**	**218,015**	**(244,637)**	**(21,027)**
Housing funds	**555**	**104,411**	**(104,849)**	**117**
Labor union fees and staff education expenses	**207,772**	**42,746**	**(34,817)**	**215,701**
Others	**1,874**	**77,074**	**(78,777)**	**171**
Total	**2,525,730**	**1,779,856**	**(2,102,466)**	**2,203,120**

	2023			
	As at January 1	Increase in the current year	Decrease in the current year	As at December 31
Wages or salaries, bonuses, allowances and subsidies	2,625,563	1,246,215	(1,657,441)	2,214,337
Social insurance	83,239	132,483	(120,125)	95,597
Defined contribution plans	5,557	238,656	(238,618)	5,595
Housing funds	404	99,670	(99,519)	555
Labor union fees and staff education expenses	203,192	43,976	(39,396)	207,772
Others	872	87,311	(86,309)	1,874
Total	2,918,827	1,848,311	(2,241,408)	2,525,730

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

56. Other liabilities (Continued)

Company (Continued)

(2) Movements of provisions

	2024	2023
At beginning of the year	**16,100**	169,971
Settled/Reversed	**–**	(153,871)
At end of the year	**16,100**	16,100

57. Share capital

Group and Company

	Year ended December 31	
	2024	2023
Authorized, issued and fully paid:		
At beginning of the year	**38,164,535**	38,164,535
At end of the year	**38,164,535**	38,164,535

VI. EXPLANATORY NOTES (Continued)

57. Share capital (Continued)

Group and Company (Continued)

A summary of the movements of the Company's issued shares (in thousands of shares) during the year is as follows:

	2024			
	As at January 1	**Issuance**	**Transfer**	**As at December 31**
Domestic shares				
– 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**

	2023			
	As at January 1	Issuance	Transfer	As at December 31
Domestic shares				
– 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 December 31, 2024 and 2023, no shares of the Company were subject to lock-up restriction.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

58. Other equity instruments

Group and Company

For the year ended December 31, 2024, the movements of the Company's other equity instruments were as follows:

	2024							
	As at January 1,		Increase		Decrease		As at December 31,	
	Quantity *(shares)* *(In '000)*	Carrying amount *(In '000)*	Quantity *(shares)* *(In '000)*	Carrying amount *(In '000)*	Quantity *(shares)* *(In '000)*	Carrying amount *(In '000)*	Quantity *(shares)* *(In '000)*	Carrying amount *(In '000)*
Preference Shares								
– 2021 Offshore Preference Shares	85,000	10,838,023	–	–	–	–	85,000	10,838,023
Undated Capital Bonds (1)								
– 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

VI. EXPLANATORY NOTES (Continued)

58. Other equity instruments (Continued)

Group and Company (Continued)

(1) The duration of the above bonds is the same as the period of continuing operation of the Company. Subject to the satisfaction of the redemption conditions and having obtained the prior approval from NFRA, the Company may redeem the above bonds in whole or in part on each distribution payment date 5 years after the issuance date of the above bonds. Upon the occurrence of a trigger event for the write-downs, without the consent of the bondholders, the Company has the right to write down all or part of the above bonds issued and existing at that time in accordance with the total par value. The claims of the investors of the above bonds will be subordinated to the claims of general creditors and subordinated creditors and shall rank in priority to the claims of all categories of shareholders and will rank pari passu with the claims under any other additional tier 1 capital instruments of the Company that rank pari passu with the above bonds.

The above bonds pay non-cumulative interest. The Company shall have the right to cancel distributions on the above bonds in whole or in part and such cancellation shall not constitute a default. The Company may at its discretion utilize the proceeds from the cancelled distributions to meet other obligations of maturing debts. But the Company shall not distribute profits to ordinary shareholders until the resumption of full dividend payments to bondholders.

Capital raised from the issuance of the above bonds, after deduction of transaction costs, was wholly used to replenish the Company's additional tier 1 capital.

59. 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 share issuances in current and prior years.

In 2024, Cinda Financial Leasing Co., Ltd., a subsidiary of the Company, increased capital reserve by RMB3.66 billion from retained earnings of RMB3.11 billion and surplus reserve of RMB0.55 billion due to shareholding reform.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

60. Other comprehensive income

Group

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

	Year ended December 31	
	2024	2023
At beginning of the year	**(3,321,967)**	(4,543,285)
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 year	**1,710,972**	1,438,708
Amounts reclassified to profit or loss upon disposal	**(579,607)**	(294,231)
Amounts of profit or loss upon impairment	**(1,320)**	(204,908)
Income tax effect	**(258,774)**	(181,667)
	871,271	757,902
Exchange differences arising on translation of foreign operations	**(529,143)**	43,937
Share of other comprehensive income of associates and joint ventures	**58,070**	26,516
Income tax effect	**(4,498)**	(6,743)
	395,700	821,612
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of supplementary retirement benefits	**(9,356)**	14,241
Income tax effect	**1,544**	(2,350)
	(7,812)	11,891
Fair value changes on equity instruments designated as at fair value through other comprehensive income	**1,589,749**	558,981
Other comprehensive income carried forward to retained earnings	**(96,707)**	(32,268)
Income tax effect	**(398,479)**	(138,898)
	1,086,751	399,706
Other comprehensive income for the year	**1,482,451**	1,221,318
At end of the year	**(1,839,516)**	(3,321,967)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

60. Other comprehensive income (Continued)

Company

	Year ended December 31	
	2024	2023
At beginning of the year	**(2,360,543)**	(2,789,588)
Share of other comprehensive income of associates and joint ventures	**25,460**	27,579
Income tax effect	**(4,498)**	(6,743)
	20,962	20,836
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	**1,532,906**	544,279
Income tax effect	**(383,227)**	(136,070)
Subtotal	**1,149,679**	408,209
Other comprehensive income for the year	**1,170,641**	429,045
At end of the year	**(1,189,902)**	(2,360,543)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

61. Surplus reserve

Under the PRC Laws, the Company and its domestic subsidiaries are required to transfer 10% of their net profit determined under the PRC GAAP to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve may cease when the balance of such reserve has reached 50% of the share capital of the entity.

62. General reserve

For the year ended December 31, 2024, the Group transferred RMB546.64 million to the general reserve pursuant to the regulatory requirements in the PRC (For the year ended December 31, 2023, the Group transferred RMB513.30 million to the general reserve).

For the year ended December 31, 2024, no general reserve is required to be transferred for the Company pursuant to the regulatory requirements in the PRC (For the year ended December 31, 2023, no general reserve is required to be transferred for the Company pursuant to the regulatory requirements in the PRC).

63. Retained earnings

During the years ended December 31, 2024 and 2023, the retained earnings of the Company were as follows:

Company

	As at December 31	
	2024	2023
At beginning of the year	**45,047,558**	43,869,050
Profit for the year	**3,058,417**	5,143,750
Appropriation to surplus reserve	**(305,842)**	(514,375)
Dividends recognized as distribution	**(3,298,168)**	(3,450,867)
At end of the year	**44,501,965**	45,047,558

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

64. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent:

	As at December 31	
	2024	2023
Cash	**445,942**	523,309
Balances with central banks	**7,366,909**	8,815,909
Deposits with banks and financial institutions	**63,102,812**	63,712,353
Placements with banks and financial institutions	**33,355,461**	24,079,098
Financial assets held under resale agreements	**5,026,591**	5,746,092
Cash and cash equivalents	**109,297,715**	102,876,761

65. Major non-cash transactions

As part of its distressed asset management business, the Group entered into transactions of debt-to-equity swap with counterparties in the ordinary course of business during the year. For the year ended December 31, 2024, equity instruments amounting to RMB3,961.37 million (2023: RMB2,821.41 million) were swapped with debt instruments held by the Group with a carrying amount of RMB3,064.92 million (2023: RMB2,441.67 million).

66. Contingent liabilities and commitments

(1) Legal proceedings

Group and Company

The Company and its subsidiaries are involved as defendants in certain lawsuits arising from their normal business operations. As at December 31, 2024 and 2023, total claim amounts of pending litigations were RMB10,190.02 million and RMB3,437.54 million for the Group and RMB9,980.67 million and RMB3,198.29 million for the Company respectively, and provisions of RMB54.62 million and RMB6.01 million for the Group respectively were made based on court judgements or the advice of legal counsels. The directors of the Company believe that the final results of these lawsuits will not have a material impact on the financial position or operations of the Group and the Company.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

66. Contingent liabilities and commitments (Continued)

(1) Legal proceedings (Continued)

Group and Company (Continued)

As at December 31, 2024, the subject amount of the pending litigations in which the Group was a defendant included an economic contract dispute against the Group by a Shenzhen partnership and a Shenzhen fund management company. The case is still in the process of arbitration. Based on the communication with the lawyers, the Group assessed that the case will not have a material impact on the financial position or operations of the Group at the present stage.

(2) Credit commitments

	As at December 31	
	2024	2023
Bank acceptance bills	**40,723,670**	37,975,298
Loan commitments *(i)*	**5,602,953**	13,165,088
Letters of guarantee issued	**3,900,339**	5,882,224
Letters of credit issued	**3,461,150**	5,417,620
Undrawn credit card commitments	**362,853**	579,050
Others	**–**	2,396
Total	**54,050,965**	63,021,676
Impairment of credit commitments	**(46,300)**	(97,398)

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

(i) Loan commitments represent undrawn loan facilities agreed and granted to customers. Unconditionally revocable loan commitments are not included in loan commitments. As at December 31, 2024, the unconditionally revocable loan commitments of the Group amounted to RMB107,858.95 million (As at December 31, 2023: RMB122,854.24 million).

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

66. Contingent liabilities and commitments (Continued)

(3) Capital commitments

Group

	As at December 31	
	2024	2023
Contracted but not provided for		
Commitments for the acquisition of property and equipment	**17,305**	14,722
Construction and installation contracts that have been signed, ongoing or ready to be fulfilled	**3,241,826**	2,886,304
Land contracts that have been signed, ongoing or ready to be performed	**407,355**	–
Investment commitments that have been signed but not yet recognized in the financial statements	**2,279,420**	2,451,896
Total	**5,945,906**	5,352,922

Company

	As at December 31	
	2024	2023
Contracted but not provided for		
Commitments for the acquisition of property and equipment	**97**	8,392
Total	**97**	8,392

(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 certain structured entities to affect their returns and is exposed to significant variable returns of these structured entities. These structured entities have been then consolidated into the Group's financial statements. Please refer to Note VI.36 Interests in consolidated structured entities.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

67. Transfers of financial assets

(1) Repurchase agreements

The Group entered into sales 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 is 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 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 December 31		**Related liabilities December 31**	
	2024	2023	**2024**	2023
Financial assets at amortized cost	**3,077,942**	22,523,105	**3,079,533**	20,533,578
Financial assets at fair value through profit or loss	**13,683,165**	6,104,575	**12,380,679**	4,871,915
Financial assets at fair value through other comprehensive income	**13,278,307**	8,686,720	**11,873,689**	6,930,691
Finance lease receivables	**1,223,543**	1,363,753	**1,001,756**	1,001,865
Total	**31,262,957**	38,678,153	**28,335,657**	33,338,049

VI. EXPLANATORY NOTES (Continued)

67. Transfers of financial assets (Continued)

(2) Asset-backed securities

The Group enters into securitization transactions whereby 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 December 31, 2024, the Group' s carrying amount of transferred assets that did not qualify for derecognition was RMB5,999.72 million (December 31, 2023: RMB18,248.22 million), and the carrying amount of their associated liabilities was RMB14,158.19 million (December 31, 2023: RMB34,861.17 million).

With respect to the securitization of financial assets that qualified for derecognition, the Group derecognized the transferred financial assets in their entirety. There was no carrying amount of asset-backed securities held by the Group in the securitization transactions as at December 31, 2024 and 2023.

(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 year ended December 31, 2024, the carrying amount at the time of transfer of the original financial assets, in which the Group determined that it has continuing involvement, was RMB1,024.53 million (for the year ended December 31, 2023: RMB225.82 million). As at December 31, 2024, the Group continued to recognize assets of RMB368.89 million (for the year ended December 31, 2023: RMB345.58 million). The Group also recognized other assets and other liabilities of the same amount arising from such continuing involvement.

VI. EXPLANATORY NOTES (Continued)

68. 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 assets such as debt assets acquired from financial institutions and non-financial enterprises; (2) operation, management and disposal of DES Assets; (3) restructuring, special opportunity businesses and other debt businesses and equity businesses related to distressed assets and distressed entities in 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, securities, future, public offering fund, trust and lease. These operations were mainly carried out by the subsidiaries of the Company.

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

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

68. Segment information (Continued)

	Distressed asset management	Financial services	Elimination	Consolidated
Year ended December 31, 2024				
Income from distressed debt assets at amortized cost	2,114,667	–	–	2,114,667
Fair value changes on distressed debt assets	8,891,584	–	–	8,891,584
Fair value changes on other financial instruments	10,489,449	2,736,370	18,641	13,244,460
Investment income	(451,784)	1,047,675	(80)	595,811
Interest income	7,358,647	25,963,832	(361,104)	32,961,375
Revenue from sales of inventories	8,239,381	–	–	8,239,381
Commission and fee income	368,192	4,623,624	(70,609)	4,921,207
Net gains or losses on disposal of subsidiaries, associates and joint ventures	91,402	(14,627)	–	76,775
Other income and other net gains or losses	3,271,145	(1,171,283)	(105,229)	1,994,633
Total	40,372,683	33,185,591	(518,381)	73,039,893
Interest expense	(24,889,028)	(18,484,044)	460,673	(42,912,399)
Employee benefits	(2,564,993)	(2,961,090)	–	(5,526,083)
Purchases and changes in inventories	(7,043,094)	–	–	(7,043,094)
Commission and fee expense	(101,706)	(698,091)	15,581	(784,216)
Taxes and surcharges	(559,014)	(108,324)	–	(667,338)
Depreciation and amortization expenses	(979,752)	(1,283,715)	70,848	(2,192,619)
Other expenses	(2,004,961)	(1,671,845)	69,568	(3,607,238)
Credit impairment losses	(5,966,612)	(3,618,481)	161,322	(9,423,771)
Impairment losses on other assets	(1,264,320)	(42,705)	–	(1,307,025)
Total	(45,373,480)	(28,868,295)	777,992	(73,463,783)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

68. Segment information (Continued)

	Distressed asset management	Financial services	Elimination	Consolidated
Change in net assets attributable to other holders of consolidated structured entities	3,277	(16,919)	–	(13,642)
Profit before share of results of associates and joint ventures and tax	(4,997,520)	4,300,377	259,611	(437,532)
Share of results of associates and joint ventures	4,410,219	17,587	–	4,427,806
Profit before tax	(587,301)	4,317,964	259,611	3,990,274
Income tax expense				(482,078)
Profit for the year				3,508,196
Capital expenditure	803,938	3,138,617	–	3,942,555
As at December 31, 2024				
Segment assets	915,223,139	727,756,582	(15,692,878)	(1,627,286,843)
Including: Interests in associates and joint ventures	97,041,993	465,835	–	97,507,828
Unallocated assets				11,673,414
Total assets				1,638,960,257
Segment liabilities	803,847,987	624,847,433	(15,680,640)	1,413,014,780
Unallocated liabilities				2,790,059
Total liabilities				1,415,804,839

