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DRC Bank

Dongguan Rural Commercial Bank Co., Ltd.*

東莞農村商業銀行股份有限公司*

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

(Stock code: 9889)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board of Directors**”) of Dongguan Rural Commercial Bank Co., Ltd. (the “**Bank**”) is pleased to announce the unaudited consolidated interim results (the “**Interim Results**”) of the Bank and its subsidiaries for the six months ended 30 June 2025. The audit committee of the Board of Directors has reviewed and confirmed the Interim Results.

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Bank (www.drcbank.com). The 2025 interim report of the Bank will be made available on the above websites in September 2025.

**Board of Directors
Dongguan Rural Commercial Bank Co., Ltd.**

Dongguan City, Guangdong Province, the PRC
28 August 2025

As at the date of this announcement, the Board of Directors of the Bank comprises Mr. LU Guofeng, Mr. FU Qiang, Mr. QIAN Hua and Mr. YE Jianguang as executive Directors; Ms. LI Huiqin, Mr. WONG Wai Hung, Mr. TANG Wencheng and Mr. CHAN Ho Fung as non-executive Directors; and Mr. ZENG Jianhua, Mr. YIP Tai Him, Mr. XU Zhi, Mr. TAN Fulong, Ms. LIU Yuou and Ms. XU Tingting as independent non-executive Directors.

* Dongguan Rural Commercial Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

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Important Notice



The Board of Directors, the Board of Supervisors, and the Directors, Supervisors and senior management of the Bank confirm the truthfulness, accuracy and completeness of the contents of this Interim Report and that there are no false representations, misleading statements or material omissions, and severally and jointly assume liability for the information hereof.

On 28 August 2025, the twelfth meeting of the fifth session of the Board of Directors of the Bank was held at the conference room of Dongguan Rural Commercial Bank Building. It considered and approved the Motion on Approving the 2025 Interim Report of Dongguan Rural Commercial Bank Co., Ltd. Fourteen Directors were eligible to attend the meeting and fourteen were present in person. Eleven Supervisors attended the meeting. The convening of the meeting is in compliance with relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of Dongguan Rural Commercial Bank Co., Ltd.. This Interim Report was considered and approved by the Audit Committee of the Board of Directors of the Bank.

The 2025 Interim Financial Report of the Bank prepared in accordance with the International Financial Reporting Accounting Standards was unaudited, but has been reviewed by KPMG in accordance with the International Standard on Review Engagements.

Mr. Lu Guofeng, the legal representative and chairman of the Bank, Mr. Fu Qiang, the president, Mr. Ye Jianguang, the person-in-charge of accounting, and Ms. Zhong Xuemei, the head of the accounting department, declare and assure the truthfulness, accuracy, and completeness of the financial reports in this Report.

As resolved at the 2024 annual general meeting held on 30 May 2025, the Bank distributed a dividend of RMB0.25 (tax inclusive) per share for the year ended 31 December 2024, with a total amount of RMB1,722 million (tax inclusive). The Bank did not make profit distribution or transfer capital reserve into share capital for the interim period of 2025.

The forward-looking statements included in this Report are based on current plans, estimates and projections. Although the Board of Directors believes that the expectations reflected in these forward-looking statements are reasonable, the Board of Directors gives no assurance that these expectations will be realized or proved to be correct and these statements should not be considered as commitment of the Group. Investors and persons concerned should be fully aware of the risks and understand the difference among plans, estimates and commitments.

During the Reporting Period, the Bank was not aware of any material risks that would adversely affect its future development strategies and business targets. Details of the major risks to which the Bank was exposed in its operations and management and the corresponding measures adopted by the Bank are described in this Report. Please refer to the information in the "Risk Management" section in the "Management Discussion and Analysis" chapter of this Report.

Important Notice

Under different circumstances, this Report discloses relevant information on the Group basis or at the level of the Bank only. Therefore, there exists inconsistency between the data of the “Group” and the “Bank” and such inconsistency is not due to data error, but due to the difference in the scope of the data. Unless otherwise specified, the financial information set out in this Report represents the consolidated data from the financial statements of the Bank together with its subsidiaries, namely Huizhou Zhongkai Dongying County Bank Company Limited¹, Yunfu Xinxing Dongying County Bank Company Limited, Dongguan Dalang Dongying County Bank Company Limited¹, Hezhou Babu Dongying County Bank Company Limited, Zhanjiang Rural Commercial Bank Co., Ltd. and Guangdong Chaoyang Rural Commercial Bank Co., Ltd..

There may be discrepancies between the arithmetic sum of certain breakdowns and the corresponding total amount, which is due to rounding rather than data error. To conform with the presentation of the interim financial statements of 2025, the Group has made reclassification adjustments to certain figures for the comparative period.

This Report is prepared in Chinese and English. If there are any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

¹ Huizhou Zhongkai Dongying County Bank Company Limited and Dongguan Dalang Dongying County Bank Company Limited were absorbed and merged by our Bank in 2024, and received approval for dissolution on 14 September 2024, with their claims and debts assumed by our Bank.

Definitions



Definitions

Definitions of commonly used terms in this Report

“Articles of Association” or “Articles”	unless otherwise indicated in the context, the articles of association of the Bank currently in force
“Bank” or “our Bank” or “Dongguan Rural Commercial Bank”	Dongguan Rural Commercial Bank Co., Ltd. (東莞農村商業銀行股份有限公司), a joint stock company established on 22 December 2009 through restructuring in the PRC with limited liability, and includes its predecessor, branches and sub-branches (for the avoidance of doubt, excluding its subsidiaries)
“Board of Directors”	the board of Directors of our Bank
“Board of Supervisors”	the board of Supervisors of our Bank
“CBIRC”	the former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), which was reorganized into the National Financial Regulatory Administration (國家金融監督管理總局) based on the Plan for the Institutional Reform of the Party and State (《黨和國家機構改革方案》) issued by the Central Committee of the Communist Party of the PRC and the State Council in March 2023, on the basis of the China Banking and Insurance Regulatory Commission
“CBRC”	the former China Banking Regulatory Commission, which was merged with the China Insurance Regulatory Commission (中國保監會) to form the China Banking and Insurance Regulatory Commission (中國銀保監會) based on the Notice by the State Council of the Setup of Institutions (《國務院關於機構設置的通知》) issued by the State Council in March 2018
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Bank
“Domestic Share(s)”	ordinary share(s) issued by our Bank in the mainland of the PRC
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“Group” or “we” or “us”	the Bank and its subsidiaries
“Guangdong Chaoyang Rural Commercial Bank” or “Guangdong Chaoyang RCB”	Guangdong Chaoyang Rural Commercial Bank Co., Ltd. (廣東潮陽農村商業銀行股份有限公司), a joint stock company incorporated on 27 December 2020 in the PRC with limited liability and a non-wholly owned subsidiary of our Bank
“Hezhou Babu Dongying County Bank”	Hezhou Babu Dongying County Bank Co., Ltd. (賀州八步東盈村鎮銀行股份有限公司), a joint stock company incorporated on 8 August 2012 in the PRC with limited liability and a non-wholly owned subsidiary of our Bank

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	ordinary share(s) issued by our Bank in Hong Kong, the PRC
“H Shareholder(s)”	holder(s) of H Share(s)
“Latest Practicable Date”	28 August 2025, being the latest practicable date prior to the printing of this Report for ascertaining certain data contained herein
“Listing Rules”	unless otherwise indicated in the context, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited currently in force
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set forth in Appendix C3 to the Listing Rules
“Non-performing loan(s)” or “NPL(s)”	loans classified as substandard, doubtful and loss under our five-level loan classification system, with reference to the Rules on Risk Classification of Financial Assets of Commercial Banks issued by CBIRC and the PBoC in 2023
“PBoC” or “Central Bank”	The People’s Bank of China, the central bank of the PRC
“Guangdong Puning Rural Commercial Bank” or “Guangdong Puning RCB”	Guangdong Puning Rural Commercial Bank Co., Ltd. (廣東普寧農村商業銀行股份有限公司), an institution that the Bank is entrusted by the Dongguan Municipal Government to manage
“Report” or “this Report”	2025 Interim Report of Dongguan Rural Commercial Bank Co., Ltd.
“Reporting Period”	the six months ended 30 June 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Sannong”	the Chinese acronym of, collectively, nongye (agriculture), nongcun (rural areas) and nongmin (farmers)
“SFO”	unless otherwise indicated in the context, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) currently in force
“Share(s)”	ordinary share(s) of the Bank, including Domestic Share(s) and H Share(s)

Definitions

“Shareholder(s)”	holder(s) of Share(s), including Domestic Shareholder(s) and H Shareholder(s)
“SME(s)”	collectively, small and micro enterprise(s) by number of employees, operating revenue, total assets and other indicators in accordance with the 2017 Measures for Classification of Large, Medium, the SMEs for the Purpose of Statistics 《統計上大中小微型企業劃分辦法(2017)》 issued by the National Bureau of Statistics of China
“Supervisor(s)”	the supervisor(s) of our Bank
“The High-Quality Development Project Covering Every County, Every Town and Every Village” or “High-Quality Development Project”	the strategic deployment of Guangdong Provincial Party Committee on promoting the coordinated development of urban and rural areas in Guangdong Province, that is, taking the 122 counties (cities and districts), 1,609 towns (sub-districts), and 26,500 administrative villages (communities) in the province as the main body to comprehensively promote the high-quality development of counties, towns and villages in the province
“Yunfu Xinxing Dongying County Bank”	Yunfu Xinxing Dongying County Bank Co., Ltd. (雲浮新興東盈村鎮銀行股份有限公司), a joint stock company incorporated on 23 December 2011 in the PRC with limited liability and a non-wholly owned subsidiary of our Bank
“Zhanjiang Rural Commercial Bank” or “Zhanjiang RCB”	Zhanjiang Rural Commercial Bank Co., Ltd. (湛江農村商業銀行股份有限公司), a joint stock company incorporated on 26 October 2019 in the PRC with limited liability and a non-wholly owned subsidiary of our Bank

A stylized illustration of a city skyline in shades of teal and light blue. The foreground features a large, detailed skyscraper with a grid-like facade and a spire. Behind it, several other skyscrapers of varying heights and shapes are visible, some with distinctive architectural features like spires or setbacks. The background is filled with soft, wavy lines and a light blue gradient, suggesting a hazy or futuristic atmosphere. The overall style is modern and architectural.

Chapter I Company Profile and Business Overview

I. GENERAL INFORMATION

Legal Chinese name	東莞農村商業銀行股份有限公司
Abbreviation of Chinese name	東莞農商銀行
Legal English name	Dongguan Rural Commercial Bank Co., Ltd.
Abbreviation of English name	DRC Bank or DRCB
Legal representative	Lu Guofeng
Authorized representatives under the Listing Rules	Ye Jianguang, Wong Wai Chiu
Authorized representative under the Hong Kong Companies Ordinance	Wong Wai Chiu
Secretary to the Board of Directors	Ye Jianguang
Joint company secretaries	Ye Jianguang, Wong Wai Chiu
Registered address	No. 2, Hongfu East Road, Dongcheng Street, Dongguan City, Guangdong Province, the PRC
Postal code	523123
Company's Website	www.drcbank.com
Customer service hotline	(86) 769-961122
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Listed stock exchange	The Stock Exchange of Hong Kong Limited
Stock short name and code	DRCB, 9889.HK
H share registrar	Computershare Hong Kong Investor Services Limited
Domestic share depository	China Securities Depository and Clearing Corporation Limited
Domestic auditor	Pan-China Certified Public Accountants LLP
International auditor	KPMG
PRC legal advisor	C&T Partners
Hong Kong legal advisor	King & Wood Mallesons
Designated information disclosure websites	Website of the Hong Kong Stock Exchange (www.hkexnews.hk) Website of the Bank (www.drcbank.com)
Place for inspection of information disclosure	Office of the Board of Directors of the Bank
Date of establishment as joint stock company	22 December 2009
Registered capital	RMB6,888,545,510
Unified Social Credit Code	914419007829859746
Financial license number	B1054H344190001

II. COMPANY PROFILE

Dongguan Rural Commercial Bank originated from Dongguan credit group established in 1952. The Bank ceased to be administrated by the Agricultural Bank of China in 1996, established Dongguan Rural Credit Cooperatives Association* (東莞市農村信用合作聯社) upon completion of reform as a unified legal person in 2005, completed the reform as Dongguan Rural Commercial Bank Co., Ltd. in 2009, and successfully listed on the Hong Kong Stock Exchange in 2021 (stock code: 9889.HK).

As of 30 June 2025, the Bank has established four tier-one branches outside Dongguan including Nansha branch in Guangdong Pilot Free Trade Zone, Hengqin branch in Guangdong Pilot Free Trade Zone, Huizhou branch and Qingxin sub-branch, managed Zhanjiang Rural Commercial Bank, Guangdong Chaoyang Rural Commercial Bank, Yunfu Xinxing Dongying County Bank and Hezhou Babu Dongying County Bank on a consolidated basis, assisted Dongguan Municipal Government in managing Guangdong Puning Rural Commercial Bank, and invested in Guangdong Shunde Rural Commercial Bank, Guangdong Xuwen Rural Commercial Bank, Guangdong Lechang Rural Commercial Bank and Ya'an Rural Commercial Bank, which has become a regional banking group rooted in Dongguan, serving East Guangdong and West Guangdong.

As of 30 June 2025, the total assets of Dongguan Rural Commercial Bank Group amounted to RMB760,445 million, with the balance of deposits of RMB532,364 million and the balance of loans of RMB394,415 million. The non-performing loan ratio of the Group was 1.87%; the allowance coverage ratio was 190.56%; the capital adequacy ratio was 15.92%, and the tier-one capital adequacy ratio was 13.80%.

According to the latest statistics of the journal "The Banker", in terms of tier-one capital as of the end of 2024, the Bank ranked 218th in the global banking industry. The Bank ranked 39th in the "Top 100 Banks in China of 2024" released by the China Banking Association in terms of net core tier-one capital and other statistical indicators as of the end of 2023. The Bank ranked 1,260th in the list of "2024 Global 2,000 by Forbes".

III. INVESTMENT VALUE AND CORE COMPETITIVENESS

Active regional economy, broad market development space. The Group has based in the Guangdong-Hong Kong-Macao Greater Bay Area with Dongguan as the center, and East Guangdong and West Guangdong as two complements. Its operational area covers four cities within the Guangdong-Hong Kong-Macao Greater Bay Area urban cluster, as well as Zhanjiang and Shantou, two sub-provincial cities. The regional economic strength, industrial infrastructure and market vitality of Dongguan and the Guangdong-Hong Kong-Macao Greater Bay Area have laid a foundation for the sustainable development of the Group. The national strategy of “Guangdong-Hong Kong-Macao Greater Bay Area”, the continuous advancement of “The High-Quality Development Project Covering Every County, Every Town and Every Village”, the positioning of Dongguan as a city of “technological innovation + advanced manufacturing”, and the accelerated development of the two major port-based economic zones in Zhanjiang and Shantou have also provided the Group with new strategic opportunities.

Clear and firm development strategy, values that drive development. The Group, based on the new stage of development, closely follows changes in the economy, customers and the market, clearly defines the vision and goal of becoming a regional value-oriented rural commercial bank group, and practices the values of customer orientation, integrity and honesty, steady development and coordinated growth to ensure stable and long-term development.

Coordinated development of business segments, continuous optimization in financial service. The Group adheres to the main responsibility and main business of “supporting agriculture, supporting SMEs and supporting the real economy”, implements the development path of light-asset development, digital transformation and distinctive competition, promotes the coordinated development of the four core business segments of corporate, retail, inclusive finance and financial asset management which are mutually integrated and promote each other, provides comprehensive financial services to customers and fully supports the development of the real economy.

Continuous enhancement in organization and management, improved quality and efficiency of operational management. The Group takes ecological, flat and professional operation as the main lines, comprehensively deepens the reform of system and mechanism, give play to the advantages such as flexible mechanism, short decision-making chain and interpersonal and geographical relationship to improve the speed of response to customer needs. It adheres to the principle of prudent operation, shapes a comprehensively integrated, agile and proactive risk management governance structure and management system, reinforces risk quality management and achieves sustainable commercial development.


Technology empowerment for development, full power acceleration of digital development. The Group has strengthened its systems development, reorganized its information structure and classified its systems into hierarchical levels to build the foundation for the digital transformation. It strengthens the integration capability of business and technology, deepens the empowerment of technology and data, promotes systematic, refined and intelligent operations by digitalization, constructs precise marketing models, risk control models and operation models and continuously empower the innovation of financial products and services.

Standardized and solid corporate governance with open and progressive corporate culture. The Group has established a sound governance structure of “the shareholders’ general meeting, the Board of Directors, the Board of Supervisors and senior management”, and formed a diversified shareholding structure with state-owned, private, foreign, rural collective economic organization, natural person and employee. The Group adheres to the business philosophy of “customer-centric, market-oriented, and efficiency-oriented”, builds a responsible and dedicative striving culture, a prudent and stable compliance culture and a warm and harmonious home culture, creates a corporate atmosphere of “with happiness and openness as its core, equality, mutual trust, mutual assistance, mutual love and common progress”, and unites the entire Group for coordinated and common development with corporate culture.

IV. HONORS AND AWARDS

2025

March	Dongguan City Benefit Contribution Award in 2024 Chinese Communist Party Dongguan Committee, Dongguan Municipal People’s Government
March	Top 20 Enterprises in Dongguan by Principle Operating Income in 2024 Chinese Communist Party Dongguan Committee, Dongguan Municipal People’s Government
March	2024 Dongcheng Street Service Industry Enterprise Contribution Award Dongcheng Street Working Committee of the Communist Party of the PRC, Dongcheng Street Office of Dongguan City
April	17th Dongguan City Honest Service Brand 100 Enterprises Promotion Campaign – Honest Enterprise Dongguan Consumer Council, Dongguan Newspaper Media Group
May	Outstanding Groups in Promoting “High-Quality Development Project” Guangdong Provincial Committee of the CPC and General Affairs Office of the People’s Government of Guangdong Province
June	2024 Interbank Foreign Currency Money Market – Foreign Currency Money Progress Member State Administration of Foreign Exchange
July	Ranked 218th of the Top 1,000 World Banks in 2025 The Banker, UK
July	Dongguan City’s 2025 “6 · 30” Initiative to Support Rural Revitalization and Dongguan Charity Day Event – United in Vision, United in Action for Revitalization Leading Group Office of Rural Work of Dongguan Municipal Committee of the CPC and Dongguan Charity Association



Chapter II

Accounting Data and Financial Indicators Highlights

(unit: RMB'000)

	For the six months ended 30 June		Percentage increase/ (decrease) for the Reporting Period as compared to the same period of the previous year (%)
	2025	2024	
Operating results			
Operating income	5,500,933	6,398,182	(14.02)
Profit before tax	2,755,043	3,457,440	(20.32)
Net profit	2,627,906	3,378,731	(22.22)
Net profit attributable to the shareholders of the Bank	2,628,882	3,169,894	(17.07)

(unit: RMB/share)

	As at 30 June/ for the six months ended 30 June		As at 31 December/ for the year ended 31 December	Percentage increase/ (decrease) for the Reporting Period as compared to the same period of the previous year (%)
	2025	2024	2024	
Per share				
Net asset per share attributable to the shareholders of the Bank	8.69	8.26	8.64	5.21
Basic earnings per share	0.38	0.46	0.67	(17.39)
Diluted earnings per share	0.38	0.46	0.67	(17.39)

Chapter II

Accounting Data and Financial Indicators Highlights

(unit: RMB'000)

Scale indicators	As at 30 June 2025	As at 31 December 2024	Percentage increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	760,445,280	745,904,488	1.95
Including: Gross loans and advances to customers (excluding accrued interest)	394,415,176	381,044,893	3.51
Allowance for expected credit loss for loans and advances to customers ⁽¹⁾	13,923,353	14,439,964	(3.58)
Total liabilities	697,814,513	683,438,588	2.10
Including: Total deposits from customers (excluding accrued interest)	532,363,925	520,248,239	2.33
Share capital	6,888,546	6,888,546	0.00
Shareholders' equity	62,630,767	62,465,900	0.26
Including: Equity attributable to shareholders of the Bank	59,827,029	59,551,452	0.46
Non-controlling interests	2,803,738	2,914,448	(3.80)

Note:

- (1) Including the expected credit loss allowance on loans and advances to customers measured at amortized costs and the expected credit loss allowance on loans and advances to customers at fair value through other comprehensive income.

(unit: %)

Profitability indicators	For the six months ended 30 June		Percentage point increase/ (decrease) for the Reporting Period as compared to the same period of the previous year
	2025	2024	
Return on average total assets (annualized) ⁽¹⁾	0.70	0.93	(0.23)
Return on average equity (annualized) ⁽²⁾	8.23	11.19	(2.96)
Net interest spread (annualized) ⁽³⁾	1.16	1.34	(0.18)
Net interest margin (annualized) ⁽⁴⁾	1.22	1.40	(0.18)
Cost-to-income ratio ⁽⁵⁾	33.67	31.40	2.27

Notes:

- (1) The annualized rate of return was calculated by dividing the annualized net profit for the period by the average balance of total assets at the beginning and the end of the period.
- (2) The annualized rate of return was calculated by dividing the annualized net profit for the period by the average balance of total shareholders' equity at the beginning and the end of the period, which was the closing balance after taking into account the annualized net profit.
- (3) Calculated as the difference between the average yield on total interest-earning assets and the average cost rate of interest-bearing liabilities.
- (4) Calculated by dividing the net interest income for the beginning and the end of the period by the average balance of total interest-earning assets.
- (5) Calculated by dividing the total operating expenses (excluding tax and surcharges) by total operating income.

Chapter II

Accounting Data and Financial Indicators Highlights

(unit: %)

	As at 30 June 2025	As at 31 December 2024	Percentage point increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Capital adequacy indicators⁽¹⁾			
Core tier-one capital adequacy ratio ⁽²⁾	13.77	14.34	(0.57)
Tier-one capital adequacy ratio ⁽³⁾	13.80	14.37	(0.57)
Capital adequacy ratio ⁽⁴⁾	15.92	16.54	(0.62)
Ratio of total equity to total assets	8.24	8.37	(0.13)

Notes:

- (1) Indicators were calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks 《商業銀行資本管理辦法》. The calculation scope of capital adequacy ratio comprises of all branches and financial institution subsidiaries in compliance with the requirements of the Administrative Measures for the Capital of Commercial Banks.
- (2) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by total risk-weighted assets.
- (3) Calculated by dividing tier-one capital, net of tier one capital deductions, by total risk-weighted assets.
- (4) Calculated by dividing total capital, net of capital deductions, by total risk-weighted assets.

(unit: %)

Asset quality indicators	As at 30 June 2025	As at 31 December 2024	Percentage point increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Non-performing loan ratio ⁽¹⁾	1.87	1.84	0.03
Allowance coverage ratio ⁽²⁾	190.56	207.72	(17.16)
Allowance to total loan ratio ⁽³⁾	3.56	3.82	(0.26)

Notes:

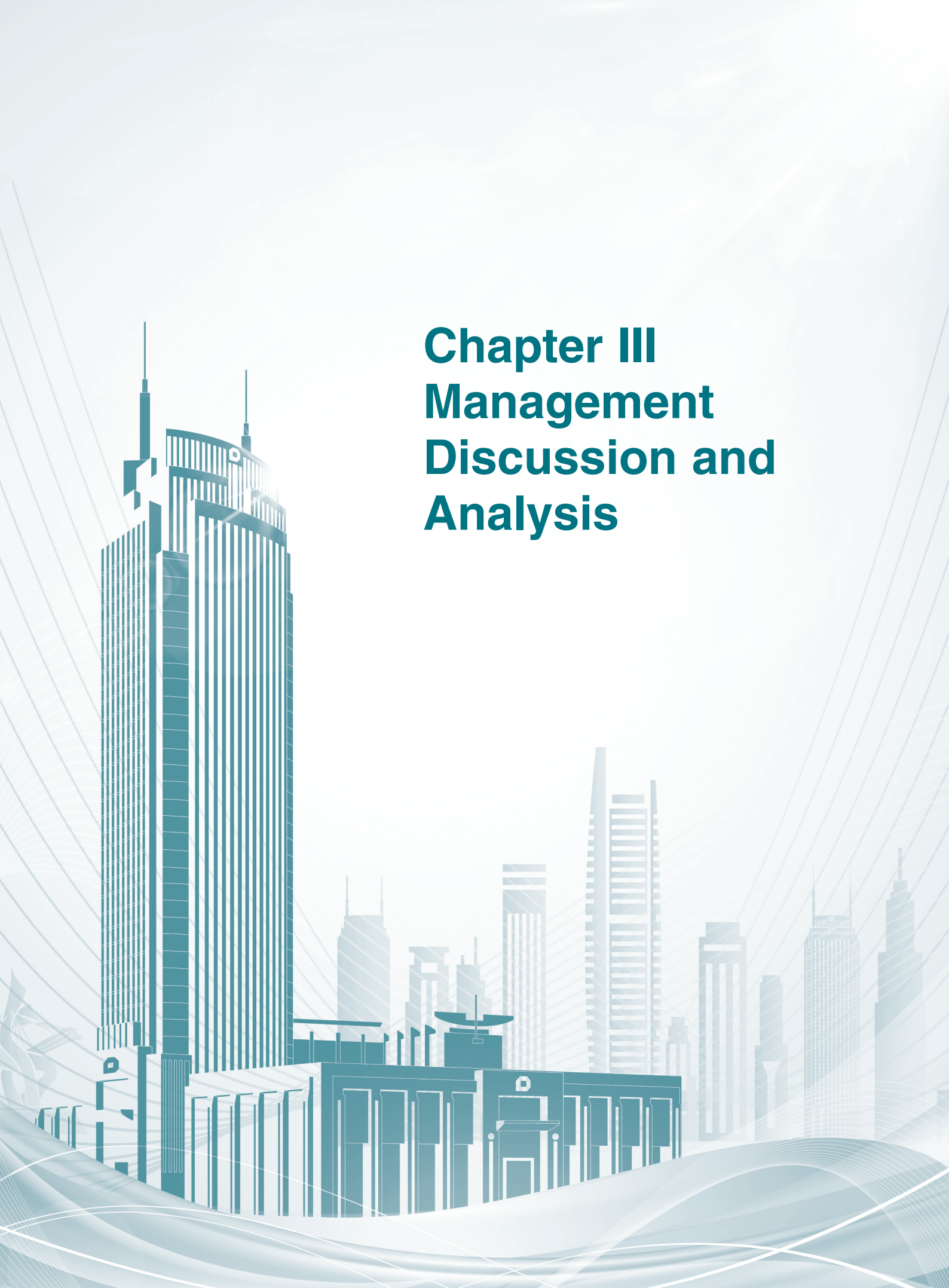
- (1) Calculated by dividing the total amount of non-performing loan (excluding accrued interest) by total amount of loans (excluding accrued interest), where the loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.
- (2) Calculated by dividing the balance of loan impairment provision by total amount of non-performing loans (excluding accrued interest), where the balance of loan impairment provision does not include the balance of loan impairment provision recorded under other comprehensive income and the loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.
- (3) Calculated by dividing the balance of loan impairment provision by total amount of loans (excluding accrued interest), where the balance of loan impairment provision does not include the balance of loan impairment provision recorded under other comprehensive income and the loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.