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

68. Segment information (Continued)

	Distressed asset management	Financial services	Elimination	Consolidated
Year ended December 31, 2023				
Income from distressed debt assets at amortized cost	6,084,166	–	–	6,084,166
Fair value changes on distressed debt assets	7,618,401	–	–	7,618,401
Fair value changes on other financial instruments	9,892,396	1,321,760	–	11,214,156
Investment income	(636,372)	925,693	(88)	289,233
Interest income	8,370,716	25,035,894	(345,150)	33,061,460
Revenue from sales of inventories	9,502,405	–	–	9,502,405
Commission and fee income	398,071	4,666,327	(160,962)	4,903,436
Net gains on disposal of subsidiaries, associates and joint ventures	538,647	–	–	538,647
Other income and other net gains or losses	2,633,748	441,049	(118,895)	2,955,902
Total	44,402,178	32,390,723	(625,095)	76,167,806
Interest expense	(27,319,058)	(17,239,078)	477,636	(44,080,500)
Employee benefits	(2,746,554)	(2,963,308)	–	(5,709,862)
Purchases and changes in inventories	(7,716,685)	–	(61)	(7,716,746)
Commission and fee expense	(114,310)	(735,777)	45,458	(804,629)
Taxes and surcharges	(360,966)	(120,709)	–	(481,675)
Depreciation and amortization expenses	(790,742)	(1,324,252)	74,540	(2,040,454)
Other expenses	(2,168,565)	(1,729,800)	84,981	(3,813,384)
Credit impairment losses	(4,411,260)	(4,070,922)	6,688	(8,475,494)
Impairment losses on other assets	(633,991)	(640,039)	–	(1,274,030)
Total	(46,262,131)	(28,823,885)	689,242	(74,396,774)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

68. Segment information (Continued)

	Distressed asset management	Financial services	Elimination	Consolidated
Change in net assets attributable to other holders of consolidated structured entities	(623)	(17,637)	–	(18,260)
Profit before share of results of associates and joint ventures and tax	(1,860,576)	3,549,201	64,147	1,752,772
Share of results of associates and joint ventures	6,416,238	17,301	–	6,433,539
Profit before tax	4,555,662	3,566,502	64,147	8,186,311
Income tax expense				(1,192,834)
Profit for the year				6,993,477
Capital expenditure	338,279	509,004	–	847,283
As at December 31, 2023				
Segment assets	913,550,297	695,994,235	(26,143,572)	1,583,400,960
Including: Interests in associates and joint ventures	91,236,136	448,894	–	91,685,030
Unallocated assets				10,956,487
Total assets				1,594,357,447
Segment liabilities	794,133,906	604,186,968	(24,354,507)	1,373,966,367
Unallocated liabilities				3,234,885
Total liabilities				1,377,201,252

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

69. Related party transactions

(1) The MOF

Group

As at December 31, 2024, the MOF directly owned 58.00% (As at December 31, 2023: 58.00%) of the share capital of the Company.

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

The Group had the following balances and had entered into the following transactions with the MOF in its ordinary course of business:

The Group had the following balances with the MOF:

	As at December 31	
	2024	2023
Financial assets at fair value through other comprehensive income	**25,505,863**	27,305,433
Financial assets at fair value through profit or loss	**54,230**	920,583
Accounts receivable	**1,597**	1,597

The Group had entered into the following transactions with the MOF:

	Year ended December 31	
	2024	2023
Interest income	**649,741**	735,763
Investment income	**8,438**	4,385

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

69. Related party transactions (Continued)

(1) The MOF (Continued)

Company

The Company had the following balances with the MOF:

	As at December 31	
	2024	2023
Accounts receivable	**1,597**	1,597

Transactions between the Group and the MOF are mainly investments of treasury bonds issued by the MOF and held by the Group.

(2) Subsidiaries

The Company had the following balances with its subsidiaries:

	As at December 31	
	2024	2023
Amounts due from subsidiaries	**38,971,521**	42,769,195
Financial assets at fair value through profit or loss	**507,944**	801,979
Right-of-use assets	**137,999**	250,342
Property and equipment	**13,344**	13,926
Bonds issued	**(184,063)**	(261,090)
Lease liabilities	**(141,351)**	(261,426)
Other payables	**(136,739)**	(185,754)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

69. Related party transactions (Continued)

(2) Subsidiaries (Continued)

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

	Year ended December 31	
	2024	2023
Interest income	**1,422,913**	1,195,956
Dividend income	**404,235**	146,552
Rental income	**31,455**	34,026
Fair value changes on other financial instruments	**–**	62,639
Fair value changes on distressed debt assets	**–**	(100,000)
Impairment losses on assets	**(161,322)**	(137,179)
Depreciation expenses of right-of-use assets	**(118,641)**	(119,805)
Commission and fee expense	**(15,039)**	(40,951)
Other expenses	**(134,161)**	(142,711)
Interest expense	**(89,560)**	(125,461)
Depreciation and amortisation expenses	**(582)**	(582)

(3) Associates and joint ventures

The Group had the following balances and transactions with its associates and joint ventures. These transactions were carried out in the ordinary course of business.

Group

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

	As at December 31	
	2024	2023
Loans and advances to customers	**6,057,646**	5,026,341
Dividend receivable	**75,645**	30,000
Other receivables	**17,738**	36,899
Other liability	**(1,350)**	(10,910)
Risk deposit	**(86,500)**	(122,500)
Other payables	**–**	(32,234)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

69. Related party transactions (Continued)

(3) Associates and joint ventures (Continued)

Group (Continued)

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

	Year ended December 31	
	2024	2023
Dividend income	**2,416,833**	1,920,442
Interest income	**586,292**	360,886
Other income	**–**	10,087
Commission and fee income	**–**	931

Company

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

	Year ended December 31	
	2024	2023
Dividend income	**2,110,857**	1,018,747

(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.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

69. Related party transactions (Continued)

(5) Defined contribution plans

Group

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

	Year ended December 31	
	2024	2023
Contribution to defined contribution plans	**272,094**	261,639

Company

The Company had the following transactions with the defined contribution plans:

	Year ended December 31	
	2024	2023
Contribution to defined contribution plans	**99,697**	126,287

(6) Defined benefit plans

Group

Please refer to Note VI. 56 Other liabilities for details of retirement benefits of the Group's subsidiary, NCB.

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management

Overview

The Group's primary objectives of risk management are to ensure (1) the prudent operation and sound business development of the Group; (2) the execution of significant decisions to achieve business targets and ensure operational efficiency; and (3) that risks are managed within a range consistent with our strategies and business targets. Based on this, the Group has designed a series of risk management policies and set up controls to identify, analyze, monitor and report risks by means of relevant and up-to-date information systems. The Group regularly reviews and revises its risk management policies and systems to reflect changes in markets, products and emerging best practices.

The most significant types of risks to the Group are credit risk, market risk and liquidity risk. Market risk includes interest rate risk, currency risk and other price risk.

Risk Management Framework

The Board of Directors is responsible for establishing the overall risk appetite of the Group and reviewing and approving the risk management objectives and strategies. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk strategy and risk management policies and evaluating the Group's overall risk exposures regularly.

Within this framework, the Group's senior management has the overall responsibility for managing all aspects of risks, including implementing risk management strategies, initiatives and credit policies and approving internal policies, measures and procedures relating to risk management. The Risk Management Department and other relevant functional units are responsible for monitoring financial risks.

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk

70.1.1 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 financial assets at amortized cost, loans and advances to customers, securities investment and other guarantees. There is no significant difference of the credit risk of distressed debt assets at amortized cost and other debt assets. Risk management of other distressed debt assets at fair value through profit or loss is detailed in Note VI.70.4 Risk management of distressed assets.

The Group implements the following measures to mitigate credit risk:

- Referencing to internal and external credit rating information to manage the credit quality of counterparties, and selecting counterparties with acceptable credit quality and repayment ability to balance credit risk and return;

- Obtaining effective collateral from counterparties to mitigate risks.

In particular, credit risk relating to investment assets such as debt securities and trust products is managed by selecting counterparties with acceptable credit quality, balancing credit risk and return, referencing to both internal and external credit rating information where available and by applying appropriate limits.

70.1.2 Measurement of ECL

Refer to Note IV.7.4 Impairment of financial assets.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

Group

	As at December 31	
	2024	2023
On-balance sheet		
Balances with central banks	**12,937,537**	14,714,197
Deposits with banks and financial institutions	**95,758,114**	81,997,616
Deposits with exchanges and others	**2,612,351**	2,622,029
Placements with banks and financial institutions	**37,103,443**	24,169,785
Financial assets at fair value through profit or loss	**181,927,310**	167,746,529
Financial assets held under resale agreements	**7,188,369**	9,239,139
Financial assets at fair value through other comprehensive income	**187,584,105**	164,503,552
Financial assets at amortized cost	**77,966,226**	119,749,889
Loans and advances to customers	**374,238,308**	403,161,759
Accounts receivable	**3,999,391**	4,186,709
Other assets	**14,510,335**	10,019,897
Subtotal	**995,825,489**	1,002,111,101
Off-balance sheet		
Bank acceptance bills	**40,723,670**	37,975,298
Loan commitments	**5,602,953**	13,165,088
Letters of guarantee issued and other credit commitments	**7,724,342**	11,881,290
Subtotal	**54,050,965**	63,021,676
Total	**1,049,876,454**	1,065,132,777

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

Company

	As at December 31	
	2024	2023
Balances with central banks	**112**	279
Deposits with banks and financial institutions	**29,360,142**	25,392,346
Financial assets at fair value through profit or loss	**124,820,530**	107,226,904
Financial assets held under resale agreements	**3,000,946**	5,747,782
Financial assets at amortized cost	**31,891,418**	66,540,763
Accounts receivable	**997,331**	1,187,364
Amounts due from subsidiaries	**37,242,834**	40,706,514
Other assets	**5,989,763**	4,961,929
Total	**233,303,076**	251,763,881

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, 2023. The carrying amount of distressed debt assets at fair value through profit or loss of the Group as at December 31, 2024 amounted to RMB241,569.65 million (December 31, 2023: RMB241,982.05 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.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

Group

	As at December 31	
	2024	2023
Distressed debt assets	**36,463,744**	70,100,751
Loans and advances to customers	**373,660,522**	402,527,171
Subtotal	**410,124,266**	472,627,922
Allowance for impairment losses		
Distressed debt assets	**(7,970,349)**	(10,907,745)
Loans and advances to customers	**(14,186,547)**	(14,339,061)
Subtotal	**(22,156,896)**	(25,246,806)
Net carrying amounts		
Distressed debt assets	**28,493,395**	59,193,006
Loans and advances to customers	**359,473,975**	388,188,110
Total	**387,967,370**	447,381,116

Company

	As at December 31	
	2024	2023
Distressed debt assets	**36,273,112**	69,910,119
Allowance for impairment losses	**(7,799,512)**	(10,736,837)
Net carrying amounts	**28,473,600**	59,173,282

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

By geographical area

Group

	As at December 31			
	2024		2023	
Area	**Gross amount**	**%**	Gross amount	%
Overseas	**151,985,069**	**37.1**	173,356,367	36.6
Yangtze River Delta	**46,389,479**	**11.3**	74,968,690	15.9
Western Region	**44,678,346**	**10.9**	55,869,132	11.8
Bohai Rim	**58,369,554**	**14.2**	53,828,641	11.4
Central Region	**49,437,438**	**12.1**	51,432,900	10.9
Pearl River Delta	**48,531,120**	**11.8**	48,080,523	10.2
Northeastern Region	**10,733,260**	**2.6**	15,091,669	3.2
Total	**410,124,266**	**100.0**	472,627,922	100.0

Company

	As at December 31			
	2024		2023	
Area	**Gross amount**	**%**	Gross amount	%
Bohai Rim	**9,817,488**	**27.1**	22,164,612	31.7
Western Region	**5,757,314**	**15.9**	16,510,885	23.6
Central Region	**9,253,111**	**25.5**	13,864,268	19.8
Pearl River Delta	**7,216,568**	**19.9**	8,369,359	12.0
Yangtze River Delta	**2,465,036**	**6.8**	6,819,353	9.8
Northeastern Region	**1,763,595**	**4.8**	2,181,642	3.1
Total	**36,273,112**	**100.0**	69,910,119	100.0

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

By geographical area (Continued)

Notes:

Overseas:	Including Hong Kong and other overseas regions.
Bohai Rim:	Including Beijing, Tianjin, Hebei and Shandong.
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.
Yangtze River Delta:	Including Shanghai, Jiangsu and Zhejiang.
Pearl River Delta:	Including Guangdong, Shenzhen and Fujian.
Northeastern Region:	Including Liaoning, Jilin and Heilongjiang.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

By industry

Group

	As at December 31			
	2024		2023	
Industry	**Gross amount**	**%**	Gross amount	%
Corporate business				
Real estate	**91,761,149**	**22.4**	121,437,064	25.7
Manufacturing	**61,614,452**	**15.0**	62,875,435	13.3
Leasing and commercial services	**48,669,510**	**11.9**	58,347,212	12.3
Finance	**34,281,751**	**8.4**	41,910,997	8.9
Construction	**16,982,090**	**4.1**	27,349,151	5.8
Wholesale and retail trade	**18,078,188**	**4.4**	18,406,688	3.9
Production and supply of power, heat, gas and water	**18,715,019**	**4.6**	17,918,722	3.8
Mining	**17,302,083**	**4.2**	18,043,961	3.8
Others	**46,839,537**	**11.4**	49,037,656	10.4
Subtotal	**354,243,779**	**86.4**	415,326,886	87.9
Personal business				
Mortgage	**22,567,255**	**5.5**	24,685,609	5.2
Personal consumption loans	**20,682,436**	**5.0**	21,510,368	4.6
Subtotal	**43,249,691**	**10.5**	46,195,977	9.8
Loans to margin clients	**12,630,796**	**3.1**	11,105,059	2.3
Total	**410,124,266**	**100.0**	472,627,922	100.0

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

By industry (Continued)

Company

	As at December 31			
	2024		2023	
Industry	**Gross amount**	**%**	Gross amount	%
Real estate	**25,801,170**	**71.1**	44,404,577	63.5
Manufacturing	**2,694,370**	**7.4**	6,485,464	9.3
Wholesale and retail trade	**3,374,824**	**9.3**	4,011,356	5.7
Construction	**716,924**	**2.0**	3,133,210	4.5
Mining	**–**	**–**	2,872,214	4.1
Water conservancy, environment and public facilities management	**–**	**–**	1,324,836	1.9
Finance	**–**	**–**	299,643	0.4
Others	**3,685,824**	**10.2**	7,378,819	10.6
Total	**36,273,112**	**100.0**	69,910,119	100.0