(unit: %)

Other indicator	As at 30 June 2025	As at 31 December 2024	Percentage point increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Loan-to-deposit ratio ⁽¹⁾	74.11	73.27	0.84

Note:

- (1) A group approach to off-site supervisory reporting for the National Financial Regulatory Administration; calculated by dividing total amount of loans to customers (excluding accrued interest) by total deposits from customers (excluding accrued interest), where the deposits and loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.



Chapter III Management Discussion and Analysis

I. OPERATION OVERVIEW

In the first half of 2025, the Group adhered to the general principle of seeking progress amidst stability, fully implemented the major strategic decisions and deployments of the Party Central Committee and the requirements of the provinces and municipalities, and continued to promote growth stabilization, risk prevention, reform promotion and development, with the overall operation maintaining stable and orderly development.

In terms of business scale, as of the end of the Reporting Period, the Group's total assets amounted to RMB760.445 billion, representing an increase of RMB14.541 billion or 1.95% over the end of the previous year. The balance of deposits amounted to RMB532.364 billion, representing an increase of RMB12.116 billion or 2.33% over the end of the previous year. The balance of loans amounted to RMB394.415 billion, representing an increase of RMB13.370 billion or 3.51% over the end of the previous year, achieving steady growth in the scale of assets and liabilities and continuously enhancing services to the real economy.

In terms of development quality, as of the end of the Reporting Period, the Group's non-performing loan ratio was 1.87%, the provision coverage ratio was 190.56%, the capital adequacy ratio and tier 1 capital adequacy ratio were 15.92% and 13.80% respectively, and these indicators were in line with the regulatory standards.

In terms of operation performance, during the Reporting Period, the Group achieved a profit before tax of RMB2,755 million, achieving a net profit of RMB2,628 million, and the ROA (return on assets) and the ROE (return on equity) were 0.70% and 8.23%, respectively.

II. KEY OPERATING DATA

(I) Income Statement Analysis

During the Reporting Period, the Group achieved operating income of RMB5,501 million, representing a year-on-year decrease of 14.02%, achieving a net profit of RMB2,628 million, representing a year-on-year decrease of 22.22%. This was mainly due to the year-on-year decrease in operating revenue.

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The key items and movements in the Group's income statement are shown in the table below:

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Net interest income	4,236,511	4,703,106	(466,595)	(9.92)
Net non-interest income	1,264,422	1,695,076	(430,654)	(25.41)
Operating income	5,500,933	6,398,182	(897,249)	(14.02)
Operating expense	(1,902,275)	(2,058,472)	156,197	(7.59)
Impairment losses on assets	(869,794)	(901,221)	31,427	(3.49)
Operating profit	2,728,864	3,438,489	(709,625)	(20.64)
Share of profits of associates	26,179	18,951	7,228	38.14
Profit before tax	2,755,043	3,457,440	(702,397)	(20.32)
Income tax expense	(127,137)	(78,709)	(48,428)	61.53
Net profit	2,627,906	3,378,731	(750,825)	(22.22)
Net profit attributable to the shareholders of the Bank	2,628,882	3,169,894	(541,012)	(17.07)
Net profit attributable to the non-controlling interests	(976)	208,837	(209,813)	(100.47)

1. Net interest income

During the Reporting Period, the Group's net interest income amounted to RMB4,237 million, representing a year-on-year decrease of RMB467 million, or 9.92%, mainly driven by the continuous downward trend in LPR (Loan Prime Rate) overlaid on loan repricing and policy-guided financial concessions to the real economy on an ongoing basis.

The following table sets forth the interest income, interest expense and net interest income of the Group during the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Interest income	9,973,080	11,164,440	(1,191,360)	(10.67)
Interest expense	(5,736,569)	(6,461,334)	724,765	(11.22)
Net interest income	4,236,511	4,703,106	(466,595)	(9.92)

(1) *Net interest spread and net interest margin*

During the Reporting Period, the Group's average yield on interest-earning assets amounted to 2.87%, representing a year-on-year decrease of 0.45 percentage point, which was mainly due to, firstly, loan yields were lower as a result of the repricing and the decline in LPR; and secondly, the decline in the return on bond investment caused by the downward movement of market interest rate. The average cost rate of interest-bearing liabilities amounted to 1.71%, representing a year-on-year decrease of 0.27 percentage point, which was mainly impacted by the reduction in deposit rates, optimization of the debt structure and the decline in market interest rates. The net interest spread amounted to 1.16%, representing a year-on-year decrease of 0.18 percentage point, and the net interest margin amounted to 1.22%, representing a year-on-year decrease of 0.18 percentage point.

The following table sets forth the average balances of our interest-earning assets and interest-bearing liabilities, the related interest income or expense and the related average yields on assets or related average cost rate of liabilities for the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June					
	2025			2024		
	Average balance	Interest income/expense	Average yield/cost ratio ⁽¹⁾ (%)	Average balance	Interest income/expense	Average yield/cost ratio ⁽¹⁾ (%)
Interest-earning assets						
Loans and advances to customers	386,529,220	6,393,967	3.31	368,313,512	7,412,309	4.02
Financial investments ⁽²⁾	250,838,472	3,125,201	2.49	241,019,818	3,213,692	2.67
Deposits with the central bank	31,334,635	218,063	1.39	29,926,273	209,801	1.40
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	26,819,825	235,849	1.76	32,788,379	328,638	2.00
Total	695,522,152	9,973,080	2.87	672,047,982	11,164,440	3.32
Interest-bearing liabilities						
Deposits from customers	520,999,573	4,193,501	1.61	490,802,047	4,504,395	1.84
Debt securities issued	96,886,549	1,000,856	2.07	72,091,178	929,542	2.58
Borrowings from the central bank	24,470,972	238,324	1.95	38,513,153	459,546	2.39
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	28,501,473	296,398	2.08	51,885,081	559,102	2.16
Lease liabilities	478,328	7,490	3.13	490,452	8,749	3.57
Total	671,336,895	5,736,569	1.71	653,781,911	6,461,334	1.98
Net interest income		4,236,511			4,703,106	
Net interest spread⁽³⁾			1.16			1.34
Net interest margin⁽⁴⁾			1.22			1.40

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Notes:

- (1) Calculated by dividing the annualized interest income/expense for the period by the average balance.
- (2) Mainly consisted of interest-earning financial assets at amortized cost and financial investments at fair value through other comprehensive income.
- (3) The arithmetic difference between the average yield of all interest-earning assets and the average cost rate of all interest-bearing liabilities.
- (4) Calculated by dividing the annualized net interest income for the beginning and the end of the period by the average balance of total interest-earning assets.

The following table sets forth the year-on-year changes in the Group's interest income and interest expense due to changes in volume and interest rates:

(unit: RMB'000)

Item	For the six months ended 30 June		
	2025 VS 2024		
	Increase/decrease due to the changes in		Net increase/ decrease ⁽³⁾
	Volume ⁽¹⁾	Interest rate ⁽²⁾	
Interest-earning assets			
Loans and advances to customers	366,591	(1,384,933)	(1,018,342)
Financial investments ⁽⁴⁾	130,919	(219,410)	(88,491)
Deposits with the central bank ⁽⁵⁾	9,873	(1,611)	8,262
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	(59,823)	(32,966)	(92,789)
Changes in interest income	447,560	(1,638,920)	(1,191,360)
Interest-bearing liabilities			
Deposits from customers	277,141	(588,035)	(310,894)
Debt securities issued ⁽⁶⁾	319,711	(248,397)	71,314
Borrowings from the central bank	(167,554)	(53,668)	(221,222)
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	(251,977)	(10,727)	(262,704)
Lease liabilities	(216)	(1,043)	(1,259)
Changes in interest expense	177,105	(901,870)	(724,765)
Changes in net interest income	270,455	(737,050)	(466,595)

Notes:

- (1) Represents the average balance of this period less the average balance of the previous period, multiplied by the average yield/cost rate of the previous period.
- (2) Represents the average yield/cost rate of the period minus average yield/cost rate of the previous period, multiplied by the average balance of the period.
- (3) Represents interest income/expense of the period minus interest income/expense of the previous period.
- (4) Mainly consisted of interest-earning financial assets at amortized cost and financial assets at fair value through other comprehensive income.
- (5) Mainly consisted of statutory deposit reserves and surplus deposit reserves.
- (6) Mainly consisted of interbank certificates of deposits, tier-two capital bonds, green financial bonds, Sannong special bonds, SME financial bonds and others.

(2) *Interest income*

During the Reporting Period, the interest income of the Group amounted to RMB9,973 million, representing a year-on-year decrease of RMB1,191 million or 10.67%. The following table sets forth the composition, percentage and average yield of the Group's interest income for the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June					
	2025			2024		
	Amount	Percentage of total (%)	Average yield (%)	Amount	Percentage of total (%)	Average yield (%)
Loans and advances to customers	6,393,967	64.11	3.31	7,412,309	66.39	4.02
Financial investments	3,125,201	31.34	2.49	3,213,692	28.79	2.67
Deposits with the central bank	218,063	2.19	1.39	209,801	1.88	1.40
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	235,849	2.36	1.76	328,638	2.94	2.00
Total interest income	9,973,080	100.00	2.87	11,164,440	100.00	3.32

(i) *Interest income from loans and advances to customers*

Interest income from loans and advances to customers of the Group accounted for 64.11% and 66.39% of total interest income for the six months ended 30 June 2025 and 2024, respectively. The following table sets forth the average balance, interest income and average yield for each component of the Group's loans and advances to customers for the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June					
	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans and advances	231,478,350	4,035,227	3.49	209,703,491	4,539,854	4.33
Personal loans and advances	127,430,764	2,255,627	3.54	124,758,834	2,671,090	4.28
Discounted bills	27,620,106	103,113	0.75	33,851,187	201,365	1.19
Total	386,529,220	6,393,967	3.31	368,313,512	7,412,309	4.02

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During the Reporting Period, interest income from loans and advances to customers of the Group amounted to RMB6,394 million, representing a year-on-year decrease of RMB1,018 million or 13.74%, mainly due to loan repricing and the downward impact of the LPR.

(ii) Financial investment interest income

For the six months ended 30 June 2025 and 2024, financial investment interest income of the Group accounted for 31.34% and 28.79% of total interest income, respectively. The majority of interest income from financial investments is derived from interest income from bond investment.

During the Reporting Period, the Group achieved interest income from financial investments of RMB3,125 million, representing a year-on-year decrease of RMB88 million or 2.75%, mainly due to the decline in interest income from bond reallocations as a result of lower market interest rates.

(iii) Interest income from financial assets held under resale agreements and deposits and placements with banks and other financial institutions

The average balance, interest income and average yield of each component of the Group's financial assets held under resale agreements and deposits and placements with banks and other financial institutions are as follows:

(unit: RMB'000)

Item	For the six months ended 30 June					
	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Financial assets held under resale agreements	8,600,979	73,394	1.71	15,540,874	146,936	1.89
Deposits and placements with banks and other financial institutions	18,218,846	162,455	1.78	17,247,505	181,702	2.11
Total	26,819,825	235,849	1.76	32,788,379	328,638	2.00

During the Reporting Period, interest income from financial assets held under resale agreements and deposits and placements with banks and other financial institutions of the Group amounted to RMB236 million, representing a year-on-year decrease of RMB93 million or 28.23%, mainly due to the decrease in the business scale of financial assets held under resale agreements and the decline in market interest rates.

(3) *Interest expense*

During the Reporting Period, interest expense of the Group amounted to RMB5,737 million, representing a year-on-year decrease of RMB725 million or 11.22%.

The following table sets forth the composition, percentage and average cost ratio of the Group's interest expense for the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June					
	2025			2024		
	Amount	Percentage of total (%)	Average cost rate (%)	Amount	Percentage of total (%)	Average cost rate (%)
Deposits from customers	4,193,501	73.10	1.61	4,504,395	69.71	1.84
Debt securities issued	1,000,856	17.45	2.07	929,542	14.39	2.58
Borrowings from the central bank	238,324	4.15	1.95	459,546	7.11	2.39
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	296,398	5.17	2.08	559,102	8.65	2.16
Lease liabilities	7,490	0.13	3.13	8,749	0.14	3.57
Total interest expense	5,736,569	100.00	1.71	6,461,334	100.00	1.98

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(i) Interest expense on deposits from customers

For the six months ended 30 June 2025 and 2024, interest expenses on customer deposits of the Group accounted for 73.10% and 69.71% of total interest expenses, respectively.

The following table sets forth the average balance, interest expense and average cost rate of each component of the Group's customer deposits during the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June					
	2025			2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Corporate deposits						
Demand	87,655,267	210,659	0.48	87,170,573	335,778	0.77
Time	113,061,367	1,538,989	2.72	105,341,753	1,615,132	3.07
Sub-total	200,716,634	1,749,648	1.74	192,512,326	1,950,910	2.03
Personal deposits						
Demand	112,582,656	41,228	0.07	115,052,197	194,140	0.34
Time	207,700,283	2,402,625	2.31	183,237,524	2,359,345	2.58
Sub-total	320,282,939	2,443,853	1.53	298,289,721	2,553,485	1.71
Total	520,999,573	4,193,501	1.61	490,802,047	4,504,395	1.84

During the Reporting Period, the Group's interest expense on customer deposits was RMB4,194 million, representing a year-on-year decrease of RMB311 million or 6.90%, mainly due to the lowering deposit rates and adjusting deposit structure.

(ii) Interest expense on debt securities issued

During the Reporting Period, the Group's interest expense on debt securities issued was RMB1,001 million, representing a year-on-year increase of RMB71 million or 7.67%, mainly due to the increase in the issuance scale of interbank certificates of deposit.

(iii) Interest expense on borrowings from the central bank

During the Reporting Period, the Group's interest expense on borrowings from the central bank amounted to RMB238 million, representing a year-on-year decrease of RMB221 million or 48.14%, mainly due to the reduction in the scale of borrowing from the central bank.

- (iv) Interest expense on financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions

The average balance, interest expense and average cost ratio of each component of the Group's financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions are set out below:

(unit: RMB'000)

Item	For the six months ended 30 June					
	2025			2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Financial assets sold under repurchase agreements	15,471,861	146,018	1.89	22,202,335	210,366	1.89
Deposits and placements from banks and other financial institutions	13,029,612	150,380	2.31	29,682,746	348,736	2.35
Total	28,501,473	296,398	2.08	51,885,081	559,102	2.16

During the Reporting Period, the Group's interest expenses on banks and other financial institutions amounted to RMB296 million, with a year-on-year decrease of RMB263 million or 46.99%, mainly due to the decrease in interbank deposits and the decline in interest rates.

2. Net non-interest income

During the Reporting Period, the Group's net non-interest income amounted to RMB1,264 million, representing a year-on-year decrease of RMB431 million, or 25.41%.

The following table sets forth the composition and proportion of non-interest income of the Group for the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Net fee and commission income	234,207	281,449	(47,242)	(16.79)
Net trading gains	293,192	848,537	(555,345)	(65.45)
Net gains on financial instruments	701,920	509,945	191,975	37.65
Other operating income	35,103	55,145	(20,042)	(36.34)
Total	1,264,422	1,695,076	(430,654)	(25.41)

(1) Net fee and commission income

During the Reporting Period, the Group's net fee and commission income amounted to RMB234 million, with a decrease of RMB47 million year-on-year, which was mainly due to the decrease in income from wealth management business as a result of the reduction in the fee rates of wealth management products.

The Group's net fee and commission income is as follows:

(unit: RMB'000)

Item	For the six months ended 30 June			
	2025		2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Fee income from settlement business	34,238	14.62	30,951	11.00
Bank card fee income	93,173	39.78	101,986	36.24
Fee income from trust and other fiduciary activities	107,708	45.99	104,103	36.99
Income from wealth management business	109,902	46.93	150,654	53.53
Income from other businesses	29,539	12.61	43,904	15.60
Fee and commission income	374,560	159.93	431,598	153.36
Fee and commission expense	(140,353)	(59.93)	(150,149)	(53.36)
Net fee and commission income	234,207	100.00	281,449	100.00

(2) Net trading gains

During the Reporting Period, the Group's net trading gains amounted to RMB293 million, representing a year-on-year decrease of RMB555 million, which was mainly due to the fact that the rapid increase in market interest rates in the first half of 2025 turned into a detrended price oscillation, which resulted in a negative contribution from gains and losses from changes in fair value of trading financial assets, while the gains and losses from changes in fair value for the same period in 2024 was a positive gain, and the two-way overlap resulted in a year-on-year decrease in the net gain from trading in the first half of 2025.

(3) Net gains on financial instruments

During the Reporting Period, the Group's net gains on financial instruments amounted to RMB702 million, representing a year-on-year increase of RMB192 million, mainly due to the enhancement of bond swing trading to boost spread income.

(4) Other operating income

During the Reporting Period, other operating income of the Group amounted to RMB35 million, representing a year-on-year decrease of RMB20 million, which was mainly due to the fact that inclusive small and micro loan support tools policy has ended at the end of 2024.

3. Operating expenses

During the Reporting Period, the Group's operating expenses amounted to RMB1,902 million, representing a year-on-year decrease of RMB156 million or 7.59%, mainly due to the formulation of various cost reduction measures this year and the effectiveness of cost control.

The following table sets forth the main components of the Group's operating expenses for the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Staff costs	1,300,973	1,457,367	(156,394)	(10.73)
Taxes and surcharges	50,154	49,750	404	0.81
General and administrative expenses	326,694	340,261	(13,567)	(3.99)
Depreciation and amortization	222,480	208,427	14,053	6.74
Others	1,974	2,667	(693)	(25.98)
Total	1,902,275	2,058,472	(156,197)	(7.59)

(1) Staff costs

Staff costs is the largest component of the Group's operating expenses, accounting for 68.39% and 70.80% of the operating expenses in the first half of 2025 and 2024, respectively.

The following table sets forth the main components of the Group's staff costs for the periods indicated:

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Salaries, bonuses and allowances	916,888	1,052,670	(135,782)	(12.90)
Pension and other social benefits	304,833	321,391	(16,558)	(5.15)
Enterprise annuity scheme	61,053	62,276	(1,223)	(1.96)
Others	18,199	21,030	(2,831)	(13.46)
Total	1,300,973	1,457,367	(156,394)	(10.73)

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During the Reporting Period, the Group's staff costs amounted to RMB1,301 million, representing a year-on-year decrease of RMB156 million or 10.73%.

(2) Depreciation and amortization

During the Reporting Period, the Group's depreciation and amortization amounted to RMB222 million, representing a year-on-year increase of RMB14 million, mainly due to the increase in amortization of assets purchased, renovation works and technology systems.

4. Impairment losses on assets

During the Reporting Period, the Group impairment losses on assets of RMB870 million, which basically remained unchanged from the corresponding period last year. The Group continued to adopt the expected credit loss method in accordance with the requirements of the Notice by the CBIRC of Issuing the Administrative Measures for the Implementation of the Expected Credit Loss Method by Commercial Banks (Yin Bao Jian Gui [2022] No. 10), and updated the parameters of the impairment model in a timely manner to reflect the impact of changes in the external environment on asset credit risk.

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Loans and advances to customers	772,031	899,360	(127,329)	(14.16)
Financial investments	49,292	(26,184)	75,476	\
Loan commitments and guarantee contracts	8,847	(36,809)	45,656	\
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	4,859	(2,607)	7,466	\
Other assets	34,765	67,461	(32,696)	(48.47)
Total	869,794	901,221	(31,427)	(3.49)

5. Income tax expense

During the Reporting Period, the Group's income tax expense amounted to RMB127 million, representing a year-on-year increase of RMB48 million, which was mainly due to the increase in current income tax expenses resulting from the payment of income tax by Zhanjiang Rural Commercial Bank, a subsidiary of the Bank, in accordance with local taxation bureau requirements. The effective income tax rate was 4.61%, representing a year-on-year increase of 2.34 percentage points, mainly due to the increase in income tax expense of the period.

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Current income tax expense	268,661	94,925	173,736	183.02
Deferred income tax expense	(141,524)	(16,216)	(125,308)	\
Total	127,137	78,709	48,428	61.53

(II) Balance Sheet Analysis

1. Assets

As of the end of the Reporting Period, the Group's total assets amounted to RMB760,445 million, representing an increase of RMB14,541 million or 1.95%, mainly due to the growth of loan scale.

The following table sets forth the balance of main components of the Group's total assets as of the dates indicated:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Net loans and advances to customers	381,369,314	50.15	367,364,491	49.25
Cash and balances with Central Bank	36,472,621	4.80	36,333,987	4.87
Financial investments ⁽¹⁾	310,411,133	40.82	313,641,516	42.05
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	19,657,838	2.59	16,818,580	2.25
Investment in associates	665,654	0.09	644,456	0.09
Goodwill	520,521	0.07	520,521	0.07
Property and equipment	2,317,323	0.30	2,288,747	0.31
Right-of-use assets	1,132,189	0.15	1,176,183	0.16
Deferred tax assets	5,103,598	0.67	4,732,688	0.63
Others ⁽²⁾	2,795,089	0.36	2,383,319	0.32
Total assets	760,445,280	100.00	745,904,488	100.00

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Notes:

- (1) Financial investments include bonds, funds, beneficiary rights of credit assets, and unlisted equity investments, etc.
 (2) Consisted of derivative financial assets, prepayments to suppliers, long-term deferred expenses, foreclosed assets, R&D expenses, clearing and settlement, and precious metal, etc.

(1) Loans and advances to customers

As of the end of the Reporting Period, the Group's net loans and advances to customers amounted to RMB381,369 million, representing an increase of RMB14,005 million or 3.81% compared with the end of last year.

(unit: RMB'000)

Item	As at 30 June 2025	As at 31 December 2024	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Total loans and advances to customers	394,415,176	381,044,893	13,370,283	3.51
Add: accrued interest	847,435	734,502	112,933	15.38
Less: provision for expected credit loss ⁽¹⁾	13,893,297	14,414,904	(521,607)	(3.62)
Net loans and advances to customers	381,369,314	367,364,491	14,004,823	3.81

Note:

- (1) Excluding the provision for impairment of bills rediscounted and forfaiting, which are included in other comprehensive income.

The Group's loans and advances to customers mainly consisted of corporate loans, personal loans and discounted bills. For details of the Group's loans and advances to customers, please refer to the section "Loan Quality Analysis" in this chapter of this Report.

(2) Financial assets held under resale agreements and deposits and placements with banks and other financial institutions

As of the end of the Reporting Period, the Group's financial assets held under resale agreements, deposits and placements with banks and other financial institutions amounted to RMB19,658 million, representing an increase of RMB2,839 million as compared to the end of the previous year, which was mainly due to the increase in short-term funds deposited with domestic banks.

Details of the Group's financial assets held under resale agreements, deposits and placements with banks and other financial institutions are set out below:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Deposits with domestic banks and other financial institutions	4,212,200	21.43	2,444,307	14.55
Deposits with overseas banks and other financial institutions	1,093,875	5.57	1,166,474	6.94
Placements with domestic banks and other financial institutions	14,349,032	73.00	12,867,781	76.57
Financial assets held under resale agreements	—	—	325,598	1.94
Sub-total	19,655,107	100.00	16,804,160	100.00
Add: accrued interest	26,211		33,048	
Less: impairment allowance	23,480		18,628	
Total	19,657,838		16,818,580	

(3) Financial investments

As of the end of the Reporting Period, the Group's financial investments mainly include bonds, beneficiary rights of credit assets, funds and unlisted equity investments. The total financial investments of the Group amounted to RMB310,411 million, representing a decrease of RMB3,230 million or 1.03% compared with the end of the previous year.

The following table sets forth the composition of the Group's financial investments as of the dates indicated:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial investments at fair value through profit and loss	47,841,557	15.41	43,268,319	13.80
Financial investments at amortized cost	136,856,530	44.09	140,564,544	44.82
Financial investments at fair value through other comprehensive income	125,713,046	40.50	129,808,653	41.38
Total	310,411,133	100.00	313,641,516	100.00

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Among them, the distribution of the types and amounts of bonds held by the Group as of the end of the Reporting Period was as follows:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Bonds issued by the central and local governments	195,221,860	70.05	221,249,558	78.23
Bonds issued by financial institutions	80,909,155	29.03	56,830,871	20.10
Bonds issued by enterprises	549,065	0.20	1,161,856	0.41
Interbank certificates of deposits	2,005,492	0.72	3,561,976	1.26
Total	278,685,572	100.00	282,804,261	100.00

In particular, the top ten bonds held by the Group are as follows:

(unit: RMB'000)

Name of bonds	Nominal value	Coupon rate (%)	Maturity date
2024 Bond	7,120,000	2.35	25 February 2034
2021 Bond	6,730,000	3.02	27 May 2031
2023 Bond	4,210,000	2.55	15 October 2028
2023 Bond	3,070,000	2.67	25 November 2033
2019 Bond	2,780,000	3.65	21 May 2029
2021 Bond	2,650,000	3.26	9 April 2026
2025 Bond	2,430,000	1.86	8 April 2028
2021 Bond	1,900,000	2.89	18 November 2031
2021 Bond	1,840,000	3.29	26 March 2026
2023 Bond	1,780,000	2.67	25 May 2033

2. Liabilities

As of the end of the Reporting Period, the Group's total liabilities amounted to RMB697,815 million, representing an increase of RMB14,376 million or 2.10% as compared to the end of the previous year, which was mainly due to the growth in the size of deposits and the size of debt securities issued.