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

By security type

Group

	As at December 31			
	2024		2023	
	Gross amount	**%**	Gross amount	%
Unsecured	**148,852,899**	**36.3**	153,853,484	32.5
Guaranteed	**75,478,019**	**18.4**	75,965,407	16.1
Mortgaged	**108,063,764**	**26.3**	115,167,328	24.4
Pledged	**77,729,584**	**19.0**	127,641,703	27.0
Total	**410,124,266**	**100.0**	472,627,922	100.0

Company

	As at December 31			
	2024		2023	
	Gross amount	**%**	Gross amount	%
Unsecured	**–**	**–**	548,003	0.9
Guaranteed	**–**	**–**	1,851,759	2.6
Mortgaged	**30,395,376**	**83.8**	57,269,993	81.9
Pledged	**5,877,736**	**16.2**	10,240,364	14.6
Total	**36,273,112**	**100.0**	69,910,119	100.0

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

Group

	Gross amount as at December 31, 2024					Gross amount as at December 31, 2023				
	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	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	1,094,671	3,083,865	3,409,161	3,526,797	11,114,494	1,235,471	2,672,925	6,732,898	190,632	10,831,926
Loans and advances to customers	1,020,087	4,702,847	12,134,495	7,527,636	25,385,065	3,216,081	5,526,113	7,828,964	8,015,012	24,586,170
Total	2,114,758	7,786,712	15,543,656	11,054,433	36,499,559	4,451,552	8,199,038	14,561,862	8,205,644	35,418,096

Company

	Gross amount as at December 31, 2024					Gross amount as at December 31, 2023				
	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	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	1,094,671	3,083,865	3,409,161	3,336,165	10,923,862	1,235,471	2,672,925	6,732,898	–	10,641,294

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

Group

	As at December 31	
	2024	2023
Neither past due nor impaired	**369,185,009**	435,790,020
Past due but not impaired (1)	**1,732,074**	1,584,010
Impaired (2)	**39,207,183**	35,253,892
Subtotal	**410,124,266**	472,627,922
Allowance for impairment losses	**(22,156,896)**	(25,246,806)
Net carrying amount	**387,967,370**	447,381,116

Company

	As at December 31	
	2024	2023
Neither past due nor impaired	**22,409,580**	58,222,462
Past due but not impaired (1)	**1,094,671**	–
Impaired (2)	**12,768,861**	11,687,657
Subtotal	**36,273,112**	69,910,119
Allowance for impairment losses	**(7,799,512)**	(10,736,837)
Net carrying amount	**28,473,600**	59,173,282

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

(1) Past due but not impaired

Group

	Gross amount as at December 31, 2024					Gross amount as at December 31, 2023				
	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**	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	**1,094,671**	**–**	**–**	**–**	**1,094,671**	–	–	–	–	–
Loans and advances to customers	**637,403**	**–**	**–**	**–**	**637,403**	1,584,010	–	–	–	1,584,010
Total	**1,732,074**	**–**	**–**	**–**	**1,732,074**	1,584,010	–	–	–	1,584,010

Company

	Gross amount as at December 31, 2024					Gross amount as at December 31, 2023				
	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**	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	**1,094,671**	**–**	**–**	**–**	**1,094,671**	–	–	–	–	–

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

(2) Impaired

Group

	As at December 31, 2024		
	Gross amount	**Allowance for impairment losses**	**Net carrying amount**
Distressed debt assets	**12,959,493**	**(4,924,381)**	**8,035,112**
Loans and advances to customers	**26,247,690**	**(8,413,262)**	**17,834,428**
Total	**39,207,183**	**(13,337,643)**	**25,869,540**

	As at December 31, 2023		
	Gross amount	Allowance for impairment losses	Net carrying amount
Distressed debt assets	11,878,289	(5,164,121)	6,714,168
Loans and advances to customers	23,375,603	(7,892,686)	15,482,917
Total	35,253,892	(13,056,807)	22,197,085

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

(2) Impaired (Continued)

Company

	As at December 31, 2024		
	Gross amount	**Allowance for impairment losses**	**Net carrying amount**
Distressed debt assets	**12,768,861**	**(4,753,544)**	**8,015,317**

	As at December 31, 2023		
	Gross amount	Allowance for impairment losses	Net carrying amount
Distressed debt assets	11,687,657	(4,993,213)	6,694,444

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

(2) Impaired (Continued)

Group

	As at December 31	
	2024	2023
Distressed debt assets		
Impaired	**12,959,493**	11,878,289
– Portion covered	**12,959,493**	10,812,062
– Portion not covered	**–**	1,066,227
Impaired as % of total distressed debt assets	**35.5**	16.9
Fair value of collateral	**13,454,281**	12,394,997
Loans and advances to customers		
Impaired	**26,247,690**	23,375,603
– Portion covered	**21,116,310**	18,527,499
– Portion not covered	**5,131,380**	4,848,104
Impaired as % of total loans and advances to customers	**7.0**	5.8
Fair value of collateral	**24,789,003**	15,238,404

Company

	As at December 31	
	2024	2023
Distressed debt assets		
Impaired	**12,768,861**	11,687,657
– Portion covered	**12,768,861**	10,621,430
– Portion not covered	**–**	1,066,227
Impaired as % of total distressed debt assets	**35.2**	16.7
Fair value of collateral	**13,263,649**	12,204,365

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

70.1.6 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:

Distressed debt assets

Group

	As at December 31			
	2024		2023	
Area	**Gross amount**	%	Gross amount	%
Bohai Rim	**7,613,524**	**58.7**	4,802,119	40.4
Western Region	**2,147,781**	**16.6**	2,670,645	22.5
Central Region	**1,657,921**	**12.8**	2,688,864	22.6
Pearl River Delta	**1,201,418**	**9.3**	1,201,418	10.1
Yangtze River Delta	**338,849**	**2.6**	338,849	2.9
Northeastern Region	**–**	**–**	176,394	1.5
Total	**12,959,493**	**100.0**	11,878,289	100.0

Company

	As at December 31			
	2024		2023	
Area	**Gross amount**	%	Gross amount	%
Bohai Rim	**7,422,892**	**58.1**	4,611,487	39.4
Central Region	**1,657,921**	**13.0**	2,688,864	23.0
Western Region	**2,147,781**	**16.8**	2,670,645	22.9
Pearl River Delta	**1,201,418**	**9.4**	1,201,418	10.3
Yangtze River Delta	**338,849**	**2.7**	338,849	2.9
Northeastern Region	**–**	**–**	176,394	1.5
Total	**12,768,861**	**100.0**	11,687,657	100.0

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

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

(2) Impaired (Continued)

Loans and advances to customers

Group

	As at December 31			
	2024		2023	
Area	**Gross amount**	**%**	Gross amount	%
Pearl River Delta	**9,785,399**	**37.4**	9,258,422	39.6
Bohai Rim	**9,708,705**	**37.0**	8,763,006	37.5
Yangtze River Delta	**3,108,092**	**11.8**	474,537	2.0
Overseas	**2,208,748**	**8.4**	2,447,460	10.5
Central Region	**789,518**	**3.0**	1,310,448	5.6
Western Region	**641,850**	**2.4**	1,111,230	4.8
Northeastern Region	**5,378**	**–**	10,500	–
Total	**26,247,690**	**100.0**	23,375,603	100.0

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

70.1.7 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.

Group

	As at December 31 2024	2023
Neither past due nor impaired (1)	**230,329,284**	208,218,523
Past due but not impaired (2)	**628,000**	9,704,579
Impaired (3)	**13,567,607**	12,578,819
Subtotal	**244,524,891**	230,501,921
Allowance for impairment losses	**(7,467,955)**	(5,441,486)
Net carrying amounts	**237,056,936**	225,060,435

Company

	As at December 31 2024	2023
Neither past due nor impaired (1)	**1,161,978**	5,380,302
Past due but not impaired	**–**	–
Impaired	**3,337,830**	2,895,426
Subtotal	**4,499,808**	8,275,728
Allowance for impairment losses	**(1,081,990)**	(908,247)
Net carrying amounts	**3,417,818**	7,367,481

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

70.1.7 Credit quality of investment products (Continued)

(1) Neither past due nor impaired

Group

	As at December 31, 2024			As at December 31, 2023		
	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	**365,548**	**82,744,852**	**83,110,400**	5,305,463	64,996,496	70,301,959
Public sector and quasi-government bonds	**–**	**4,227,380**	**4,227,380**	271,694	4,387,932	4,659,626
Financial institution bonds	**659,650**	**65,646,020**	**66,305,670**	855,069	63,271,078	64,126,147
Corporate bonds	**–**	**32,823,224**	**32,823,224**	180,802	30,284,986	30,465,788
Trust products and rights to trust assets	**15,172,749**	**–**	**15,172,749**	16,917,616	–	16,917,616
Asset-backed securities	**–**	**–**	**–**	–	27,451	27,451
Debt investments	**26,549,624**	**–**	**26,549,624**	20,376,377	–	20,376,377
Certificates of deposit	**–**	**2,068,856**	**2,068,856**	–	–	–
Medium-term notes	**–**	**71,381**	**71,381**	–	–	–
Others	**–**	**–**	**–**	–	1,343,559	1,343,559
Subtotal	**42,747,571**	**187,581,713**	**230,329,284**	43,907,021	164,311,502	208,218,523
Allowance for impairment losses	**(3,114,818)**	**–**	**(3,114,818)**	(1,774,126)	–	(1,774,126)
Total	**39,632,753**	**187,581,713**	**227,214,466**	42,132,895	164,311,502	206,444,397

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

70.1.7 Credit quality of investment products (Continued)

(1) Neither past due nor impaired (Continued)

Company

	As at December 31, 2024			As at December 31, 2023		
	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
Trust products and rights to trust assets	**–**	**–**	**–**	924,633	–	924,633
Debt investments	**1,161,978**	**–**	**1,161,978**	4,455,669	–	4,455,669
Subtotal	**1,161,978**	**–**	**1,161,978**	5,380,302	–	5,380,302
Allowance for impairment losses	**(15,918)**	**–**	**(15,918)**	(75,680)	–	(75,680)
Total	**1,146,060**	**–**	**1,146,060**	5,304,622	–	5,304,622

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

70.1.7 Credit quality of investment products (Continued)

(1) Neither past due nor impaired (Continued)

As at December 31, 2024, the carrying amount of neither past due nor impaired investment products at fair value through other comprehensive income was RMB187,581.71 million, the allowances of RMB115.68 million was recognized in other comprehensive income.

As at December 31, 2023, the carrying amount of neither past due nor impaired investment products at fair value through other comprehensive income was RMB164,311.50 million, the allowances of RMB138.45 million was recognized in other comprehensive income.

(2) Past due but not impaired

As at December 31, 2024, the gross amount of past due but not impaired investment products at amortized cost was RMB628.00 million with the allowance of RMB104.88 million recognized.

As at December 31, 2023, the gross amount of past due but not impaired investment products at amortized cost was RMB9,704.58 million with the allowance of RMB264.76 million recognized.

(3) Impaired

As at December 31, 2024, the carrying amount of the impaired investment products at fair value through other comprehensive income was RMB2.39 million, the allowances of RMB188.46 million was recognized in other comprehensive income. The gross amount of the impaired other debt instruments at amortized cost was RMB13,565.22 million, and the allowances of RMB4,248.25 million was recognized.

As at December 31, 2023, the carrying amount of the impaired investment products at fair value through other comprehensive income was RMB192.05 million, the allowances of RMB186.56 million was recognized in other comprehensive income. The gross amount of the impaired other debt instruments at amortized cost was RMB12,386.77 million, and the allowance of RMB3,402.60 million was recognized.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

70.1.8 Investment products analyzed by credit rating from reputable rating agencies

Group

	As at December 31, 2024						As at December 31, 2023					
	AAA	AA	A	Below A	Unrated	Total	AAA	AA	A	Below A	Unrated	Total
Government bonds	28,784,084	29,143,187	1,342,293	10,229	23,830,605	83,110,398	13,400,497	54,804,518	148,679	–	1,909,098	70,262,792
Public sector and quasi-government bonds	93,517	4,133,863	-	-	-	4,227,380	1,755,799	2,903,827	–	–	1,900	4,661,526
Financial institution bonds	2,700,525	19,686,105	38,646,542	5,030,254	242,194	66,305,620	806,286	25,182,425	26,953,303	5,501,472	5,690,131	64,133,617
Corporate bonds	3,297,714	3,427,509	13,136,466	5,639,992	7,323,935	32,825,616	3,603,382	3,446,618	11,757,568	4,110,632	7,733,047	30,651,247
Trust products and rights to trust assets	-	-	-	-	18,741,680	18,741,680	–	–	–	–	20,658,786	20,658,786
Asset-backed securities	-	-	-	-	-	-	27,451	–	–	–	–	27,451
Debt investments	-	-	-	-	29,371,755	29,371,755	–	–	–	–	33,308,928	33,308,928
Certificates of deposit	1,925,085	-	-	-	143,771	2,068,856	–	–	–	–	–	–
Medium-term notes	-	71,381	-	-	-	71,381	–	–	–	–	–	–
Others	-	-	-	-	334,250	334,250	–	–	–	–	1,356,088	1,356,088
Total	36,800,925	56,462,045	53,125,301	10,680,475	79,988,190	237,056,936	19,593,415	86,337,388	38,859,550	9,612,104	70,657,978	225,060,435

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.1 Credit risk (Continued)

70.1.8 Investment products analyzed by credit rating from reputable rating agencies (Continued)

Company

	As at December 31, 2024						As at December 31, 2023					
	AAA	AA	A	Below A	Unrated	Total	AAA	AA	A	Below A	Unrated	Total
Trust products and rights to trust assets	-	-	-	-	118,390	118,390	-	-	-	-	1,054,960	1,054,960
Debt investments	-	-	-	-	3,299,428	3,299,428	-	-	-	-	6,312,521	6,312,521
Total	-	-	-	-	3,417,818	3,417,818	-	-	-	-	7,367,481	7,367,481

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk

Market risk is the risk of loss, in respect of the Group's on – and off-balance sheet activities, arising from movements in market rates including interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from the mismatches between contractual maturities or repricing dates of interest-generating assets and interest-bearing liabilities.

The risk of fair value and cash flow changes due to interest rate changes is mainly related to the Group's fixed rate and floating rate financial instruments.