The following table sets forth the composition of the Group's total liabilities as of the dates indicated:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Deposits from customers	542,808,275	77.79	530,171,576	77.57
Debt securities issued	104,846,683	15.03	83,544,009	12.22
Borrowings from the central bank	26,013,292	3.73	31,982,838	4.68
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	17,571,177	2.52	31,123,784	4.55
Lease liabilities	458,608	0.07	498,048	0.07
Financial liabilities at fair value through profit or loss	2,050,703	0.29	1,676,073	0.25
Taxes payable	561,508	0.08	290,369	0.04
Other liabilities ⁽¹⁾	3,504,267	0.49	4,151,891	0.62
Total liabilities	697,814,513	100.00	683,438,588	100.00

Note:

(1) Mainly consisted of derivative financial liabilities, salaries payable to employees, purchases payable, accrued expenses and others.

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(1) Deposits from customers

The following table sets forth the Group's deposits from customers by product category as at the dates indicated:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate deposits				
– Demand	89,447,936	16.80	92,317,178	17.74
– Time	107,608,075	20.21	104,334,518	20.05
Sub-total	197,056,011	37.01	196,651,696	37.79
Personal deposits				
– Demand	114,633,735	21.53	113,232,554	21.77
– Time	211,180,539	39.67	201,227,007	38.68
Sub-total	325,814,274	61.20	314,459,561	60.45
Other deposits⁽¹⁾	9,493,640	1.79	9,136,982	1.76
Principal of customer deposits in total	532,363,925	100.00	520,248,239	100.00
Add: accrued interest	10,444,350		9,923,337	
Total deposits from customers	542,808,275		530,171,576	

Note:

(1) Consisted of remittance outstanding, margin deposit and national treasury time deposits.

As of the end of the Reporting Period, in respect of the structure of deposits from customers of the Group, personal deposits accounted for 61.20%, and its balance increased by RMB11,355 million or 3.61% as compared to the end of the previous year; and corporate deposits accounted for 37.01%, with its balance increased by RMB404 million or 0.21% as compared to the end of the previous year. In terms of structure, demand deposits accounted for 38.33%, representing a decrease of 1.18 percentage points as compared to the end of the previous year; and time deposits accounted for 59.88%, representing an increase of 1.15 percentage points as compared to the end of the previous year.

(2) *Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions*

As of the end of the Reporting Period, the Group's financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions amounted to RMB17,571 million, representing a decrease of RMB13,553 million, mainly due to the reduction of bonds sold under repurchase agreements.

The breakdown of financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions of the Group as at the dates indicated is as follows:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Deposits from domestic banks	4,760,775	27.09	4,342,680	13.95
Deposits from non-banking domestic financial institutions	663,678	3.78	1,453,252	4.67
Placements from domestic banks	1,126,730	6.41	6,242,506	20.06
Bonds sold under repurchase agreements	10,262,843	58.41	18,667,486	59.98
Notes sold under repurchase agreements	718,779	4.09	323,322	1.04
Sub-total	17,532,805	99.78	31,029,246	99.70
Add: accrued interest	38,372	0.22	94,538	0.30
Total	17,571,177	100.00	31,123,784	100.00

3. Shareholders' equity

As of the end of the Reporting Period, the total shareholders' equity of the Group was RMB62,631 million, representing an increase of RMB165 million or 0.26% as compared to the end of the last year.

The following table sets forth the composition of the shareholders' equity of the Group as at the dates indicated:

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	6,888,546	11.00	6,888,546	11.03
Capital reserve	6,323,045	10.10	6,323,045	10.12
Surplus reserve	9,273,110	14.81	9,273,110	14.85
General reserve	7,867,224	12.56	7,867,224	12.59
Revaluation reserve	2,408,274	3.85	3,039,444	4.87
Retained profits	27,066,830	43.22	26,160,083	41.88
Total equity attributable to shareholders of the Bank	59,827,029	95.54	59,551,452	95.34
Non-controlling interests	2,803,738	4.46	2,914,448	4.66
Total shareholders' equity	62,630,767	100.00	62,465,900	100.00

As of the end of the Reporting Period, the Group had a share capital of RMB6,889 million, capital reserve of RMB6,323 million and retained profits of RMB27,067 million.

4. Restrictions on rights to assets as of the end of the Reporting Period

As of the end of the Reporting Period, certain assets of the Group were used as collateral for the repurchase business and the business of borrowings from the central bank. For details of our pledged assets, please refer to Note 40(e) "collateral" to the consolidated financial statements in the "Financial Report" chapter in this Report. The fair value of assets as collateral as at the end of the Reporting Period is broken down as follows:

(unit: RMB'000)

Item	As at 30 June 2025	Reason for restriction
Bonds	11,205,405	Repurchase business
Bills	719,119	Repurchase business
Bonds	27,893,649	Borrowings from the central bank
Loans	10,854,210	Borrowings from the central bank
Bills	307,655	Borrowings from the central bank
Total	50,980,038	

(III) Cash Flow Statement Analysis

During the Reporting Period, the Group's net cash outflow from operating activities amounted to RMB24,264 million, representing an increase of RMB12,505 million as compared with the corresponding period of last year, mainly due to the slower growth in deposit size over the same period; Net cash inflow from investing activities amounted to RMB6,560 million, compared with net inflow of RMB2,955 million for the same period last year, mainly because the increase in cash received from financial investments exceeded the increase in cash paid for financial investments; Net cash inflow from financing activities amounted to RMB18,468 million, representing an increase of net inflow of RMB11,769 million as compared to the corresponding period of last year, mainly due to the decrease in cash paid for repayment of bonds issued.

(unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2025	2024		
Net cash flow from operating activities	(24,264,185)	(11,758,830)	(12,505,355)	\
Net cash flow from investing activities	6,559,597	3,604,903	2,954,694	81.96
Net cash flow from financing activities	18,468,032	6,699,402	11,768,630	175.67

(IV) Loan Quality Analysis

1. Loan distribution by five-tier loan classification

(unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Normal	379,615,705	96.25	366,200,478	96.11
Special mention	7,499,926	1.90	7,867,805	2.06
Substandard	2,955,761	0.75	3,017,311	0.79
Doubtful	1,714,648	0.43	880,871	0.23
Loss	2,629,136	0.67	3,078,428	0.81
Total loans to customers	394,415,176	100.00	381,044,893	100.00
Non-performing loans and				
Non-performing loan ratio⁽¹⁾	7,299,545	1.87	6,976,610	1.84

Note:

- (1) Calculated by dividing the balance of NPL (excluding accrued interest) by total amount of loans (excluding accrued interest). For the purpose of NPL ratio calculation, the NPL ratio of Zhanjiang RCB and Guangdong Chaoyang RCB, both our subsidiaries, was calculated based on the original book value of the loans as of 31 December 2024 and 30 June 2025, respectively, but not the fair value as of the consolidated balance sheet date.

During the Reporting Period, the Group adheres to the principle of prudent classification and strictly recognizes the risk classification of assets to truly reflect the quality of assets. The Group will continue to monitor and control the quality of its assets and further intensify its efforts in the liquidation and disposal of non-performing assets to strengthen the quality of its assets in a comprehensive manner. As of the end of the Reporting Period, the Group's normal loans amounted to RMB379,616 million, representing an increase of RMB13,415 million as compared to the end of last year; special mention loans amounted to RMB7,500 million, representing a decrease of RMB368 million as compared to the end of last year; the balance of non-performing loans was RMB7,300 million, representing an increase of RMB323 million as compared to the end of last year, while the non-performing loan ratio was 1.87%, representing an increase of 0.03 percentage points as compared to the end of last year.

As of the end of the Reporting Period, the migration ratio of the Group's normal loans was 1.30%, the migration ratio of special mention loans was 38.54%, the migration ratio of substandard loans was 106.91%, and the migration ratio of doubtful loans was 119.23%.

2. Loans and non-performing loans by product type

(unit: RMB'000)

Item	As at 30 June 2025				As at 31 December 2024			
	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio ⁽¹⁾ (%)	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio ⁽¹⁾ (%)
Corporate loans⁽²⁾								
Working capital loans	100,113,247	25.38	2,856,055	2.85	93,809,243	24.62	3,839,472	4.12
Fixed asset loans	130,574,564	33.11	753,782	0.62	122,904,582	32.25	196,587	0.16
Others	8,133,504	2.05	130,707	1.61	7,834,220	2.06	1,470	0.02
Sub-total	238,821,315	60.54	3,740,544	1.59	224,548,045	58.93	4,037,529	1.81
Personal loans								
Personal business loans	45,263,185	11.48	1,450,772	3.21	46,616,324	12.23	1,197,577	2.57
Property mortgage loans	41,593,706	10.55	626,595	1.51	40,688,088	10.68	628,964	1.55
Credit card overdrafts	3,879,367	0.98	358,312	9.24	4,481,750	1.18	269,904	6.02
Personal consumption loans	36,115,586	9.16	1,123,322	3.11	36,434,537	9.56	842,636	2.31
Sub-total	126,851,844	32.17	3,559,001	2.81	128,220,699	33.65	2,939,081	2.29
Discounted bills⁽³⁾								
Bank acceptance bills	28,742,017	7.29	—	—	28,276,149	7.42	—	—
Trade acceptance draft	—	—	—	—	—	—	—	—
Sub-total	28,742,017	7.29	—	—	28,276,149	7.42	—	—
Total	394,415,176	100.00	7,299,545	1.87	381,044,893	100.00	6,976,610	1.84

Notes:

- (1) Calculated by dividing the balance of NPL (excluding accrued interest) by total amount of loans (excluding accrued interest). For the purpose of NPL ratio calculation, the NPL ratio of Zhanjiang RCB and Guangdong Chaoyang RCB, both our subsidiaries, was calculated based on the original book value of the loans as of 31 December 2024 and 30 June 2025, respectively, but not the fair value as of the consolidated balance sheet date.
- (2) The corporate loans included forfeiting.
- (3) Mainly including bill discounted and rediscounted.

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As of the end of the Reporting Period, the non-performing loan ratio of corporate loans (excluding discounted bills) was 1.59%, representing a decrease of 0.22 percentage point as compared with the end of the previous year, the main reason is to strengthen risk preference guidance and accelerate the progress of risk resolution and mitigation. The non-performing loan ratio for personal loans was 2.81%, representing an increase of 0.52 percentage point from the end of last year. This is mainly due to the ongoing adjustment of the real estate market and the reduction in income of some residents, which has put pressure on the quality of personal credit assets.

3. Loans and non-performing loans by industry

(unit: RMB'000)

Industry distribution ⁽¹⁾	As at 30 June 2025				As at 31 December 2024			
	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio ⁽²⁾ (%)	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio ⁽²⁾ (%)
Corporate loans and advances	238,821,315	60.54	3,740,544	1.59	224,548,045	58.93	4,037,529	1.81
Wholesale and retail	33,622,586	8.50	1,897,742	5.64	34,705,044	9.10	2,474,150	7.13
Leasing and commercial services	52,033,101	13.19	45,670	0.09	45,980,235	12.07	60,276	0.13
Manufacturing	76,874,792	19.49	1,559,243	2.10	68,282,390	17.92	1,263,083	1.89
Construction	22,042,503	5.59	34,927	0.16	22,025,959	5.78	42,438	0.19
Real estate	19,512,575	4.95	128,000	0.66	19,943,590	5.23	128,000	0.64
Finance	3,026,129	0.77	—	—	3,113,725	0.82	—	—
Production and supply of power, gas and water	6,358,086	1.61	—	—	6,059,792	1.59	—	—
Transportation, logistics and postal services	6,971,269	1.77	6,250	0.09	6,797,399	1.78	6,250	0.09
Water, environment and public utilities management	2,998,035	0.76	—	—	2,926,510	0.77	400	0.01
Health, social security and welfare	1,722,200	0.44	3,071	0.18	1,590,038	0.42	—	—
Education	3,009,243	0.76	261	0.01	3,260,091	0.86	1,660	0.05
Information transmission, software and information technology services	1,133,452	0.29	12,684	1.12	1,211,983	0.32	2,374	0.20
Accommodations and catering industries	2,629,088	0.67	1,027	0.04	2,585,371	0.68	—	—
Agriculture, forestry, animal husbandry and fishery	2,124,330	0.54	19,242	0.91	2,041,277	0.54	24,885	1.22
Residential services and other services	496,864	0.13	543	0.11	315,877	0.08	—	—
Culture, sports, and entertainment	154,201	0.04	5,895	3.82	153,787	0.04	6,240	4.06
Scientific research and technical services, and geological prospecting	4,072,742	1.03	25,989	0.64	3,522,077	0.92	26,873	0.76
Mining	40,119	0.01	—	—	32,900	0.01	900	2.74
Discounted bills	28,742,017	7.29	—	—	28,276,149	7.42	—	—
Personal loans	126,851,844	32.17	3,559,001	2.81	128,220,699	33.65	2,939,081	2.29
Total	394,415,176	100.00	7,299,545	1.87	381,044,893	100.00	6,976,610	1.84

Notes:

- (1) Classified based on the Industrial Classification for National Economic Activities (《國民經濟行業分類》) issued by the Standardization Administration of China on 30 June 2017.
- (2) Calculated by dividing the balance of NPL (excluding accrued interest) by total amount of loans (excluding accrued interest). For the purpose of NPL ratio calculation, the NPL ratio of Zhanjiang RCB and Guangdong Chaoyang RCB, both our subsidiaries, was calculated based on the original book value of the loans as of 31 December 2024 and 30 June 2025, respectively, but not the fair value as of the consolidated balance sheet date.

As of the end of the Reporting Period, non-performing loans of the Group's corporate loans were mainly concentrated in wholesale and retail industry, and manufacturing industry, with non-performing loan ratios of 5.64% and 2.10%, respectively, mainly due to the difficulties in the production and operation of some enterprises that have led to the inability to repay principal and interest on time, eventually resulting in non-performing loans.

4. Loans and non-performing loans by types of guarantees

(unit: RMB'000)

Guarantee method	As at 30 June 2025				As at 31 December 2024			
	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)
Collateralized loans	189,305,748	47.99	5,559,892	2.37	188,641,114	49.51	3,718,003	1.92
Pledged loans	36,880,003	9.35	25,773	0.19	36,972,736	9.70	42,777	0.12
Guaranteed loans	107,066,671	27.15	499,169	0.81	102,829,362	26.99	2,307,308	2.27
Unsecured loans	61,162,754	15.51	1,214,711	1.52	52,601,681	13.80	908,522	1.90
Total	394,415,176	100.00	7,299,545	1.87	381,044,893	100.00	6,976,610	1.84

5. Distribution of loans by region

(unit: RMB'000)

Region distribution	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Dongguan	326,098,970	82.68	312,745,357	82.08
Outside Dongguan	68,316,206	17.32	68,299,536	17.92
Total	394,415,176	100.00	381,044,893	100.00

The Group has improved the development pattern of “One Core with Two Wings” with the Guangdong-Hong Kong-Macao Greater Bay Area as the core, Dongguan as the center, and East Guangdong and West Guangdong as two complements. As of the end of the Reporting Period, the loan balance distributed in Dongguan was RMB326,099 million, and loan balance outside Dongguan was RMB68,316 million.

6. Loans to top ten single borrowers

As of the end of the Reporting Period, the Group’s loan balance to any single borrower did not exceed 10% of the Group’s net capital. The following table sets forth the Group’s loan balance to the top ten single borrowers (excluding group borrowers) as of the end of the Reporting Period, none of which was non-performing loan.

(unit: RMB’000)

Borrower	Industry	As at 30 June 2025		
		Balance of loans	Percentage of total loans (%)	Percentage of net capital (%)
Customer A	Leasing and commercial services	2,924,000	0.74	4.20
Customer B	Construction	1,710,300	0.43	2.45
Customer C	Real estate	1,710,250	0.43	2.45
Customer D	Scientific research and technical services	1,317,000	0.33	1.89
Customer E	Finance	1,300,000	0.33	1.87
Customer F	Leasing and commercial services	1,221,391	0.31	1.75
Customer G	Real estate	1,043,910	0.26	1.50
Customer H	Manufacturing	1,015,744	0.26	1.46
Customer I	Real estate	1,005,365	0.25	1.44
Customer J	Transportation, warehousing, and postal services	998,400	0.25	1.43
Total		14,246,360	3.61	20.44

As of the end of the Reporting Period, the total loans to the largest single borrower of the Group was RMB2,924 million, accounting for 4.20% of the net capital of the Group. The total loans to top ten single borrowers was RMB14,246 million, accounting for 20.44% of the net capital of the Group and 3.61% of the total loans of the Group.

The following table sets forth the concentration indicators of the Group during the indicated periods:

Concentration indicators	As at 30 June 2025	As at 31 December 2024	Regulatory requirements
Percentage of loans to the largest single customer to net capital	4.20%	4.23%	10%
Percentage of credits to a single group customer to net capital	6.88%	6.94%	15%
Percentage of loans to top ten customers to net capital	20.44%	20.76%	—

Note: Data as of 31 December 2024 are calculated based on audited data according to regulatory standards; data as of 30 June 2025 are calculated based on reviewed data according to regulatory standards.

7. **Loans overdue**

(Unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Current loans	385,786,774	97.61	372,724,824	97.63
Loans past due	9,475,837	2.39	9,054,571	2.37
– Within 3 months	2,539,378	0.64	2,317,857	0.61
– From 3 months to 1 year	4,347,175	1.10	3,716,508	0.97
– More than 1 year to less than 3 years	2,333,146	0.59	2,814,483	0.74
– More than 3 years	256,138	0.06	205,723	0.05
Total loans and advances to customers⁽¹⁾	395,262,611	100.00	381,779,395	100.00
Less: allowance for expected credit loss	13,893,297	—	14,414,904	—
Net loans and advances to customers	381,369,314	—	367,364,491	—

Note:

- (1) Total loans and advances to customers represent the credit risk exposure including the loan principal amount and accrued interest balance.

As of the end of the Reporting Period, the balance of overdue customer loan of the Group was RMB9,476 million, accounting for 2.39% of all loans, representing an increase of RMB421 million as compared to the end of last year. Among them, the balance of loans past due within 3 months amounted to RMB2,539 million, representing an increase of RMB221 million as compared to the end of last year. The balance of loans past due from 3 months to 1 year amounted to RMB4,347 million, representing an increase of RMB631 million as compared to the end of last year. The balance of loans past due for more than 1 year to less than 3 years amounted to RMB2,333 million, representing a decrease of RMB481 million as compared to the end of last year; the balance of loans past due for more than 3 years amounted to RMB256 million, representing an increase of RMB50 million compared to the end of last year.

8. Restructured loans

A restructured loan is a loan for which contractual terms have been renegotiated due to changes in the borrower, guarantee, or repayment. During the Reporting Period, the Group's restructured loan accounted for 0.22%, representing an increase of 0.20 percentage point as compared to the end of the previous year.

The following table sets forth the balance and proportion of the Group's restructured loans as at the dates indicated:

(Unit: RMB'000)

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Restructured loans	885,676	0.22	78,879	0.02

9. Foreclosed assets

As of the end of the Reporting Period, the Group's foreclosed assets were as follows:

(Unit: RMB'000)

Item	As at 30 June 2025	As at 31 December 2024
Property and equipment	363,049	363,049
Land use rights	107,461	107,461
Subtotal	470,510	470,510
Less: Provision for impairment losses	306,873	306,873
Total	163,637	163,637

10. Disposal of non-performing assets

During the Reporting Period, the Group resolved RMB1,982 million of non-performing loans through collection, litigation, write-offs, debt transfers, debt restructuring, and other disposal measures. It included cash settlement of RMB270 million, assignment of claims of RMB169 million, debt restructuring of RMB27 million, write-off of bad debts of RMB1,440 million and quality upward adjustment of RMB76 million.

11. Changes in provision for impairment of loans and advances to customers

During the Reporting Period, the Bank made provision for credit losses of RMB772 million, with RMB767 million provided for loans and advances to customers measured at amortized cost, and RMB5 million reversed for loans and advances to customers measured at fair value through other comprehensive income, RMB1,440 million of non-performing loans were written off, while RMB271 million of written-off loans were recovered. As of the end of the Reporting Period, the balance of provision for expected credit losses of loans was RMB13,923 million, of which the balance of impairment on loans and advances to customers measured at amortized cost was RMB13,893 million and the changes in provision for expected credit losses are as follows:

(Unit: RMB'000)

Item	For the six months ended 30 June	
	2025	2024
Balance as at the end of last period	14,414,904	13,291,864
Provision for the period	1,087,031	778,712
Derecognition or settlement for the period	(1,661,963)	(1,805,995)
Write off for the period	(1,439,887)	(1,310,513)
Re-measurement	1,493,212	2,384,780
Closing balance	13,893,297	13,338,848

In addition, as of the end of the Reporting Period, the impairment balance of loans and advances to customers measured at fair value through other comprehensive income (bills rediscounted and forfeiting) amounted to RMB30 million.

(V) Capital Management

During the Reporting Period, the Group continued to strengthen its capital management and improve its capital management system to ensure the sustainable and healthy development of the Group's business with adequate capital levels. As of the end of the Reporting Period, the Group's capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 15.92%, 13.80% and 13.77%, respectively, and the capital adequacy ratios at all levels met regulatory requirements.

1. Capital adequacy ratios analysis

The Group calculates and discloses the capital adequacy ratio in accordance with the relevant provisions of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》). The calculation scope of capital adequacy ratio comprises of all branches and financial institution subsidiaries in compliance with the requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).

(Unit: RMB'000)

Item	As at 30 June 2025	As at 31 December 2024
Core tier-one capital	60,851,243	60,544,543
Core tier-one capital deductions	598,025	613,680
Net core tier-one capital	60,253,218	59,930,863
Other tier-one capital	136,562	132,412
Net tier-one capital	60,389,780	60,063,275
Tier-two capital	9,294,390	9,077,315
Net capital	69,684,170	69,140,590
Total risk-weighted assets	437,716,842	417,971,094
Including: Credit risk-weighted assets ⁽¹⁾	406,798,614	389,887,350
Market risk-weighted assets ⁽²⁾	8,141,829	5,307,345
Operational risk-weighted assets ⁽³⁾	22,776,399	22,776,399
Core tier-one capital adequacy ratio (%)⁽⁴⁾	13.77	14.34
Tier-one capital adequacy ratio (%)⁽⁵⁾	13.80	14.37
Capital adequacy ratio (%)⁽⁶⁾	15.92	16.54

Notes:

- (1) Credit risk is measured under weighted method.
- (2) Market risk is measured under simplified standardized method.
- (3) Operational risk is measured under standardized method.
- (4) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by total risk-weighted assets.
- (5) Calculated by dividing tier-one capital, net of tier-one capital deductions, by total risk-weighted assets.
- (6) Calculated by dividing total capital, net of capital deductions, by total risk-weighted assets.

In accordance with the requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》), Pillar 3 Information Disclosures Report for the first half of 2025 of the Group will be further disclosed subsequently in the “Investor Relations” – “Information Disclosure” – “Regulatory Capital” section on the Chinese version website of the Bank (www.drcbank.com).

2. Leverage ratio

The leverage ratio was calculated and disclosed by the Group in accordance with the relevant provisions under the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).

(Unit: RMB'000)

Item	As at 30 June 2025	As at 31 December 2024
Net tier-one capital	60,389,780	60,063,275
Adjusted balance of on- and off-balance sheet assets	781,009,029	778,233,867
Leverage ratio (%) ⁽¹⁾	7.73	7.72

Note:

- (1) Calculated by dividing the net tier-one capital by the adjusted balance of on- and off-balance sheet assets.

For more details on leverage ratio, please refer to the “Information on Leverage Ratio” in the appendix of the supplementary information in the “Financial Report” chapter of this Report.

(VI) Segment Operating Results

Our principal business activities include corporate banking, retail banking and treasury business. The following table sets forth our operating income of principal business segment for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June			
	2025		2024	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate banking	2,368,582	43.06	2,767,083	43.25
Retail banking	1,832,348	33.31	1,893,382	29.59
Treasury business	1,422,381	25.86	1,852,743	28.96
Others	(122,378)	(2.23)	(115,026)	(1.80)
Total operating income	5,500,933	100.00	6,398,182	100.00

(VII) Analysis on Off-balance Sheet Items

The Group's off-balance sheet items mainly consisted of letters of credit, issuance of letters of guarantee, acceptance bills and unused limit of credit cards. As of the end of the Reporting Period, the balances of letters of credit, guarantees, bank acceptances and unused limit of credit cards amounted to RMB1,400 million, RMB3,001 million, RMB11,004 million and RMB7,128 million respectively. In particular, commitments include financial guarantees and other credit commitments and capital commitments, and the distribution of which is as follows:

1. Financial guarantees and other credit commitments

(Unit: RMB'000)

Item	As at 30 June 2025	As at 31 December 2024	Increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year (%)
Letters of credit	1,399,804	1,156,542	21.03
Guarantees	3,000,503	2,794,279	7.38
Bank acceptances	11,004,481	10,339,944	6.43
Unused limit of credit cards	7,128,458	7,568,439	(5.81)
Total	22,533,246	21,859,204	3.08

2. Capital commitments

(Unit: RMB'000)

Item	Contract amount at the end of the period	Contract amount at the beginning of the period
Property and equipment	7,534	103,357

As of the end of the Reporting Period, the Group had no major contingent liabilities; there were no major litigation cases in which the Bank or the Bank's subsidiaries were defendants.

For details of off-balance sheet commitments, please refer to Note 40(c) "Capital Commitments" to the consolidated financial statements in the "Financial Report" chapter in this Report.

(VIII) Other Financial Information Disclosed in accordance with Regulatory Requirements

1. *Contingent liabilities and pledged assets*

For details of our contingent liabilities and pledged assets as at the end of the Reporting Period, please refer to Note 40 “Contingent Liabilities and Commitments” to the consolidated financial statements in the “Financial Report” chapter in this Report.

2. *Overdue debts*

The Group had no overdue debts during the Reporting Period.

3. *Analysis of investment*

During the Reporting Period, the Group had no new investment in equity.

4. *Disposal of major assets and equity interests*

During the Reporting Period, the Group had no disposals of major assets and equity.