The Group manages its interest rate risk by:

- minimizing the mismatches between contractual maturities or repricing dates of interest-generating assets and interest-bearing liabilities;

- strictly controlling the length of the debt restructuring term and strengthening the matching of the Group's liabilities with the terms and interest rate structure of the restructured distressed assets; and

- regularly performing quantitative analysis, including periodic sensitivity analysis.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Interest rate risk (Continued)

At the end of each 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:

Group

	As at December 31, 2024						
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and balances with central banks	10,661,917	–	–	–	–	2,721,562	13,383,479
Deposits with banks and financial institutions	77,292,213	8,693,482	4,891,205	–	–	4,881,214	95,758,114
Placements with banks and financial institutions	29,716,497	4,781,234	2,164,328	347,000	–	94,384	37,103,443
Deposits with exchanges and others	2,612,148	–	–	–	–	203	2,612,351
Financial assets at fair value through profit or loss	7,287,165	7,058,865	27,172,964	52,462,805	4,016,909	450,691,526	548,690,234
Financial assets at fair value through other comprehensive income	7,302,613	23,267,267	46,609,472	90,374,528	19,770,203	10,001,225	197,325,308
Loans and advances to customers	209,942,799	34,253,499	73,452,355	52,689,665	1,304,614	2,595,376	374,238,308
Financial assets at amortized cost	13,540,724	4,177,221	27,486,313	24,038,228	2,180,800	6,542,940	77,966,226
Accounts receivable	–	10,091	–	332,940	–	3,656,360	3,999,391
Financial assets held under resale agreements	6,165,647	129,373	671,393	212,110	–	9,846	7,188,369
Other financial assets	–	–	3,474	–	–	14,506,861	14,510,335
Total financial assets	364,521,723	82,371,032	182,451,504	220,457,276	27,272,526	495,701,497	1,372,775,558

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Interest rate risk (Continued)

Group (Continued)

	As at December 31, 2024						
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Borrowings from central bank	(5,917,000)	(2,722,000)	(12,525)	–	–	(990,684)	(9,642,209)
Accounts payable to brokerage clients	(23,290,805)	–	–	–	–	(427,898)	(23,718,703)
Due to customers	(168,904,779)	(125,762,401)	(55,320,745)	(17,036,034)	–	(3,435,261)	(370,459,220)
Deposits from banks and financial institutions	(2,157,186)	(1,400,000)	(3,761,594)	–	–	(99,901)	(7,418,681)
Placements from banks and financial institutions	(20,255,581)	(4,162,968)	(3,867,997)	–	–	(18,313)	(28,304,859)
Financial liabilities at fair value through profit or loss	(1,294,151)	(3,537,421)	(928,455)	–	–	(2,754,449)	(8,514,476)
Financial assets sold under repurchase agreements	(24,327,189)	(1,714,927)	(1,259,886)	(1,022,993)	–	(10,662)	(28,335,657)
Borrowings	(34,842,970)	(51,254,433)	(242,454,939)	(246,233,087)	(4,564,417)	(2,016,210)	(581,366,056)
Bonds issued	(2,278,332)	(18,240,761)	(59,775,841)	(160,619,638)	(43,156,265)	(5,708,747)	(289,779,584)
Accounts payable	–	–	–	–	–	(6,182,061)	(6,182,061)
Other financial liabilities	(18,085)	(58,016)	(114,682)	(496,021)	(331,250)	(39,152,955)	(40,171,009)
Total financial liabilities	(283,286,078)	(208,852,927)	(367,496,664)	(425,407,773)	(48,051,932)	(60,797,141)	(1,393,892,515)
Interest rate gap	81,235,645	(126,481,895)	(185,045,160)	(204,950,497)	(20,779,406)	434,904,356	(21,116,957)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Interest rate risk (Continued)

Group (Continued)

	As at December 31, 2023						
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and balances with central banks	14,714,197	–	–	–	–	523,309	15,237,506
Deposits with banks and financial institutions	77,578,341	3,405,375	283,308	–	–	730,592	81,997,616
Placements with banks and financial institutions	22,377,862	1,711,923	80,000	–	–	–	24,169,785
Deposits with exchanges and others	2,622,029	–	–	–	–	–	2,622,029
Financial assets at fair value through profit or loss	6,060,550	6,571,359	25,404,599	97,181,292	5,811,914	377,280,106	518,309,820
Financial assets at fair value through other comprehensive income	14,749,072	30,795,387	48,929,435	64,095,517	5,934,140	6,372,307	170,875,858
Loans and advances to customers	199,282,095	38,645,201	76,999,537	83,876,666	2,381,560	1,976,700	403,161,759
Financial assets at amortized cost	11,525,787	3,551,412	36,773,274	64,676,656	523,227	2,699,533	119,749,889
Accounts receivable	145,410	–	357,946	–	–	3,683,353	4,186,709
Financial assets held under resale agreements	8,802,761	–	–	429,482	–	6,896	9,239,139
Other financial assets	–	–	–	105,334	23,729	9,890,834	10,019,897
Total financial assets	357,858,104	84,680,657	188,828,099	310,364,947	14,674,570	403,163,630	1,359,570,007

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Interest rate risk (Continued)

Group (Continued)

	As at December 31, 2023						
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Borrowings from central bank	–	–	–	–	–	(986,058)	(986,058)
Accounts payable to brokerage clients	(16,945,535)	–	–	–	–	(318,549)	(17,264,084)
Due to customers	(280,764,821)	(7,784,330)	(27,794,621)	(6,795,958)	–	(16,080,059)	(339,219,789)
Deposits from banks and financial institutions	(14,994,573)	–	–	–	–	–	(14,994,573)
Placements from banks and financial institutions	(22,089,615)	(4,515,781)	(2,768,785)	–	–	(100,414)	(29,474,595)
Financial liabilities at fair value through profit or loss	(4,865,644)	(610,855)	(1,396,642)	–	–	(2,576,058)	(9,449,199)
Financial assets sold under repurchase agreements	(32,163,760)	–	–	(1,000,000)	–	(174,289)	(33,338,049)
Borrowings	(31,167,380)	(65,771,410)	(255,940,022)	(197,315,910)	(5,580,562)	(3,095,218)	(558,870,502)
Bonds issued	(13,075,270)	(17,969,435)	(45,299,713)	(165,066,151)	(60,636,602)	(714,961)	(302,762,132)
Accounts payable	(205,010)	(3,241)	(177,471)	(21)	(9,633)	(4,387,615)	(4,782,991)
Other financial liabilities	(2,664)	(34,189)	(370,056)	(7,319,127)	–	(26,735,332)	(34,461,368)
Total financial liabilities	(416,274,272)	(96,689,241)	(333,747,310)	(377,497,167)	(66,226,797)	(55,168,553)	(1,345,603,340)
Interest rate gap	(58,416,168)	(12,008,584)	(144,919,211)	(67,132,220)	(51,552,227)	347,995,077	13,966,667

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Interest rate risk (Continued)

Company

	As at December 31, 2024						
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and balances with central banks	113	–	–	–	–	246	359
Deposits with banks and financial institutions	24,072,272	1,464,229	3,823,641	–	–	–	29,360,142
Financial assets at fair value through profit or loss	391,044	–	9,094,918	26,957,808	540,618	386,770,747	423,755,135
Accounts receivable	–	–	–	332,940	–	664,391	997,331
Financial assets held under resale agreements	2,999,716	–	–	–	–	1,230	3,000,946
Amounts due from subsidiaries	3,682,164	4,484,544	16,858,144	11,090,000	–	1,127,982	37,242,834
Financial assets at fair value through other comprehensive income	–	–	–	–	–	6,561,693	6,561,693
Financial assets at amortized cost	11,460,446	1,403,739	7,069,964	9,776,469	2,180,800	–	31,891,418
Interests in consolidated structured entities	2,180,373	612,625	9,594,592	13,539,596	1,820,617	17,910,643	45,658,446
Other financial assets	–	–	–	–	–	5,989,763	5,989,763
Total financial assets	44,786,128	7,965,137	46,441,259	61,696,813	4,542,035	419,026,695	584,458,067
Borrowings from central bank	(5,917,000)	(2,722,000)	–	–	–	(990,677)	(9,629,677)
Placements from banks and a financial institution	(3,000,000)	–	–	–	–	(1,050)	(3,001,050)
Financial liabilities at fair value through profit or loss	–	–	–	–	–	(1,955,875)	(1,955,875)
Borrowings	(19,450,000)	(33,400,000)	(198,025,270)	(193,749,800)	–	(1,388,335)	(446,013,405)
Bonds issued	–	(3,610,796)	(38,425,046)	(54,875,111)	(19,932,433)	(3,021,125)	(119,864,511)
Accounts payable	–	–	–	–	–	(1,000)	(1,000)
Other financial liabilities	–	–	–	–	–	(5,177,103)	(5,177,103)
Total financial liabilities	(28,367,000)	(39,732,796)	(236,450,316)	(248,624,911)	(19,932,433)	(12,535,165)	(585,642,621)
Interest rate gap	16,419,128	(31,767,659)	(190,009,057)	(186,928,098)	(15,390,398))	406,491,530	(1,184,554)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Interest rate risk (Continued)

Company (Continued)

	As at December 31, 2023						
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest-bearing	Total
Cash and balances with central banks	279	–	–	–	–	243	522
Deposits with banks and financial institutions	22,204,244	2,966,505	–	–	–	221,597	25,392,346
Financial assets at fair value through profit or loss	21,000	–	13,878,732	72,044,545	4,440,814	303,882,733	394,267,824
Accounts receivable	139,260	–	357,946	–	–	690,158	1,187,364
Financial assets held under resale agreements	5,743,668	–	–	–	–	4,114	5,747,782
Amounts due from subsidiaries	3,541,350	13,379,261	3,442,031	–	–	20,343,872	40,706,514
Financial assets at fair value through other comprehensive income	–	–	–	–	–	5,028,788	5,028,788
Financial assets at amortized cost	9,036,679	1,093,874	19,846,688	36,221,612	341,910	–	66,540,763
Interests in consolidated structured entities	2,073,107	–	9,185,485	20,432,823	43,656	13,545,634	45,280,705
Other financial assets	–	–	–	–	–	4,961,929	4,961,929
Total financial assets	42,759,587	17,439,640	46,710,882	128,698,980	4,826,380	348,679,068	589,114,537
Borrowings from central bank	–	–	–	–	–	(986,058)	(986,058)
Placements from banks and a financial institution	(2,780,000)	–	–	–	–	(1,401)	(2,781,401)
Financial liabilities at fair value through profit or loss	–	–	–	–	–	(1,483,959)	(1,483,959)
Borrowings	(19,420,000)	(49,005,000)	(203,815,600)	(148,950,000)	–	(1,824,268)	(423,014,868)
Bonds issued	(6,106,507)	(4,295,189)	(18,020,076)	(91,500,776)	(20,550,529)	–	(140,473,077)
Accounts payable	–	–	–	–	–	(1,000)	(1,000)
Other financial liabilities	–	–	–	–	–	(4,135,394)	(4,135,394)
Total financial liabilities	(28,306,507)	(53,300,189)	(221,835,676)	(240,450,776)	(20,550,529)	(8,432,080)	(572,875,757)
Interest rate gap	14,453,080	(35,860,549)	(175,124,794)	(111,751,796)	(15,724,149)	340,246,988	16,238,780

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Interest rate risk (Continued)

The following tables illustrate the potential impact of a parallel upward or downward shift of 100 basis points in the yield rates of all financial instruments on the Group's profit before tax and other comprehensive income, based on the Group's positions of interest-generating assets and interest-bearing liabilities at the end of each reporting period.

Interest rate sensitivity analysis

Group

	As at December 31			
	2024		2023	
	Profit before tax	**Other comprehensive income**	Profit before tax	Other comprehensive income
+ 100 basis points	**(969,427)**	**(4,463,885)**	(1,203,340)	(3,261,052)
– 100 basis points	**969,427**	**4,751,590**	1,203,340	3,364,935

Company

	As at December 31			
	2024		2023	
	Profit before tax	**Other comprehensive income**	Profit before tax	Other comprehensive income
+ 100 basis points	**(819,914)**	**–**	(817,047)	–
– 100 basis points	**819,914**	**–**	817,047	–

Foreign exchange risk

Foreign exchange risk is the risk of loss due to changes in currency exchange rates. The Group's financial position and operating results are subject to the impact of fluctuations in current exchange rates. The Group conducts the majority of its businesses in RMB, with certain foreign transactions in United States dollars ("USD"), Hong Kong dollars ("HKD") and other currencies.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Foreign exchange risk (Continued)

At the end of each reporting period, a breakdown of the assets and liabilities analyzed by currency is as follows:

Group

	As at December 31, 2024				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	Total (RMB equivalent)
Cash and balances with central banks	10,200,140	451,149	2,706,459	25,731	13,383,479
Deposits with banks and financial institutions	64,632,143	24,906,761	5,024,369	1,194,841	95,758,114
Placements with banks and financial institutions	6,238,302	18,842,758	11,010,934	1,011,449	37,103,443
Deposits with exchanges and others	2,601,405	1,941	9,005	–	2,612,351
Financial assets at fair value through profit or loss	502,353,180	34,288,800	10,695,004	1,353,250	548,690,234
Financial assets at amortized cost	76,941,080	1,025,146	–	–	77,966,226
Financial assets at fair value through other comprehensive income	65,825,097	50,575,162	53,240,617	27,684,432	197,325,308
Loans and advances to customers	217,981,530	48,918,240	100,397,464	6,941,074	374,238,308
Accounts receivable	3,681,918	111,422	205,616	435	3,999,391
Financial assets held under resale agreements	7,188,369	–	–	–	7,188,369
Other financial assets	12,826,701	245,141	1,328,389	110,104	14,510,335
Total financial assets	970,469,865	179,366,520	184,617,857	38,321,316	1,372,775,558

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Foreign exchange risk (Continued)

Group (Continued)

	As at December 31, 2024				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	Total (RMB equivalent)
Borrowings from central bank	(9,642,209)	–	–	–	(9,642,209)
Accounts payable to brokerage clients	(23,429,491)	(84,604)	(204,608)	–	(23,718,703)
Due to customers	(103,782,333)	(66,801,962)	(192,085,494)	(7,789,431)	(370,459,220)
Deposits from banks and financial institutions	(5,898,697)	(1,315,711)	(202,326)	(1,947)	(7,418,681)
Placements from banks and financial institutions	(24,646,900)	(3,025,748)	(515,378)	(116,833)	(28,304,859)
Financial liabilities at fair value through profit or loss	(2,261,806)	(75,939)	(6,176,731)	–	(8,514,476)
Financial assets sold under repurchase agreements	(26,181,947)	(301,630)	(1,852,080)	–	(28,335,657)
Borrowings	(544,159,701)	(13,709,599)	(23,451,985)	(44,771)	(581,366,056)
Bonds issued	(201,211,270)	(88,568,314)	–	–	(289,779,584)
Accounts payable	(5,786,306)	(185,225)	(199,687)	(10,843)	(6,182,061)
Other financial liabilities	(38,805,744)	(49,947)	(1,292,880)	(22,438)	(40,171,009)
Total financial liabilities	(985,806,404)	(174,118,679)	(225,981,169)	(7,986,263)	(1,393,892,515)
Net exposure	(15,336,539)	5,247,841	(41,363,312)	30,335,053	(21,116,957)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Foreign exchange risk (Continued)

Group (Continued)