5. *Structured entities controlled by the Group*

As of the end of the Reporting Period, the scale of structured entities that the Group have issued, managed and included in the scope of the consolidated financial statements was RMB5,407 million.

III. BUSINESS OPERATION

(I) Business Development

1. *Corporate financial services business*

The Group's corporate financial services business is guided by the vision of "becoming the primary operating partner for target clients and a key force in supporting the real economy". It actively aligns with the overall initiatives for high-quality development at the national, provincial and municipal levels, implements tiered and categorized operations, and fosters a healthy "government-bank-enterprise" ecosystem. As of the end of the Reporting Period, the Group's corporate deposit balance amounted to RMB197.056 billion, representing an increase of 0.21% from the end of the previous year. The total balance of corporate loans (including bill discounting and re-discounting) reached RMB267.563 billion, representing an increase of 5.83% from the end of the previous year.

- (1) **To comprehensively align with the "High-Quality Development Project"**. First, we have focused on local specialty industry clusters and strengthen product and service innovation. We tailored comprehensive financial service solutions based on the local specialty industries in our operating areas, such as Dongguan City, Zhanjiang City, and Chaonan District and Chaoyang District in Shantou City. Second, we have targeted the development direction of the new rural economy and support the modernization of local industrial parks and the renovation of urban villages. As of the end of the Reporting Period, the Group's agricultural loan balance was RMB52.210 billion.
- (2) **To focus on developing the "Five Major Financial Articles"**. First, we have expanded the coverage of our technology-driven financial services to promote the development of new productive forces. As of the end of the Reporting Period, the Group's manufacturing loans amounted to RMB76.875 billion, representing an increase of RMB8.592 billion compared to the end of the previous year, with a growth rate of 12.58%; technology-driven financial loans amounted to RMB54.168 billion, representing an increase of RMB6.636 billion compared to the end of the previous year, with a growth rate of 13.96%. Second, we have improved the mechanisms for green finance and strengthened our support for green finance. As of the end of the Reporting Period, the Group's green credit balance was RMB17.688 billion, representing an increase of RMB1.271 billion compared to the end of the previous year, with a growth rate of 7.74%.
- (3) **To promote the quality and efficiency of government finance.** First, we have provided financial services for special bonds throughout their entire life cycle and built a comprehensive service system to deepen the relationship between banks and government agencies. Second, we have strengthened interconnectivity between the banking and government systems and driven service upgrades through data sharing.

2. *Retail financial services business*

The Group's retail financial services business is guided by the vision of "becoming the primary bank for local residents and maintaining a leading position in personal finance", striving to fully meet the increasingly diverse financial service needs of individual customers. As of the end of the Reporting Period, the Group's personal deposit balance was RMB325.814 billion, representing an increase of 3.61% from the end of the previous year; personal loan balance was RMB126.852 billion, representing a decrease of 1.07% from the end of the previous year.

- (1) **To meet client's wealth management needs.** The Group adheres to a customer-centric business philosophy, offering a diversified range of products including deposits, wealth management, precious metals, and insurance tailored to the customer base in each operational region. As of the end of the Reporting Period, the Group's assets under management (AUM) balance of individual customers stood at RMB398.329 billion, with outstanding wealth management product assets totaling RMB38.687 billion, individual wealth management accounted for 87.24% and wealth management business revenue reaching RMB133 million.
- (2) **To promote the steady development of retail credit business.** The Group actively responded to the national and local government policies aimed at boosting consumption and stabilizing the real estate market, participating in the "Yuehuanxin" subsidy program, optimizing and upgrading the "Consumer Easy Loan" product, integrating financial products into high-frequency consumption scenarios, and increasing credit support for the demand for essential housing and improved housing. As of the end of the Reporting Period, the Group's housing mortgage loan balance amounted to RMB41.594 billion, while the personal consumption loan balance amounted to RMB36.116 billion.
- (3) **To synergistically develop online and offline channels.** As of the end of the Reporting Period, the Group operated a total of 640 business outlets (excluding the headquarter), with a total of 1,492 ATMs, self-service inquiry terminals, self-service card issuance terminals, and smart service terminals in operation. Online channels primarily include mobile banking, online banking, WeChat banking. As of the end of the Reporting Period, the Group's comprehensive counter replacement rate via electronic channels reached 97.83%.

3. *Inclusive finance business*

The Group remains committed to its core business focus on supporting agriculture and small businesses, concentrating on the “Five Major Financial Articles,” and adhering to the business philosophy of “ecological synergy, scenario-based customer acquisition, leveraging policies, and technology empowerment” to continuously enhance the efficiency of inclusive financial services. As of the end of the Reporting Period, the Group’s inclusive small and micro enterprise loans (as defined by the National Financial Regulatory Administration) stood at RMB52.053 billion, representing a year-on-year increase of 2.91%; the number of loan accounts reached 29,700.

- (1) **To implement the coordination mechanism for financing small and micro enterprises.** The Group actively responded to policy initiatives and launched the “Visiting Thousands of Enterprises and Households” campaign to enhance support for small and micro enterprises in areas such as foreign trade, private enterprise, technology, and consumption. As of the end of the Reporting Period, the Group had issued a total of RMB19.681 billion in loans to small and micro enterprises via its visits.
- (2) **To expand the coverage of inclusive financial products and services.** The Group focuses on key industries and distinctive industries within its operational jurisdictions, continuously optimizing inclusive financial products. It has launched online products such as “Technology Enterprise Loan” and “Excellent Enterprise Loan” to serve small and micro enterprises in specialized, refined, distinctive, and innovative industries, manufacturing, wholesale, and retail sectors. In Zhanjiang City, it has introduced products such as “Preferential Business Loan” to serve individual business operators in the “Zhanjiang Hundred Thousand Distinctive Industries” sector. In Chaonan and Chaoyang Districts of Shantou City, we have launched products such as “Chaoshang Loan” and “Chaofu Loan” to serve individual business operators, small and medium-sized enterprise owners, and agricultural operators in the Chaonan and Chaoyang Districts.
- (3) **To comprehensively apply policy and enhance the value of inclusive business.** First, we used fiscal interest subsidies to reduce the credit costs of start-ups. As of the end of the Reporting Period, the Group’s start-up loan balance was RMB670 million. Second, we used re-loans to expand the profit margin for enterprises. As of the end of the Reporting Period, the weighted average interest rate for the Group’s inclusive small and micro enterprise loans for the year was 32 basis points less than the previous year’s interest rate.

4. *Financial market business*

The Group is committed to obtaining a full range of licenses for its financial market business. It has currently obtained qualifications for gold trading, general lead underwriter of debt financing instruments for non-financial enterprises, membership in the government bond underwriting syndicate, membership in the Guangdong Provincial Government Bond Underwriting Syndicate, membership in the Treasury Cash Deposit Syndicate, ordinary derivative product trading, and membership in the Medium-term Lending Facility (MLF), etc. As of the end of the Reporting Period, the Group's financial markets business reached RMB326.624 billion, representing an increase of RMB2.428 billion or 0.75% compared to the end of the previous year.

- (1) **To enhance market trading activity.** The Group actively extends its customer base, with its banks actively participating in interbank market transactions involving both domestic and foreign currencies. As of the end of the Reporting Period, the Group's interbank market transactions involving both domestic and foreign currencies exceeded RMB2.7 trillion, with over 1,000 counterparties.
- (2) **To facilitate diversified financing channels.** The Group's financing channels include, but are not limited to, issuing interbank certificates of deposit, absorbing interbank deposits, bond repurchase agreements, interbank borrowing, issuing financial bonds, and absorbing central bank MLF funds. The Group has obtained interbank credit limits totaling over RMB230 billion from over 80 key interbank clients. During the Reporting Period, the Group issued a total of RMB80.9 billion in interbank certificates of deposit.

(II) **Digital Transformation and Fintech Development**

1. *Digital transformation development*

The Group has taken digital transformation as an opportunity to focus on digital finance, closely aligning with the Group's strategic planning, fully tapping into the value of data elements and digital technology, and providing full support to the Group in fulfilling its "Five Major Financial Articles", and accelerating the creation of a "digital smart bank."

- (1) **To strengthen the digital infrastructure and establish a solid foundation for data capabilities.** We have continued to build a data service platform to improve the convenience of data usage, strengthen the Bank's data capabilities, and facilitate the intelligent management of big data models.
- (2) **To promote the platform-based and mechanism-based construction of data governance to improve data quality management.** We have promoted the implementation of data governance mechanisms, embedding data governance management mechanisms into the entire IT project construction process and strengthening source data control. Taking the construction of key project groups as an opportunity, we have continued to revise and implement data standards, realized real-time data collection, and provided a data foundation for realizing the value of data assets.

- (3) **To strengthen digital construction and improve intelligence levels.** In terms of risk module construction, we have improved the intelligent management of the entire credit and audit monitoring process, empowered the intelligent upgrade of internal and external risk control, and enhanced digital modeling capabilities in the risk field. In terms of channel coordination, we have achieved online and offline multi-channel business coordination and processing, improved the level of remote, self-service, and mobile business processing, and strengthened the customer financial service experience.
- (4) **To drive digital empowerment across multiple situations to enhance digital service capabilities.** We have explored the application of artificial intelligence in smart office settings, continuously strengthened our large model application capabilities, and improved the reusability of intelligent settings. Using “data + technology” as a starting point, we have optimized marketing scoring standards and customer group labels, established customer asset improvement prediction models, and promoted the scenario-based application of precision marketing.

2. *Fintech development*

The Group has been adhering to strategic leadership, taking the construction of a new generation of core projects as a focus, strengthening the integration of business and technology, safe operations, and technological governance, and comprehensively enhancing its financial technology empowerment capabilities.

- (1) **To strengthen the integration of technology and business to rapidly support the implementation of business strategies.** First, we have promoted the launch of a new generation of core projects by reshaping business operating models, upgrading information system architectures, and restructuring management mechanisms and processes to enhance the ability of technology to support business, fintech innovation, and security and autonomy. Second, we have ensured the supply of technological resources and continuously strengthened technological system support to facilitate business growth and rapidly support the implementation of business strategies.
- (2) **To optimize security operations mechanisms and strengthen the foundation for fintech development.** First, we have enhanced our security protection capabilities by strengthening our information technology service management system and information security management system, upgrading security defense technologies, and conducting continuous security monitoring and response. Second, we have consolidated our infrastructure by strengthening the construction and application of IT resource pools, thereby improving resource utilization and delivery efficiency. Third, we have continued to improve our automated tools and platforms, enriching intelligent operation and maintenance environment, and enhancing operation and maintenance efficiency and multi-party collaboration capabilities.
- (3) **To reinforce technology governance and strive to leverage the role of technology as a driving force.** First, we have enhanced IT resource planning and framework management, improved the full lifecycle management of information technology projects, optimized technology service processes, and strengthened our technology governance and technology empowerment capabilities. Second, we have ensured investment in financial technology, strengthened the development of our financial technology talent pool, and promoted the creation of innovative momentum in financial technology. During the Reporting Period, the Group’s total investment in fintech amounted to RMB205 million. As of the end of the Reporting Period, the Group had a total of 392 technology staff members.

IV. RISK MANAGEMENT

The Group adheres to a prudent risk appetite, closely aligning with its strategic development plan and the construction of a “risk-driven + risk-empowered” risk management system. It continues to strengthen its comprehensive risk management system, actively advance risk mitigation in key areas, strictly enforce asset quality control, enhance the effectiveness of intelligent risk control, and improve risk management capabilities.

(I) Credit Risk Management

Credit risk refers to the risk of economic loss incurred by a bank due to a counterparty’s failure to fulfill its obligations under the agreed terms. The Group has established and implemented standardized credit review and approval processes, as well as comprehensive management policies and procedures, and continuously improves credit risk management-related processes, systems, and methods to identify, measure, monitor, mitigate, and control credit risks arising from related business activities.

In response to changes in the economic environment, the Group has implemented a range of measures centered on its operational objectives, maintaining overall asset quality stability. First, we have continued to strengthen its credit risk management system. By enhancing policy guidance and aligning with national macroeconomic policies, regional economic trends, and industry developments, we have continuously optimized its credit policies and related credit risk management systems. We have clarified business development directions and standardized business processing procedures. Second, we have continued to strengthen credit asset quality control. We have strictly controlled new large-scale credit approvals, and strengthened centralized management of large loans; and stepped up efforts to resolve high-risk loans and accelerated the recovery and disposal of non-performing assets. Third, we have comprehensively implemented an independent approval mechanism to effectively strengthen risk control independence, enhance approval professionalism, improve decision-making efficiency, unify risk preferences, ensure the accurate transmission of risk preferences, and build a foundation for stable business development. Fourth, we have continued to advance the construction of intelligent risk control capabilities. We have comprehensively advanced the construction of a new credit system project group, a big data risk control platform, and a risk strategy service platform, embedding risk management into the entire product management process to empower business operations. As of the end of the Reporting Period, the Group’s credit risk was generally under control, with the Group’s non-performing loan ratio within the control target.

For more details on the credit risk management, please see Note 43.1 “Credit risk” to the Consolidated Financial Statements in the chapter headed “Financial Report” in this Report.

(II) Liquidity Risk Management

Liquidity risk refers to the risk that a commercial bank cannot obtain sufficient funds in a timely manner at a reasonable cost to repay debts due, perform other payment obligations and meet other capital needs for normal business operations.