	As at December 31, 2023				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	Total (RMB equivalent)
Cash and balances with central banks	11,930,001	417,569	2,811,609	78,327	15,237,506
Deposits with banks and financial institutions	66,311,350	10,730,502	1,236,528	3,719,236	81,997,616
Placements with banks and financial institutions	3,302,957	15,820,615	1,508,770	3,537,443	24,169,785
Deposits with exchanges and others	2,613,294	1,912	6,823	–	2,622,029
Financial assets at fair value through profit or loss	472,132,166	34,796,179	8,674,111	2,707,364	518,309,820
Financial assets at amortized cost	113,664,467	1,913,246	3,992,687	179,489	119,749,889
Financial assets at fair value through other comprehensive income	31,747,938	43,474,125	36,475,055	59,178,740	170,875,858
Loans and advances to customers	146,075,079	55,292,886	114,273,765	87,520,029	403,161,759
Accounts receivable	3,816,486	79,847	208,934	81,442	4,186,709
Financial assets held under resale agreements	9,239,139	–	–	–	9,239,139
Other financial assets	7,704,038	875,877	1,261,276	178,706	10,019,897
Total financial assets	868,536,915	163,402,758	170,449,558	157,180,776	1,359,570,007

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Foreign exchange risk (Continued)

At the end of each reporting period, a breakdown of the assets and liabilities analyzed by currency is as follows: (Continued)

Group (Continued)

	As at December 31, 2023				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	Total (RMB equivalent)
Borrowings from central bank	(986,058)	–	–	–	(986,058)
Accounts payable to brokerage clients	(17,135,355)	–	(128,729)	–	(17,264,084)
Due to customers	(26,821,952)	(65,770,319)	(180,663,283)	(65,964,235)	(339,219,789)
Deposits from banks and financial institutions	(13,829,509)	(674,766)	(490,298)	–	(14,994,573)
Placements from banks and financial institutions	(23,210,863)	(1,019,315)	(72,506)	(5,171,911)	(29,474,595)
Financial liabilities at fair value through profit or loss	(1,355,866)	(40,717)	(6,608,502)	(1,444,114)	(9,449,199)
Financial assets sold under repurchase agreements	(14,436,475)	(16,571,004)	(2,330,570)	–	(33,338,049)
Borrowings	(521,324,484)	(12,982,672)	(24,323,162)	(240,184)	(558,870,502)
Bonds issued	(214,877,656)	(87,884,476)	–	–	(302,762,132)
Accounts payable	(4,527,214)	(77,317)	(156,177)	(22,283)	(4,782,991)
Other financial liabilities	(33,024,237)	(310,289)	(903,599)	(223,243)	(34,461,368)
Total financial liabilities	(871,529,669)	(185,330,875)	(215,676,826)	(73,065,970)	(1,345,603,340)
Net exposure	(2,992,754)	(21,928,117)	(45,227,268)	84,114,806	13,966,667

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Foreign exchange risk (Continued)

Foreign exchange rate sensitivity analysis

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.

Group

	As at December 31	
	2024	2023
5% appreciation	**289,021**	(897,180)
5% depreciation	**(289,021)**	897,180

As the Company's operations are mainly denominated in RMB, the directors of the Company are of the view that the Company's foreign exchange risk is insignificant and therefore do not present such analysis.

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.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.2 Market risk (Continued)

Foreign exchange risk (Continued)

Price risk (Continued)

Group

	As at December 31			
	2024		2023	
	Profit before tax	**Equity**	Profit before tax	Equity
+1 percent	**1,251,933**	**97,412**	1,085,812	63,723
– 1 percent	**(1,251,933)**	**(97,412)**	(1,085,812)	(63,723)

70.3 Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from cash flows or maturity mismatches of assets and liabilities.

The Group manages its liquidity risk by:

- optimizing assets and liabilities structure;
- implementing a centralized liquidity management system by pooling Group-wide funds and maintaining an efficient internal fund transfer mechanism within the Group; and
- regularly performing quantitative analysis.

The tables below present the cash flows of non-derivative financial assets and financial liabilities by remaining contractual maturity at the end of each reporting period. The amounts disclosed in the tables are the undiscounted contractual cash flows.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

Group

	As at December 31, 2024							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	10,662,107	2,721,826	–	–	–	–	–	13,383,933
Deposits with banks and financial institutions	–	78,036,235	7,755,558	8,684,297	5,039,735	–	–	99,515,825
Placements with banks and financial institutions	–	–	29,858,955	4,781,234	2,235,970	353,345	–	37,229,504
Deposits with exchanges and others	2,612,351	–	–	–	–	–	–	2,612,351
Financial assets at fair value through profit or loss	425,974,302	12,638,121	7,999,986	7,998,408	31,413,896	65,429,289	5,223,372	556,677,374
Loans and advances to customers	22,697,178	1,320,507	35,488,974	34,226,237	106,538,353	167,383,678	51,104,328	418,759,255
Accounts receivable	199,271	3,305,824	506	17,999	149,315	513,542	444,174	4,630,631
Financial assets held under resale agreements	408,163	–	5,761,032	130,956	684,228	214,206	–	7,198,585
Financial assets at fair value through other comprehensive income	7,562,605	703,636	7,420,702	23,504,043	47,360,877	99,542,655	20,989,424	207,083,942
Financial assets at amortized cost	22,468,074	–	2,909,774	4,304,818	29,871,668	28,654,143	4,089,654	92,298,131
Other financial assets	4,660,846	9,808,159	1,062,347	1,045	9,688	311,346	2,167	15,855,598
Total financial assets	497,244,897	108,534,308	98,257,834	83,649,037	223,303,730	362,402,204	81,853,119	1,455,245,129

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

Group (Continued)

	As at December 31, 2024							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Borrowings from central bank	–	(986,058)	(5,923,347)	(2,722,037)	(23,650)	–	–	(9,655,092)
Accounts payable to brokerage clients	–	(23,718,703)	–	–	–	–	–	(23,718,703)
Due to customers	–	(99,669,681)	(75,058,642)	(127,210,800)	(56,793,403)	(17,772,040)	–	(376,504,566)
Deposits from banks and financial institutions	–	(2,330,398)	(153,065)	(1,519,313)	(4,114,514)	–	–	(8,117,290)
Placements from banks and financial institutions	–	–	(21,369,880)	(5,672,360)	(5,420,337)	–	–	(32,462,577)
Financial liabilities at fair value through profit or loss	–	(346,759)	(1,450,045)	(3,613,269)	(1,064,039)	(2,169,993)	(4,624)	(8,648,729)
Financial assets sold under repurchase agreements	–	(1,852,080)	(22,486,024)	(1,719,234)	(1,274,413)	(1,224,589)	–	(28,556,340)
Borrowings	–	(617,301)	(43,148,517)	(52,783,756)	(257,510,464)	(270,668,689)	(6,642,275)	(631,371,002)
Bonds issued	–	–	(2,280,645)	(18,431,297)	(61,669,258)	(184,633,302)	(57,746,142)	(324,760,644)
Accounts payable	–	(5,944,485)	(401)	(1,122)	(150,961)	(85,092)	–	(6,182,061)
Other financial liabilities	–	(26,236,444)	(844,731)	(275,182)	(4,663,760)	(7,751,209)	(448,081)	(40,219,407)
Total financial liabilities	–	(161,701,909)	(172,715,297)	(213,948,370)	(392,684,799)	(484,304,914)	(64,841,122)	(1,490,196,411)
Net position	497,244,897	(53,167,601)	(74,457,463)	(130,299,333)	(169,381,069)	(121,902,710)	17,011,997	(34,951,282)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

Group (Continued)

	As at December 31, 2023							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	–	15,237,506	–	–	–	–	–	15,237,506
Deposits with banks and financial institutions	–	76,599,612	1,731,046	3,448,470	283,308	–	–	82,062,436
Placements with banks and financial institutions	–	–	22,409,753	1,718,442	81,228	–	–	24,209,423
Deposits with exchanges and others	2,622,029	–	–	–	–	–	–	2,622,029
Financial assets at fair value through profit or loss	358,534,463	4,782,238	6,213,392	5,937,623	35,913,820	158,190,528	7,905,275	577,477,339
Loans and advances to customers	23,862,510	36,921,964	13,172,379	27,018,538	105,548,011	196,130,717	54,564,785	457,218,904
Accounts receivable	555,823	2,589,237	14,938	597	168,470	478,391	19,135	3,826,591
Financial assets held under resale agreements	–	–	8,811,091	–	–	429,482	–	9,240,573
Financial assets at fair value through other comprehensive income	6,366,137	7,520,190	20,458,515	51,066,844	74,281,357	8,158,429	3,024,386	170,875,858
Financial assets at amortized cost	18,823,000	2,489,623	3,275,020	6,150,565	41,125,781	73,501,378	983,961	146,349,328
Other financial assets	4,517,722	1,830,572	632,017	–	126,698	2,874,815	493,551	10,475,375
Total financial assets	415,281,684	147,970,942	76,718,151	95,341,079	257,528,673	439,763,740	66,991,093	1,499,595,362

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

Group (Continued)

	As at December 31, 2023							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Borrowings from central bank	–	(986,058)	–	–	–	–	–	(986,058)
Accounts payable to brokerage clients	–	(17,264,084)	–	–	–	–	–	(17,264,084)
Due to customers	(89,545,426)	(63,080,185)	(87,663,725)	(90,490,305)	(8,440,148)	–	–	(339,219,789)
Deposits from banks and financial institutions	(14,994,573)	–	–	–	–	–	–	(14,994,573)
Placements from banks and financial institutions	(10,601,777)	–	(4,382,869)	(14,197,912)	(302,637)	–	–	(29,485,195)
Financial liabilities at fair value through profit or loss	–	(669,595)	(5,187,327)	(903,606)	(1,679,679)	(986,662)	(22,337)	(9,449,206)
Financial assets sold under repurchase agreements	–	(90,731)	(12,990,540)	(14,178,626)	(5,078,157)	(1,001,865)	–	(33,339,919)
Borrowings	–	–	(30,450,311)	(70,440,110)	(268,060,710)	(213,241,030)	(9,724,300)	(591,916,461)
Bonds issued	(274,714)	–	(7,054,565)	(14,182,798)	(58,729,643)	(199,994,856)	(69,288,599)	(349,525,175)
Accounts payable	(647,675)	(3,943,434)	(1,516)	(3,241)	(177,471)	(21)	(9,633)	(4,782,991)
Other financial liabilities	(14,947,884)	(5,586,405)	(516,238)	(166,524)	(1,628,708)	(12,639,476)	(145,919)	(35,631,154)
Total financial liabilities	(131,012,049)	(91,620,492)	(148,247,091)	(204,563,122)	(344,097,153)	(427,863,910)	(79,190,788)	(1,426,594,605)
Net position	284,269,635	56,350,450	(71,528,940)	(109,222,043)	(86,568,480)	11,899,830	(12,199,695)	73,000,757

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

Company

	As at December 31, 2024							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	–	359	–	–	–	–	–	359
Deposits with banks and financial institutions	–	23,452,205	631,582	1,506,873	3,953,513	–	–	29,544,173
Financial assets at fair value through profit or loss	387,701,138	2,082,520	402,115	–	9,411,099	27,859,265	607,466	428,063,603
Accounts receivable	–	554,033	–	–	110,358	444,155	–	1,108,546
Financial assets held under resale agreements	–	–	3,001,607	–	–	–	–	3,001,607
Amounts due from subsidiaries	–	1,127,982	3,682,457	4,484,995	17,484,564	11,337,883	–	38,117,881
Financial assets at fair value through other comprehensive income	6,561,693	–	–	–	–	–	–	6,561,693
Financial assets at amortized cost	14,536,057	–	2,199,914	1,452,574	8,514,153	13,088,452	4,089,654	43,880,804
Interests in consolidated structured entities	20,199,506	–	107,485	620,157	10,087,655	14,854,108	1,820,617	47,689,528
Other financial assets	11,043	5,674,945	–	–	–	303,777	–	5,989,765
Total financial assets	429,009,437	32,892,044	10,025,160	8,064,599	49,561,342	67,887,640	6,517,737	603,957,959
Borrowings from central bank	–	(986,058)	(5,923,328)	(2,722,000)	(10,983)	–	–	(9,642,369)
Placements from banks and a financial institution	–	–	(3,001,200)	–	–	–	–	(3,001,200)
Financial liabilities at fair value through profit or loss	–	–	–	–	–	(1,955,875)	–	(1,955,875)
Borrowings	–	–	(19,535,752)	(33,911,184)	(201,910,039)	(202,230,590)	–	(457,587,565)
Bonds issued	–	–	–	(3,655,501)	(39,798,756)	(64,345,157)	(24,618,844)	(132,418,258)
Accounts payable	–	(1,000)	–	–	–	–	–	(1,000)
Other financial liabilities	–	(4,863,509)	(9)	–	(153,690)	(131,685)	(41,485)	(5,190,378)
Total financial liabilities	–	(5,850,567)	(28,460,289)	(40,288,685)	(241,873,468)	(268,663,307)	(24,660,329)	(609,796,645)
Net position	429,009,437	27,041,477	(18,435,129)	(32,224,086)	(192,321,126)	(200,775,667)	(18,142,592)	(5,838,686)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

Company (Continued)

	As at December 31, 2023							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	–	522	–	–	–	–	–	522
Deposits with banks and financial institutions	–	20,934,425	1,513,141	3,009,600	–	–	–	25,457,166
Financial assets at fair value through profit or loss	303,686,781	801,871	21,000	–	18,282,880	112,328,959	4,440,814	439,562,305
Accounts receivable	647,163	–	–	–	150,267	422,324	–	1,219,754
Financial assets held under resale agreements	–	–	5,749,216	–	–	–	–	5,749,216
Amounts due from subsidiaries	20,343,872	–	3,541,350	13,379,261	3,442,031	–	–	40,706,514
Financial assets at fair value through other comprehensive income	5,028,788	–	–	–	–	–	–	5,028,788
Financial assets at amortized cost	14,583,084	–	1,828,554	2,526,051	24,357,827	40,831,646	215,696	84,342,858
Interests in consolidated structured entities	15,881,487	–	34,611	750,396	13,043,180	34,489,060	488,747	64,687,481
Other financial assets	4,961,929	–	–	–	–	–	–	4,961,929
Total financial assets	365,133,104	21,736,818	12,687,872	19,665,308	59,276,185	188,071,989	5,145,257	671,716,533
Borrowings from central bank	–	(986,058)	–	–	–	–	–	(986,058)
Placements from banks and a financial institution	–	–	(2,781,401)	–	–	–	–	(2,781,401)
Financial liabilities at fair value through profit or loss	–	–	–	–	–	(1,483,959)	–	(1,483,959)
Borrowings	–	–	(19,574,420)	(51,543,168)	(213,260,461)	(160,781,300)	–	(445,159,349)
Bonds issued	–	–	–	–	(29,693,379)	(123,912,923)	(27,914,833)	(181,521,135)
Accounts payable	(1,000)	–	–	–	–	–	–	(1,000)
Other financial liabilities	(4,135,394)	–	–	–	–	–	–	(4,135,394)
Total financial liabilities	(4,136,394)	(986,058)	(22,355,821)	(51,543,168)	(242,953,840)	(286,178,182)	(27,914,833)	(636,068,296)
Net position	360,996,710	20,750,760	(9,667,949)	(31,877,860)	(183,677,655)	(98,106,193)	(22,769,576)	35,648,237

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

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

Group

	As at December 31, 2024							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	10,661,653	2,721,826	–	–	–	–	–	13,383,479
Deposits with banks and financial institutions	–	78,036,235	4,146,165	8,684,297	4,891,417	–	–	95,758,114
Placements with banks and financial institutions	–	–	29,810,880	4,781,234	2,164,329	347,000	–	37,103,443
Deposits with exchanges and others	2,612,351	–	–	–	–	–	–	2,612,351
Financial assets at fair value through profit or loss	422,881,772	12,479,158	7,844,912	7,599,748	28,903,816	63,830,791	5,150,037	548,690,234
Loans and advances to customers	17,726,018	1,320,507	34,277,667	31,867,828	95,281,311	152,254,781	41,510,196	374,238,308
Accounts receivable	199,271	3,229,953	506	17,999	149,315	402,328	19	3,999,391
Financial assets held under resale agreements	408,163	–	5,759,735	129,739	678,183	212,549	–	7,188,369
Financial assets at fair value through other comprehensive income	7,562,605	703,636	7,324,148	23,448,235	46,873,379	91,478,850	19,934,455	197,325,308
Financial assets at amortized cost	17,287,848	–	2,795,005	4,177,719	27,486,313	24,038,541	2,180,800	77,966,226
Other financial assets	4,300,529	8,823,213	1,062,347	1,045	9,688	311,346	2,167	14,510,335
Total financial assets	483,640,210	107,314,528	93,021,365	80,707,844	206,437,751	332,876,186	68,777,674	1,372,775,558

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

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

Group (Continued)

	As at December 31, 2024							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Borrowings from central bank	–	(986,058)	(5,921,626)	(2,722,000)	(12,525)	–	–	(9,642,209)
Accounts payable to brokerage clients	–	(23,718,703)	–	–	–	–	–	(23,718,703)
Due to customers	–	(97,633,530)	(74,706,510)	(125,762,401)	(55,320,745)	(17,036,034)	–	(370,459,220)
Deposits from banks and financial institutions	–	(2,031,370)	(141,672)	(1,415,354)	(3,830,285)	–	–	(7,418,681)
Placements from banks and financial institutions	–	–	(20,259,644)	(4,171,492)	(3,873,723)	–	–	(28,304,859)
Financial liabilities at fair value through profit or loss	–	(346,759)	(1,447,447)	(3,596,572)	(1,046,081)	(2,072,993)	(4,624)	(8,514,476)
Financial assets sold under repurchase agreements	–	(1,852,080)	(22,482,710)	(1,715,228)	(1,260,780)	(1,024,859)	–	(28,335,657)
Borrowings	–	(601,842)	(34,993,542)	(51,651,914)	(242,727,897)	(246,822,407)	(4,568,454)	(581,366,056)
Bonds issued	–	–	(2,278,332)	(18,368,694)	(60,212,739)	(164,620,587)	(44,299,232)	(289,779,584)
Accounts payable	–	(5,944,485)	(401)	(1,122)	(150,961)	(85,092)	–	(6,182,061)
Other financial liabilities	–	(26,236,444)	(844,670)	(273,183)	(4,654,058)	(7,718,455)	(444,199)	(40,171,009)
Total financial liabilities	–	(159,351,271)	(163,076,554)	(209,677,960)	(373,089,794)	(439,380,427)	(49,316,509)	(1,393,892,515)
Net position	483,640,210	(52,036,743)	(70,055,189)	(128,970,116)	(166,652,043)	(106,504,241)	19,461,165	(21,116,957)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

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

Group (Continued)

	As at December 31, 2023							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	–	15,237,506	–	–	–	–	–	15,237,506
Deposits with banks and financial institutions	–	76,599,612	1,709,321	3,405,375	283,308	–	–	81,997,616
Placements with banks and financial institutions	–	–	22,377,862	1,711,923	80,000	–	–	24,169,785
Deposits with exchanges and others	2,622,029	–	–	–	–	–	–	2,622,029
Financial assets at fair value through profit or loss	358,581,652	4,782,238	5,671,189	5,810,233	32,211,402	103,793,741	7,459,365	518,309,820
Loans and advances to customers	23,335,886	34,507,815	18,584,497	17,917,571	94,744,862	166,593,507	47,477,621	403,161,759
Accounts receivable	948,331	2,589,237	14,938	597	158,203	456,268	19,135	4,186,709
Financial assets held under resale agreements	–	–	8,809,657	–	–	429,482	–	9,239,139
Financial assets at fair value through other comprehensive income	6,366,137	7,520,190	20,458,515	51,066,844	74,281,357	8,158,429	3,024,386	170,875,858
Financial assets at amortized cost	10,744,104	2,489,181	2,458,296	3,904,960	35,959,204	63,670,917	523,227	119,749,889
Other financial assets	4,537,006	1,860,686	632,017	–	126,698	2,839,762	23,728	10,019,897
Total financial assets	407,135,145	145,586,465	80,716,292	83,817,503	237,845,034	345,942,106	58,527,462	1,359,570,007

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

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

Group (Continued)

	As at December 31, 2023							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Borrowings from central bank	–	(986,058)	–	–	–	–	–	(986,058)
Accounts payable to brokerage clients	–	(17,264,084)	–	–	–	–	–	(17,264,084)
Due to customers	(89,545,426)	(63,080,185)	(87,663,725)	(90,490,305)	(8,440,148)	–	–	(339,219,789)
Deposits from banks and financial institutions	(14,994,573)	–	–	–	–	–	–	(14,994,573)
Placements from banks and financial institutions	(10,601,777)	–	(17,110,474)	(1,462,173)	(300,171)	–	–	(29,474,595)
Financial liabilities at fair value through profit or loss	–	(669,595)	(5,187,326)	(903,606)	(1,679,673)	(985,332)	(23,667)	(9,449,199)
Financial assets sold under repurchase agreements	–	–	(24,793,147)	(2,464,880)	(5,078,157)	(1,001,865)	–	(33,338,049)
Borrowings	–	–	(30,246,131)	(67,844,222)	(258,107,049)	(197,056,007)	(5,617,093)	(558,870,502)
Bonds issued	(274,714)	–	(13,490,286)	(17,972,613)	(45,305,766)	(165,082,151)	(60,636,602)	(302,762,132)
Accounts payable	(647,675)	(3,943,434)	(1,516)	(3,241)	(177,471)	(21)	(9,633)	(4,782,991)
Other financial liabilities	(15,210,110)	(4,994,973)	(515,813)	(162,276)	(1,191,705)	(12,240,571)	(145,920)	(34,461,368)
Total financial liabilities	(131,274,275)	(90,938,329)	(179,008,418)	(181,303,316)	(320,280,140)	(376,365,947)	(66,432,915)	(1,345,603,340)
Net position	275,860,870	54,648,136	(98,292,126)	(97,485,813)	(82,435,106)	(30,423,841)	(7,905,453)	13,966,667

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

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

Company

	As at December 31, 2024							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	–	359	–	–	–	–	–	359
Deposits with banks and financial institutions	–	23,452,205	620,067	1,464,229	3,823,641	–	–	29,360,142
Financial assets at fair value through profit or loss	384,745,562	2,025,185	391,044	–	9,094,918	26,957,808	540,618	423,755,135
Accounts receivable	–	554,033	–	–	110,358	332,940	–	997,331
Financial assets held under resale agreements	–	–	3,000,946	–	–	–	–	3,000,946
Amounts due from subsidiaries	–	1,127,982	3,682,164	4,484,544	16,858,144	11,090,000	–	37,242,834
Financial assets at fair value through other comprehensive income	6,561,693	–	–	–	–	–	–	6,561,693
Financial assets at amortized cost	9,355,831	–	2,104,615	1,403,739	7,069,964	9,776,469	2,180,800	31,891,418
Interests in consolidated structured entities	19,983,748	–	107,268	612,625	9,594,592	13,539,596	1,820,617	45,658,446
Other financial assets	11,043	5,674,944	–	–	–	303,776	–	5,989,763
Total financial assets	420,657,877	32,834,708	9,906,104	7,965,137	46,551,617	62,000,589	45,420,035	584,458,067
Borrowings from central bank	–	(986,058)	(5,921,619)	(2,722,000)	–	–	–	(9,629,677)
Placements from banks and a financial institution	–	–	(3,001,050)	–	–	–	–	(3,001,050)
Financial liabilities at fair value through profit or loss	–	–	–	–	–	(1,955,875)	–	(1,955,875)
Borrowings	–	–	(19,507,844)	(33,726,318)	(198,650,729)	(194,128,514)	–	(446,013,405)
Bonds issued	–	–	–	(3,642,797)	(38,671,150)	(56,986,651)	(20,563,913)	(119,864,511)
Accounts payable	–	(1,000)	–	–	–	–	–	(1,000)
Other financial liabilities	–	(4,863,509)	(9)	–	(151,059)	(124,576)	(37,950)	(5,177,103)
Total financial liabilities	–	(5,850,567)	(28,430,522)	(40,091,115)	(237,472,938)	(253,195,616)	(20,601,863)	(585,642,621)
Net position	420,657,877	26,984,141	(18,524,418)	(32,125,978)	(190,921,321)	(191,195,027)	(16,059,828)	(1,184,554)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.3 Liquidity risk (Continued)

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

Company (Continued)

	As at December 31, 2023							
	Past due/ undated	On demand	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Cash and balances with central banks	–	522	–	–	–	–	–	522
Deposits with banks and financial institutions	–	20,934,425	1,491,416	2,966,505	–	–	–	25,392,346
Financial assets at fair value through profit or loss	300,567,073	801,871	21,000	–	16,171,855	72,265,211	4,440,814	394,267,824
Accounts receivable	647,163	–	–	–	140,000	400,201	–	1,187,364
Financial assets held under resale agreements	–	–	5,747,782	–	–	–	–	5,747,782
Amounts due from subsidiaries	20,343,872	–	3,541,350	13,379,261	3,442,031	–	–	40,706,514
Financial assets at fair value through other comprehensive income	5,028,788	–	–	–	–	–	–	5,028,788
Financial assets at amortized cost	8,024,848	–	1,011,830	1,093,874	19,846,688	36,221,613	341,910	66,540,763
Interests in consolidated structured entities	15,618,741	–	–	–	9,185,485	20,432,823	43,656	45,280,705
Other financial assets	4,961,929	–	–	–	–	–	–	4,961,929
Total financial assets	355,192,414	21,736,818	11,813,378	17,439,640	48,786,059	129,319,848	4,826,380	589,114,537
Borrowings from central bank	–	(986,058)	–	–	–	–	–	(986,058)
Placements from banks and a financial institution	–	–	(2,781,401)	–	–	–	–	(2,781,401)
Financial liabilities at fair value through profit or loss	–	–	–	–	–	(1,483,959)	–	(1,483,959)
Borrowings	–	–	(19,565,680)	(49,416,685)	(204,826,230)	(149,206,273)	–	(423,014,868)
Bonds issued	–	–	(6,097,359)	(4,298,367)	(18,020,076)	(91,506,747)	(20,550,528)	(140,473,077)
Accounts payable	(1,000)	–	–	–	–	–	–	(1,000)
Other financial liabilities	(4,135,394)	–	–	–	–	–	–	(4,135,394)
Total financial liabilities	(4,136,394)	(986,058)	(28,444,440)	(53,715,052)	(222,846,306)	(242,196,979)	(20,550,528)	(572,875,757)
Net position	351,056,020	20,750,760	(16,631,062)	(36,275,412)	(174,060,247)	(112,877,131)	(15,724,148)	16,238,780

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.4 Risk management of distressed assets

(i) Overview

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 debt assets, restructured distressed debt assets and equity instruments obtained through debt-to-equity swap.

(ii) Risk management of distressed debt assets

The Group exercises standardized management procedures, including project initiation, due diligence investigation, design and approval of recovery plan and continuous monitoring and management. The Group enhances its risk management by strengthening investigation, review and approval procedures before the recovery of distressed assets, and monitoring measures after the recovery of distressed assets; enhancing risk mitigation effect through collateral; and continuously upgrading the management system of distressed debt assets.

Specifically, the risks to which distressed debts financial assets at fair value through profit or loss mainly comprise valuation risk, legal title risk and to certain extent credit risk; while the risks to which distressed debt assets at amortized cost mainly comprise credit risk.

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.4 Risk management of distressed assets (Continued)

(ii) Risk management of distressed debt assets (Continued)

(1) Valuation risk

Valuation risk is the risk of negative impact arising from the difference between actual results and value estimations that the Group would use in its management of distressed debt assets at fair value through profit or loss, due to variance in factors such as future cash flows, collection period, discount rate, and disposal cost. The measures that the Group takes to minimize the valuation risk include:

- Perform investigation strictly on the parties involved in the transaction (including the debtors and the guarantors), collateral provided, repayment sources, etc.; and

- Adopt conservative estimation on incurrence rate, discount rate, and disposal cost when performing valuation and review the difference between actual results and estimation after the completion of the disposal of distressed assets to improve the accuracy of future estimations.

(2) Legal title risk

Legal title risk is the risk of loss, arising from the decrease of recoverable amount when the legal rights to claim was partially or entirely lost due to inappropriate daily management of distressed assets such as expiry of claim period without taking proper legal actions on time. The measures that the Group takes to minimize the legal title risk include:

- Set up alert management system to ensure the expiry of legal claim periods related to distressed assets is managed effectively;

- Set up periodic revisiting mechanism to interview debtors and monitor the conditions of collateral. Maintain regular investigation report properly to ensure the Group has access to the most updated information; and

- Set up reporting mechanism of significant events to ensure immediate recovery action be taken when certain risk elements emerge.

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.4 Risk management of distressed assets (Continued)

(ii) Risk management of distressed debt assets (Continued)

(3) Credit risk

In addition to distressed debt assets at amortized cost, certain distressed debt assets at fair value through profit or loss may be subject to credit risk. Depending on the status of the obligor of distressed debt assets as at fair value through profit or loss, the Group may decide to pursue repayment from the obligor instead of disposing of it to a third party and credit risk arises in such situation. Credit risk represents the potential loss that may arise from the failure of a customer or counterparty's failure to meet its obligation. Characteristics of the credit risk management system of the Group include:

- Apply centralized policy and procedures throughout the Group;
- Enforce strict management system on the credentials of authorized supervisors; and
- Apply more stringent risk management rules and procedures, which include customer investigation, project evaluation, investigation and approval, project execution and post-event management for distressed debt assets at amortized cost.

The measures that the Group takes to minimize the credit risk of distressed assets include:

- Manage the creditworthiness of counterparties using independent credit rating on the counterparties as reference;
- Select counterparties with appropriate creditworthiness and repayment capability; and
- Require counterparties to provide collateral which fully covers the credit exposure.

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.4 Risk management of distressed assets (Continued)

(iii) Risk management of assets obtained through debt-to-equity swap

Risk related to these equity instruments is the risk of loss arising from movements in the value of equity shares due to price changes or decline in value of the investees.

The measures that the Group takes to minimize the risk related to these equity instruments include:

- Strengthen continuous monitoring, analysis and management of equity values;

- Gain a better understanding of macro-economic policies reinforced by the government and assess their impact on the equity investments; and

- Track the value changes dynamically and identify the appropriate timing for disposal to realize the maximum value of equity shares.

(iv) Determination of fair value

The Group uses valuation techniques for financial instruments which are not quoted in an active market. Valuation techniques include the use of discounted cash flow analysis, comparable listed company method, option pricing models or other valuation methods, as appropriate. In practical applications, only observable data are used in the models. However, areas such as credit risk of the Group and the counterparty, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of the financial instruments.

(v) Impairment assessment

The Group performs impairment assessment on distressed debt assets at amortized cost. Assessment procedures for distressed debt assets at amortized cost are similar to those set out in Note VI.70.1 Credit risk.

VI. EXPLANATORY NOTES (Continued)

70. Financial risk management (Continued)

70.5 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 Consolidated Supervision Guidelines on Financial Asset Management Companies (Provisional) (Yinjianfa [2011] No. 20), issued by the former CBRC in 2011, 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 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.

In accordance with the requirements of Off-site Supervision Reporting Index System on Financial Asset Management Companies (Yinjianbanfa [2016] No. 38), issued by the former CBRC in 2016, 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 December, 2024 and 2023, the Company complied with the regulatory requirements on the minimum CAR.

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments

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, including bond prices, equity and stock prices, interest rates and foreign exchange rates; and

Level 3: The management obtains valuation quotations from counterparties or uses valuation techniques to determine the fair value, including the discounted cash flow analysis, market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have a significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. The unobservable inputs which may have an impact on the valuation include estimated future cash flows, discount rate, market multipliers, liquidity discount, etc.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate to their fair values.

Group

	As at December 31			
	2024		2023	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets at amortized cost				
– Distressed debt assets	**28,493,395**	**28,856,940**	59,193,006	61,870,516
– Other debt investments	**49,472,831**	**49,905,430**	60,556,883	60,628,397
Accounts receivable	**3,999,391**	**3,999,391**	4,186,709	4,186,709
Total	**81,965,617**	**82,761,761**	123,936,598	126,685,622
Financial liabilities				
Borrowings	**(581,366,056)**	**(579,764,247)**	(558,870,502)	(579,519,905)
Bonds issued	**(289,779,584)**	**(296,365,693)**	(302,762,132)	(304,167,912)
Total	**(871,145,640)**	**(876,129,940)**	(861,632,634)	(883,687,817)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71 Fair values of financial instruments (Continued)

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

Group (Continued)

	As at December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at amortized cost				
– Distressed debt assets	**–**	**–**	**28,856,940**	**28,856,940**
– Other debt investments	**359,545**	**651,609**	**48,894,276**	**49,905,430**
Accounts receivable	**–**	**–**	**3,999,391**	**3,999,391**
Total	**359,545**	**651,609**	**81,750,607**	**82,761,761**
Financial liabilities				
Borrowings	**–**	**–**	**(579,764,247)**	**(579,764,247)**
Bonds issued	**–**	**(185,356,114)**	**(111,009,579)**	**(296,365,693)**
Total	**–**	**(185,356,114)**	**(690,773,826)**	**(876,129,940)**

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71 Fair values of financial instruments (Continued)

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

Group (Continued)

	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortized cost				
– Distressed debt assets	–	–	61,870,516	61,870,516
– Other debt investments	–	6,613,470	54,014,927	60,628,397
Accounts receivable	143,191	–	4,043,518	4,186,709
Total	143,191	6,613,470	119,928,961	126,685,622
Financial liabilities				
Borrowings	–	–	(579,519,905)	(579,519,905)
Bonds issued	–	(259,748,400)	(44,419,512)	(304,167,912)
Total	–	(259,748,400)	(623,939,417)	(883,687,817)

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.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting year. The following table gives information about how the fair values of these financial assets and financial liabilities are determined, especially their fair value hierarchy, valuation technique(s) and key input(s) used.

Group

Financial assets/financial liabilities	Fair value As at December 31, 2024	As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
1) Financial assets classified as at fair value through profit or loss	**548,690,234**	518,309,820				
Debt securities	**38,778,545**	34,927,153				
– Traded on stock exchanges	**1,833,529**	2,776,510	Level 1	• Quoted bid prices in an active market.	N/A	N/A
	8,092,947	4,720,252	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
	158,671	80,504	Level 3	• Default rates of recovery.	• Expected recoverable amounts.	• The higher the expected recoverable amounts, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
– Traded in inter-bank markets	**19,068,418**	17,932,317	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
	–	25,183	Level 3	• Default rates of recovery.	• Expected recoverable amounts.	• The higher the expected recoverable amounts, the higher the fair value.
– Traded over the counter	**9,030,579**	8,629,103	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
	10,783	155,313	Level 3	• Default rates of recovery.	• Default rates of recovery.	• The lower the default rates of recovery, the higher the fair value.
				• Future cash flows are estimated based on contractual amounts and coupon rates discounted at a rate that reflects the credit risk of the counterparty.	• Expected recoverable amounts.	• The higher the expected recoverable amounts, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
– Traded in inactive markets	**583,618**	607,971	Level 3	• Discounted cash flows for the debt component and binomial option pricing model for the option component. • Future cash flows are estimated based on contractual amounts and coupon rates discounted at a rate that reflects the credit risk of the counterparty.	• Discount rates that correspond to the expected risk level. • Risk-free rates that are specific to the market. • Volatility rates that are in line with those of similar products.	• The lower the discount rates, the higher the fair value. • The lower the risk-free rates, the higher the fair value. • The higher the volatility rates, the higher the fair value.
Equity investments listed or traded on exchanges	**15,078,470**	17,655,325				
– Unrestricted listed equity investments	**13,522,279**	9,751,599	Level 1	• Quoted bid prices in an active market.	N/A	N/A

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
– Restricted listed equity investments	**1,556,191**	7,903,726	Level 3	• Option pricing model.	• Stock volatility.	• The lower the stock volatility, the higher the fair value.
Equity investments in unlisted companies	**57,943,853**	56,675,732				
	55,664,477	51,037,041	Level 3	• Comparable listed company method, comparable transaction cases, etc.	• 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.
	2,279,376	5,638,691	Level 3	• Income approach.	• Expected future cash flow.	• The more the future cash flow, the higher the fair value.
					• Discount rates that correspond to the expected risk level.	• The lower the discount rate, the higher the fair value.
Mutual funds	**129,995,804**	130,265,355				
– Mutual funds with open or active quotations	**6,177,326**	3,374,917	Level 1	• Quoted bid prices in an active market.	N/A	N/A
	1,408,581	1,181,132	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
– Investing in debt instruments	**84,332,474**	98,356,899	Level 3	• Discounted cash flow with future cash flow that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected future cash flow. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The more the future cash flow, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rates, the higher the fair value.
– Investing in listed equity	**220,464**	–	Level 1	• Quoted bid prices in an active market.	N/A	N/A
– Investing in equity instruments	**37,856,959**	27,352,407	Level 3	• Comparable listed company method, comparable transaction cases, etc.	• Market multiplier. • Discount for lack of marketability (DLOM).	• The higher the market multiplier, the higher the fair value. • The lower the DLOM, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Debt instruments	**16,569,705**	11,169,359				
– Other debt instruments	**16,202,644**	10,367,272	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected recoverable amounts. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the recoverable amounts, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rates, the higher the fair value.
– Embedded derivative debts	**367,061**	802,087	Level 3	• Discounted cash flows for the debt component and binomial option pricing model for the option component.	• Expected future cash flows. • Discount rates that correspond to the expected risk level. • Stock price volatility.	• The higher the future cash flows, the higher the fair value. • The lower the discount rates, the higher the fair value. • The higher the stock price volatility, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Derivative financial assets	**3,208,969**	1,513,374				
	371,539	330,179	Level 1	• Quoted bid prices in an active market.	N/A	N/A
	2,420,744	617,270	Level 2	• Valuation techniques based on market data including interest rate and foreign exchange rates.	N/A	N/A
	416,686	565,925	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.*(i)*	• Expected recoverable amounts. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the recoverable amounts, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rates, the higher the fair value.

(i) The fair values of the option contracts were calculated based on the difference between the put values as of the exercise date adjusted by the time value of money and the credit valuation adjustment; and the carrying values of the investment of the Group. The fair values of the forward contracts were calculated based on the difference between the forward settlement price, adjusted by the time value of money and the credit valuation adjustment; and the carrying values of the investment of the Group.

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Certificates of deposit	**39,912**	–	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
Distressed debt assets	**241,569,650**	241,982,055	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected recoverable amounts. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the recoverable amounts, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rates, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Wealth management products	**9,311,608**	2,700,637				
	7,425,761	6,613	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
	1,885,847	2,694,024	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected future cash flows. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The more the future cash flows, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rate, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Assets management plans	**2,206,350**	2,480,292				
– Investing in the portfolio with open or active quotations	**1,520,048**	2,086,575	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
– Investing in debt instruments	**577,922**	–	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected future cash flows. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the future cash flow, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rate, the higher the fair value.
– Investing in equity instruments	**108,380**	393,717	Level 3	• Comparable listed company method, comparable transaction cases, etc.	• Market multiplier. • Discount for lack of marketability (DLOM).	• The higher the market multiplier, the higher the fair value. • The lower the DLOM, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	 As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Asset-backed securities	**3,252,347**	3,437,995				
	263,598	958,566	Level 1	• Quoted bid prices in an active market.	N/A	N/A
	507,511	–	Level 2	• Investing in the portfolio with open or active quotations	N/A	N/A
	2,481,238	2,479,429	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected future cash flows. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the future cash flow, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rate, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Trust products and rights to trust assets	**27,150,469**	14,824,734				
– Investing in the portfolio with open or active market quotations	**–**	24,905	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
– Investing in debt instruments	**13,165,321**	11,177,939	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected future cash flows. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the future cash flows, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rate, the higher the fair value.
– Investing in equity instruments	**13,985,148**	3,621,890	Level 3	• Comparable listed company method, comparable transaction cases, etc.	• Market multiplier. • Discount for lack of marketability (DLOM).	• The higher the market multiplier, the higher the fair value. • The lower the DLOM, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Others	**3,584,552**	677,809				
– Investing in debt instruments	**3,584,552**	677,809	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected future cash flows. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the future cash flows, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rate, the higher the fair value.
2) Loans and advances to customers at fair value through profit or loss						
– Loans and advances	**14,764,333**	14,973,649	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected recoverable amounts. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the recoverable amounts, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rates, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
3) Financial assets at fair value through other comprehensive income	**197,325,308**	170,875,858				
Debt investments at fair value through other comprehensive income	**187,584,105**	164,503,552				
Debt securities	**185,515,249**	164,503,552				
– Traded on stock exchanges	**2,885,081**	223,629	Level 1	• Quoted bid prices in an active market.	N/A	N/A
– Traded in inter-bank markets	**52,938,608**	77,760,809	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
– Traded over the counter	**129,691,560**	86,519,114	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
Certificates of deposit	**2,068,856**	–	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
Equity instruments designated as at fair value through other comprehensive income	**9,741,203**	6,372,306				

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
Unrestricted listed equity investments	**7,263,929**	5,364,927	Level 1	• Quoted bid prices in an active market.	N/A	N/A
Medium-term Notes	**1,474,963**	–	Level 2	• Quoted market prices from dealers or independent pricing service vendors.	N/A	N/A
Restricted listed equity investments	**–**	984,174	Level 3	• Option pricing model.	• Stock volatility.	• The lower the stock volatility, the higher the fair value.
Unlisted equity instruments	**1,000,911**	23,205	Level 3	• Income approach.	• Expected future cash flow.	• The more the future cash flow, the higher the fair value.
					• Discount rates that correspond to the expected risk level.	• The lower the discount rate, the higher the fair value.
Others	**1,400**	–	Level 3	• Cost method.	N/A	N/A

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

Group (Continued)

Financial assets/financial liabilities	Fair value As at December 31, 2024	Fair value As at December 31, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity of unobservable inputs to fair value
4) Financial liabilities at fair value through profit or loss	**(8,514,476)**	(9,449,199)				
– Short positions in exchange fund bills and notes	**(5,911,363)**	(6,867,182)	Level 2	• Calculated based on the quoted prices of similar assets traded in an active market.	N/A	N/A
– OTC derivative financial liabilities	**(742,795)**	(1,187,061)	Level 2	• Calculated based on the quoted prices of similar assets traded in an active market.	N/A	N/A
– Financing payables linked to stock index	**(295)**	(6,848)	Level 2	• Calculated based on the quoted prices of similar assets traded in an active market.	N/A	N/A
– Structured payment obligations for distressed assets	**(1,860,023)**	(1,388,108)	Level 3	• Discounted cash flows with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	• Expected future cash flows. • Expected recovery date. • Discount rates that correspond to the expected risk level.	• The higher the future cash flows, the higher the fair value. • The earlier the recovery date, the higher the fair value. • The lower the discount rate, the higher the fair value.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

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

Group

	As at December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	**22,388,734**	**49,514,502**	**476,786,998**	**548,690,234**
Loans and advances to customers	**–**	**–**	**14,764,333**	**14,764,333**
Financial assets at fair value through other comprehensive income	**10,149,010**	**186,173,987**	**1,002,311**	**197,325,308**
Total assets	**32,537,744**	**235,688,489**	**492,553,642**	**760,779,875**
Financial liabilities at fair value through profit or loss	**–**	**(6,629,385)**	**(1,885,091)**	**(8,514,476)**
Total liabilities	**–**	**(6,629,385)**	**(1,885,091)**	**(8,514,476)**

	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	17,191,771	35,198,167	465,919,882	518,309,820
Loans and advances to customers	–	–	14,973,649	14,973,649
Financial assets at fair value through other comprehensive income	5,588,556	164,279,923	1,007,379	170,875,858
Total assets	22,780,327	199,478,090	481,900,910	704,159,327
Financial liabilities at fair value through profit or loss	–	(8,061,091)	(1,388,108)	(9,449,199)
Total liabilities	–	(8,061,091)	(1,388,108)	(9,449,199)

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

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

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

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

71.3 Reconciliation of Level 3 fair value measurements

Group

	Financial assets at FVTPL	Financial assets at FVOCI	Financial liabilities at FVTPL
As at January 1, 2024	465,919,882	1,007,379	(1,388,108)
Recognized in profit or loss	(2,454,694)	–	–
Recognized in other comprehensive income	–	(5,068)	–
Purchases	125,412,791	–	(496,983)
Settlements/disposals at cost	(111,665,030)		–
Transfer into Level 3	–	–	–
Transfer out from Level 3	(425,951)	–	–
As at December 31, 2024	476,786,998	1,002,311	(1,885,091)
Unrealized gains or losses for the year included in profit or loss for assets held as at the end of the year	3,141,848	–	–

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

71. Fair values of financial instruments (Continued)

71.3 Reconciliation of Level 3 fair value measurements (Continued)

Group (Continued)

	Financial assets at FVTPL	Financial assets at FVOCI	Financial liabilities at FVTPL
As at January 1, 2023	444,694,193	1,003,687	–
Recognized in profit or loss	12,775,842	–	–
Recognized in other comprehensive income	–	(152,608)	–
Purchases	113,508,205	156,300	(1,388,108)
Settlements/disposals at cost	(105,035,513)	–	–
Transfer in Level 3	–	–	–
Transfer out from Level 3	(22,845)	–	–
As at December 31, 2023	465,919,882	1,007,379	(1,388,108)
Unrealized gains or losses for the year included in profit or loss for assets held as at the end of the year	(4,046,135)	–	–

For the years ended December 31, 2024 and 2023, 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 at the reporting period.

Total gains or losses for the years ended December 31, 2024 and 2023 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 December 31, 2024 and 2023 are presented in "fair value changes on distressed debt assets", "fair value changes on other financial assets", and "credit impairment losses" depending on the nature or category of the related financial instruments.

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

72. Acquisition of subsidiaries

During the year, the Group acquired some subsidiaries. None of these acquisitions were individually significant, and their aggregate information is set out below:

Consideration paid:

	Year ended December 31 2024
Cash consideration paid	**62,000**
Other consideration paid	**745,866**

Analysis of assets and liabilities of the subsidiaries acquired:

	Year ended December 31 2024
Total assets	**906,277**
Total liabilities	**–**

Net cash flows arising on acquisition:

	Year ended December 31 2024
Cash consideration paid	**(62,000)**
Cash and cash equivalents balances acquired	**20**
Net cash flows	**(61,980)**

(Amounts in thousands of RMB, unless otherwise stated)

VI. EXPLANATORY NOTES (Continued)

73. Disposal of subsidiaries

During the year, the Group disposed some subsidiaries. None of these disposals were individually significant, and their aggregate information is set out below:

Consideration received:

	Year ended December 31 2024
Cash consideration received	–
Other consideration received	522,363

Analysis of assets and liabilities of the subsidiaries disposed:

	Year ended December 31 2024
Total assets	2,266,561
Total liabilities	(1,647,114)

Net cash flows arising on disposal:

	Year ended December 31 2024
Cash consideration received	–
Cash and cash equivalents balances disposed	108,269
Net cash flows	(108,269)

VII. COMPARATIVE AMOUNTS

The Group has adjusted certain comparative amounts for the consolidated financial statements disclosure purposes.

VIII. EVENTS AFTER THE REPORTING YEAR

1. On February 14, 2025, the Company received a notice from MOF. MOF intends to transfer all of its 22,137,239,084 domestic shares of the Company (accounting for approximately 58% of the total number of issued shares of the Company) to Central Huijin Investment Co., Ltd. (hereinafter referred to as "Huijin Company") free of charge. After the completion of this free transfer, the MOF will no longer hold any shares of the Company, and Huijin Company will directly hold 22,137,239,084 domestic shares of the Company (accounting for approximately 58% of the total number of issued shares of the Company) and become the controlling shareholder of the Company. After the completion of this free transfer, the Company will still be a state-controlled financial institution.

2. Pursuant to the meeting of the Board of Directors on March 25, 2025, the proposal of the profit appropriations of the Company for the year ended December 31, 2024 is set out as follows:

   (1) An appropriation of RMB305,842 thousand to the statutory surplus reserve;

   (2) No general reserve to be appropriated based on risk assets as at December 31, 2024; and

   (3) A cash dividend distribution of RMB0.2387 per 10 shares (tax inclusive), which is RMB0.91 billion in total in respect of the year.

   As at December 31, 2024, the statutory surplus reserve had been recognized as appropriation. The dividend will be recognized in the Company's and the Group's financial statements after the approval by shareholders in the forthcoming general meeting.

IX. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorized by the Board of Directors on March 25, 2025.

14 BRANCHES AND MAJOR SUBSIDIARIES

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▲China Cinda Asset Management Co., Ltd. Shanghai Pilot Free Trade Zone Branch
Address: Unit 03 and 04, 12/F, 2 Building, 759 Yang Gao South Road, Pudong New Area, Shanghai
Postal code: 200127
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Fax No.: (021) 68581597

▲China Cinda Asset Management Co., Ltd. Jiangsu Branch
Address: 18-20/F, Building 10, 377 Middle Jiangdong Road, Jianye District, Nanjing, Jiangsu
Postal code: 210019
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Fax No.: (025) 52680852

▲China Cinda Asset Management Co., Ltd. Zhejiang Branch
Address: 9, 11 and 12/F, Tower B, Biaoli Building, 528 Yan'an Road, Hangzhou, Zhejiang
Postal code: 310006
Tel. No.: (0571) 85774679, 85774675
Fax No.: (0571) 85774800, 85774656

▲China Cinda Asset Management Co., Ltd. Anhui Branch
Address: 16-17/F, Building 2, China Cinda (Hefei) Disaster Recovery and Backup Base, 2599 Hangzhou Road, Binhu New District, Hefei, Anhui
Postal code: 230091
Tel. No.: (0551) 65803012
Fax No.: (0551) 65803092

▲China Cinda Asset Management Co., Ltd. Fujian Branch
Address: 10-11/F, Sino International Plaza, 137 Wusi Road, Gulou District, Fuzhou, Fujian
Postal code: 350003
Tel. No.: (0591) 87805243
Fax No.: (0591) 87805150

▲China Cinda Asset Management Co., Ltd. Jiangxi Branch
Address: 7-10/F, Cinda Building, 15 Yongshu Road, Nanchang, Jiangxi
Postal code: 330003
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Fax No.: (0791) 86387011

▲China Cinda Asset Management Co., Ltd. Shandong Branch
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Postal code: 250000
Tel. No.: (0531) 87080257
Fax No.: (0531) 87080280

▲China Cinda Asset Management Co., Ltd. Henan Branch
Address: 28 Fengchan Road, Jinshui District, Zhengzhou, Henan
Postal code: 450014
Tel. No.: (0371) 63865600
Fax No.: (0371) 63865600

▲China Cinda Asset Management Co., Ltd. Hubei Branch
Address: 50-51/F, Block A, Poly Plaza, 99 Zhongnan Road, Wuchang District, Wuhan, Hubei
Postal code: 430071
Tel. No.: (027) 87832741
Fax No.: (027) 87813704

▲China Cinda Asset Management Co., Ltd. Hunan Branch
Address: 26-27/F, Jinsedibiao Building, 288 Furong Middle Road Section One, Kaifu District, Changsha, Hunan
Postal code: 410005
Tel. No.: (0731) 84121860
Fax No.: (0731) 84121860

▲China Cinda Asset Management Co., Ltd. Guangdong Branch
Address: 2404, 2405, 25-26/F, Guangzhou International Commercial Center, 235 Tianhe North Road, Tianhe District, Guangzhou, Guangdong
Postal code: 510610
Tel. No.: (020) 38791778
Fax No.: (020) 38791820

▲China Cinda Asset Management Co., Ltd. Shenzhen Branch
Address: A20/F-21/F, 22/F West District, The Malls At Oriental Plaza, 1003 Shennan Road, Gangxia Community, Futian Street, Futian District, Shenzhen, Guangdong
Postal code: 518000
Tel. No.: (0755) 82900004
Fax No.: (0755) 82910608

▲China Cinda Asset Management Co., Ltd. Guangxi Zhuang Autonomous Region Branch
Address: 11-12/F, Cinda Building, 19 Fengxiang Road, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region
Postal code: 530025
Tel. No.: (0771) 5758693
Fax No.: (0771) 5758600

▲China Cinda Asset Management Co., Ltd. Hainan Branch
Address: 17-18/F, Xinheng Building, 123-8 Binhai Avenue, Longhua District, Haikou, Hainan
Postal code: 570105
Tel. No.: (0898) 68666481
Fax No.: (0898) 68666962

▲China Cinda Asset Management Co., Ltd. Chongqing Branch
Address: 21&22/F, Block 1, Cinda International Office Building, 67 Huangshan Avenue Middle, Yubei District, Chongqing
Postal code: 401121
Tel. No.: (023) 63763650
Fax No.: (023) 63763600

▲China Cinda Asset Management Co., Ltd. Sichuan Branch
Address: 4-5/F, Unit 1, Block 1, Zuncheng International Building, 59 Jinhe Road, Qingyang District, Chengdu, Sichuan
Postal code: 610015
Tel. No.: (028) 65009800
Fax No.: (028) 65009818

▲China Cinda Asset Management Co., Ltd. Guizhou Branch
Address: 13-14/F, Wengfu International Building, 57 Shinan Road, Nanming District, Guiyang, Guizhou
Postal code: 550002
Tel. No.: (0851) 85252839, 85254513
Fax No.: (0851) 85251483

▲China Cinda Asset Management Co., Ltd. Yunnan Branch
Address: 3-5/F, No. 7 Building, Boxin Cailianwan, 15 Hailan Road, Dianchi National Tourist Resort, Kunming, Yunnan
Postal code: 650228
Tel. No.: (0871) 63638666, 63643950
Fax No.: (0871) 63638666

▲China Cinda Asset Management Co., Ltd. Shaanxi Branch
Address: 11-12/F, Block A, China Life One Center, 51 Tangyan Road, Gaoxin District, Xi'an, Shaanxi
Postal code: 710065
Tel. No.: (029) 87266939
Fax No.: (029) 87266917

▲China Cinda Asset Management Co., Ltd. Gansu Branch
Address: 27/F, Tower B, Shengda Center, 3 Middle Tianshui Road, Donggang West Road, Chengguan District, Lanzhou, Gansu
Postal code: 730030
Tel. No.: (0931) 8869100
Fax No.: (0931) 8866276

▲China Cinda Asset Management Co., Ltd. Qinghai Branch
Address: 21/F, Unit 1, Building 1, 61 West Wusi Road, Chengxi District, Xining, Qinghai
Postal code: 810008
Tel. No.: (0971)8123904, 8123905
Fax No.: (0971) 8229375

▲China Cinda Asset Management Co., Ltd. Ningxia Hui Autonomous Region Branch
Address: 15/F, Yin Di Building, 46 New Silk Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region
Postal code: 750011
Tel. No.: (0951) 8897190
Fax No.: (0951) 8897190

▲China Cinda Asset Management Co., Ltd. Xinjiang Uygur Autonomous Region Branch
Address: 6-7/F, Block B, Square United Building, 462 Zhongshan Road, Tianshan District, Urumqi, Xinjiang Uygur Autonomous Region
Postal code: 830002
Tel. No.: (0991) 2330088
Fax No.: (0991) 2325171

▲China Cinda Asset Management Co., Ltd. Hefei Operation Support Center
Address: 19/F, Building 2, China Cinda (Hefei) Disaster Recovery and Backup Base, 2599 Hangzhou Road, Binhu New District, Hefei, Anhui
Postal code: 230091
Tel. No.: (0551) 65802025
Fax No.: (0551) 65802012

3. Platforms for Financial Service and Asset Management Businesses

▲Nanyang Commercial Bank, Limited
Address: 151 Des Voeux Road, Central, Hong Kong
Tel. No.: (00852) 28520888
Fax No.: (00852) 28153333
Website: www.ncb.com.hk

• Nanyang Commercial Bank (China) Limited
Address: 13-20/F, No. 898, Pu Ming Road, Pudong New Area, Shanghai
Tel. No.: (021) 38566666
Fax No.: (021) 68879800
Postal code: 200122

▲Cinda Securities Co., Ltd.
Address: Tower B, Jin Yu Building, No. 127A, Xuanwumen West Street, Xicheng District, Beijing
Postal code: 100031
National customer service hotline: 95321
Tel. No.: (010) 83252000
Website: www.cindasc.com

• Cinda Futures Co., Ltd.
Address: 19-20/F, Tian Ren Building, 188 Liyi Road, Ningwei Street, Xiaoshan District, Hangzhou, Zhejiang
Postal code: 311215
National customer service hotline: 4006-728-728
Tel. No.: (0571) 28132666
Fax No.: (0571) 28132560
Website: www.cindaqh.com

• Cinda Fund Management Co., Ltd.
Address: 10/F, China Resources Building, No. 2666 of Keyuan South Road, Nanshan District, Shenzhen, Guangdong
Postal code: 518054
National customer service hotline: 400-8888-118, 86-755-83160160
Tel. No.: (0755) 83172666
Fax No.: (0755) 83196151
Website: www.fscinda.com

• Cinda Innovation Investment Co., Ltd.
Address: 12th Floor, Jin Yu Building, No. 127A, Xuanwumen West Street, Xicheng District, Beijing
Postal code: 100031
Tel. No.: (010) 83252874

• Xinfeng Investment Management Co., Ltd.
Address: Room 01, 8th Floor, No. 127A, Xuanwumen West Street, Xicheng District, Beijing
Postal code: 100031
Tel. No.: (010) 83252212

• Cinda International Holdings Limited
Address: 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong
Tel. No.: (00852) 22357888
Fax No.: (00852) 22357878
Website: www.cinda.com.hk

▲China Jingu International Trust Co., Ltd.
Address: 40-43/F, RAYZONE, Building 1, Yard 161, Jinze Road, Fengtai District, Beijing
Postal code: 100073
Tel. No.: (010) 83936800
Website: www.jingutrust.com

▲Cinda Financial Leasing Co., Ltd.
Address: 8-9/F, Tower B, East Gate Plaza, 29 Dongzhong Street, Dongcheng District, Beijing
Postal code: 100027
Tel. No.: (010) 64198100
Fax No.: (010) 64159400

▲China Cinda (HK) Holdings Company Limited
Address: 12/F, AIA Central, 1 Connaught Road Central, Central, Hong Kong
Tel. No.: (00852) 25276686
Fax No.: (00852) 28042135
Website: www.cindahk.com

▲Cinda Investment Co., Ltd.
Address: 16-19/F, Block C, Beijing International Building, A18 Zhongguancun South Street, Haidian District, Beijing
Postal code: 100081
Tel. No.: (010) 62157302
Fax No.: (010) 62157301

• Cinda Real Estate Co., Ltd.
Address: 8-10/F, Block A, Beijing International Building, A18 Zhongguancun South Street, Haidian District, Beijing
Postal code: 100081
Tel. No.: (010) 82190995
Fax No.: (010) 82190933

• Cinda Capital Management Co., Ltd.
Address: 4/F, Tower B, East Gate Plaza, 29 Dongzhong Street, Dongcheng District, Beijing
Postal code: 100027
Tel. No.: (010) 86376800
Fax No.: (010) 86376999

• Zhongrun Economic Development Co., Ltd.
Address: 9/F, China Commerce Tower, 5 Sanlihe East Road, Xicheng District, Beijing
Postal code: 100045
Tel. No.: (010) 68535377
Fax No.: (010) 68535110

Note: "▲" represents a branch or a tier-one subsidiary; and "•" represents a subsidiary of a tier-one subsidiary.