The Group has established a liquidity risk management organizational structure comprising the Board of Directors, the Board of Supervisors, senior management, the Head Office Liquidity Risk Management Coordination Department and Executive Department, branches, and subsidiaries. During the Reporting Period, the Group's liquidity risk was generally controllable, and no major liquidity risk events occurred. The main liquidity risk regulatory indicators have met the standard every month. The stress test results also showed that the Group has sufficient risk mitigation capability under stressful scenarios to cope with the crises.

During the Reporting Period, the Group effectively implemented liquidity risk management policies and various liquidity risk management measures to strengthen liquidity risk management. Specific measures included: formulating annual liquidity risk management strategies, appetite indicators and limit indicators based on macro-economy, market trends and business development requirement; The Bank assessed and improved liquidity risk management systems to improve the comprehensiveness and applicability of the regimes. The Bank continuously identified, measured, monitored and controlled liquidity risk and through stress testing scenarios combining mild, moderate and severe stress, the Bank analyzed the ability to withstand liquidity events or liquidity crises, and reasonably allocated sufficient liquidity reserve assets to cope with liquidity risks. The Bank has established a limit management and alert monitoring mechanism to ensure that the liquidity risk indicators are controlled within an acceptable and reasonable range by regulating the daily asset-liability portfolio.

1. Liquidity coverage ratio

The Group calculates and discloses the liquidity coverage ratio in accordance with the relevant provisions of the Measures for Information Disclosure of Liquidity Coverage Ratio of Commercial Banks (《商業銀行流動性覆蓋率信息披露辦法》):

(Unit: RMB'000)

Item	As at 30 June 2025	As at 31 December 2024	Minimum Regulatory Requirement
Liquidity ratio	102.73%	88.82%	≥25%
Qualified high-quality liquid assets	155,890,033.33	155,683,107.70	—
Net cash outflows	78,602,207.10	70,729,369.00	—
Liquidity coverage ratio	198.33%	220.11%	≥100%

Note: The data in the above table are all based on the standards adopted under the "off-site regulatory report" of the National Financial Regulatory Administration on a group consolidated basis.

2. Net stable funding ratio

The Group calculates and discloses the net stable funding ratio in accordance with the relevant provisions of the Measures for Information Disclosure of Net Stable Funding Ratio of Commercial Banks (《商業銀行淨穩定資金比例信息披露辦法》):

(Unit: RMB'000)

Item	As at 30 June 2025	As at 31 March 2025	As at 31 December 2024
Available stable funding	543,467,841.94	542,279,279.45	540,540,487.76
Required stable funding	391,400,725.58	375,498,832.86	361,273,805.32
Net stable funding ratio	138.85%	144.42%	149.62%

Note: The data in the above table are all based on the standards adopted under the "off-site regulatory report" of the National Financial Regulatory Administration on a group consolidated basis.

(III) Market Risk Management

Market risks refer to the risk of losses in on-and off-balance sheet businesses from adverse changes in market prices (interest rate, exchange rate, stock prices and commodity prices). Market risk management is the entire process of identifying, measuring, monitoring, controlling, and reporting market risk.

The Group followed the principle of prudent market risk management, established and continuously improved the market risk management governance framework, maintained a conservative market risk appetite, and took measures such as limit management, duration control, sensitivity analysis, scenario simulation and stress testing to measure, adequately identify, accurately measure, continuously monitor, appropriately control, and promptly report all market risks in all business operations to ensure that market risks are controlled within a reasonable range. During the Reporting Period, the Group's overall market risk remained at a controllable level.

1. Interest rate risk management

The Group conducted measurement management of the interest rate risk of trading accounts by adopting various methods including change in fair value through profit and loss and floating profit and loss monitoring, gap analysis, value-at-risk (VaR), and interest rate sensitivity analysis (PVBP and duration). The Bank further optimized the interest rate risk limit management system of trading accounts, continued to monitor interest rate risk limits, and reported and alerted risks in a timely manner. The Bank continued to conduct stress tests on interest rate risk, and examined the impact of changes of market returns on the valuation of bond holdings and of revenue curves on the economic value of derivative portfolios. As at the end of the Reporting Period, all trading book interest rate risk indicators were remained within the target range.

2. Exchange rate risk management

During the Reporting Period, the RMB exchange rate against the US dollar showed an overall appreciation trend, with the mid-price increasing by a cumulative 298 basis points to 7.1586. This was primarily influenced by the weakening of the US Dollar Index during the year, the stabilization of the domestic economy, and the central bank's exchange rate stabilization policies. As of the end of the Reporting Period, the Group's cumulative foreign exchange exposure ratio stood at 1.93%, in compliance with the regulatory requirement of $\leq 20\%$, with exchange rate risks overall under control.

(IV) Banking Book Interest Rate Risk Management

Banking book interest rate risk refers to the risk of losses to the economic value and overall returns of the banking book resulting from adverse changes in interest rate levels, term structures, and other factors.

The Group primarily employs methods such as repricing gap analysis, duration analysis, scenario simulation, and stress testing to measure and analyze interest rate risk in the banking book, and regularly assesses the impact of different interest rate change scenarios on net interest income and economic value.

During the Reporting Period, the Group continued to enhance its interest rate risk management system for the banking book in accordance with external regulatory requirements and internal management standards. It established a clear interest rate risk governance framework and implemented management processes for the identification, measurement, monitoring, control, and reporting of interest rate risk. The Group adhered to the principles of prudence, comprehensiveness, and independence, closely monitoring external policies and changes in market interest rates, actively promoting the adjustment and optimization of its asset-liability structure, and strengthening the refinement of interest rate pricing management. As of the end of the Reporting Period, all interest rate risk limit indicators in the bank's books remained within the target range.

(V) Off-balance Sheet Business Risk Management

Off-balance sheet businesses refer to the businesses engaged by commercial banks which are not included in the balance sheet and do not constitute actual assets and liabilities according to the current enterprise accounting standards for business enterprises, but may cause changes in profit or loss. Because of off-balance sheet businesses' characteristics such as contingency, concealment, high leverage and hysteresis, off-balance sheet risks may transfer to on-balance sheet risks and severely affect the operating activities and earning position of commercial banks under the influence of certain uncertain factors at a specific stage in the future. Off-balance sheet business risks faced by the Group mainly come from businesses involving commitment and guarantee, providing investment and financing services as an agent, and financial derivatives.

1. *Commitment and guarantee*

Commitment and guarantee business is a business with which a commercial bank is entrusted by its customers to undertake responsibilities for third parties, and exposed to credit risks associated with commitment and guarantee and may be required to provide funds if its customer fails to fulfill its obligations.

The Group formulated relevant operational procedures in accordance with laws, regulations and rules, and the commitment and guarantee bill business was included in the Group's unified credit management. The Group will continue to strengthen its risk management efforts by rigorously reviewing the legality and authenticity of the transaction contracts and the value-added tax ("VAT") invoices under the contracts, and the logical relationship among the three main recording elements of the transaction contracts, VAT invoices and acceptance bills shall be reasonable. It is required that the underlying transactions under the acceptance bills are not beyond the scope of business approved in the business license, and that the transaction amount of the bills is commensurate with the scale of operation of the enterprise.

2. *Providing investment and financing services as an agent*

The business of providing investment and financing services as an agent refers to the business with which commercial banks are entrusted to provide investment and financing services to customers according to the agreement, with no responsibility for repayment on behalf of customers. At present, the Group's investment and financing services as an agent mainly include entrusted loans, wealth management for customers and bond underwriting.

In terms of entrusted loan business, the Group adopted a series of credit safety precautions to strengthen loan management for principals, for example, the issuance, use and recovery of entrusted loans, provided that as a trustee, the Bank shall just receive service fee, and shall not bear any credit risk or make any advance payment.

As for the business of wealth management for customers, the Group established corresponding management systems and business operation procedures, and conducted business within the risk limits established by senior management. The wealth management investment business has been incorporated into the unified credit management of the Group, and the investment business is submitted to the authorized person or authorized institutions for approval. The Group implemented a list management system for partners in the wealth management investment business and conducted regular tracking evaluations. The Bank regularly conducted stress tests on wealth management products to calculate the risk of wealth management products under different pressure scenarios. The Group regularly disclosed the operation of wealth management products on its official website to fully disclose the information, investment targets of funds, the net value of products, the liquidity risk analysis of the investment portfolios and other information of wealth management products to the investors. During the Reporting Period, the Group's wealth management business had no risks and legal proceedings.

In terms of bond underwriting, the Group has allocated dedicated bond underwriting and distributing staff, who shall be responsible for the underwriting and distribution of bonds such as government bonds, local government bonds, debt financing instruments of non-financial enterprises and others. The Group formulated corresponding management systems and business procedures, and conducted business within specific risk limits to improve risk management for bond underwriting and distribution business. During the Reporting Period, the bond underwriting and distributing business of the Group had no risks or legal proceedings.

3. Financial derivatives

Currently, financial derivatives business conducted by the Group mainly includes interest rate swaps, foreign exchange forwards, foreign exchange swaps and others.

The Group's derivatives trading strictly followed the principles of separation of front, middle and back officers and the businesses were developed in an orderly manner according to the requirements of internal control and risk management system.

The Group monitored and managed the risks of the derivatives business through risk limit, value at risk reports, exposure position statements and capital flow statement analysis and other measures. The Group regularly conducted stress tests on the derivatives business, improved policies and procedures of market risk management based on the test results, and inspected the design and results of stress tests, so as to continuously improve the testing procedures. The derivatives business of the Group was incorporated into the liquidity risk management system and monitored through the liquidity risk management system. And the factors of the derivatives business were considered in the liquidity stress tests based on the actual situation.

(VI) Compliance Risk Management

Compliance risk refers to the possibility that financial institutions or their employees may incur criminal, administrative, or civil legal liability, property losses, reputational damage, or other negative consequences as a result of violations of compliance regulations by financial institutions in their business operations or management activities, or by their employees in the performance of their duties.

The Group strictly adheres to national laws, regulations, and regulatory policies, consistently implementing a three-pronged strategy of "systems-execution-culture" in compliance management. We have promoted the systemization of risk prevention and control and the refinement of management mechanisms, and made positive progress in strengthening internal controls, improving regulations and systems, and enhancing employees' compliance awareness. First, it has undergone system optimization initiatives, enhancing the hierarchical structure of its regulatory framework to continuously improve the compliance and enforceability of its regulatory system, thereby providing robust support for the efficient advancement of business development and operational management. Second, the Group strictly controlled the compliance review of institutional texts and new products and businesses to ensure that the issuance of banking products and various business operating procedures complied with regulatory requirements. Third, the Group established mechanisms such as compliance inspections and compliance risk assessments to supervise the effective implementation of internal control systems and effectively identify hidden compliance risks, taking preventive measures in a timely manner. Fourth, through compliance and integrity awareness campaigns, preventive education, and compliance and integrity screensaver publicity campaigns, the Group has consistently promoted compliance culture to enhance employees' awareness of their compliance responsibilities. During the Reporting Period, the Group did not have any major compliance risk events.

(VII) Operational Risk Management

Operational risks refer to the risks of losses resulting from issues of internal procedures, staff and IT systems, and external events, including legal risks, but excluding strategic risks and reputational risks.

The Group is committed to a risk-based approach, placing great emphasis on effectively identifying emerging risks and enhancing its ability to respond to internal and external events, thereby effectively mitigating operational risks and ensuring the stable operation of the Group. First, the Bank has revised and improved its operational risk management systems, established a sound operational risk organizational structure and three lines of defense for operational risk, ensured that operational risk management covers all business lines and products, monitored all levels to fulfill their operational risk management responsibilities, and ensured the normal operation of the operational risk management system. Secondly, the Bank proactively introduced and promoted the application of core operational risk management tools, established an effective operational risk identification system, and formulated the procedures and methods for operational risk identification, measurement, monitoring and control in order to strengthen operational risk management and control. Thirdly, the Bank has standardized business operations and employee conduct and reduced the occurrence of operational risk events through work measures such as supervision and inspections, risk investigations, employee conduct management, and accountability for violations. During the Reporting Period, the Group did not have any major operational risk events.

(VIII) Large-scale Risk Exposure Management

Large-scale risk exposure refers to the credit risk exposure to a single customer or a group of related customers of a commercial bank that exceeds 2.5% of its net tier-one capital.

The Group actively improved the organizational structure and management system for large-scale risk exposure management, incorporated large-scale risk exposure management into a comprehensive risk management system, and actively promoted and perfected the system construction related to the large-scale risk exposure management, so as to strictly prevent concentration risks. As of the end of the Reporting Period, the Group's large-scale risk exposure indicators for non-interbank single customers, non-interbank group customers, interbank single customers and interbank group customers complied with regulatory requirements.

(IX) Country Risk Management

Country risk refers to the risk arising from the inability or refusal by the debtor to repay commercial bank debt, losses suffered by commercial bank or its commercial presence in such country or region and other losses due to economic, political, social changes and events in a country or a region.

The Group maintains a prudent country risk appetite, continuously improves the country risk management policy system, strictly implements the country risk monitoring and reporting mechanism, regularly assesses country risk levels, and seeks to fully identify the risk conditions of a country or region as well as potential risks in business operations. The Group adopts a risk avoidance strategy, prohibits entry into high-risk countries or regions in principle. Only low-risk business activities are permitted if intervention is deemed necessary after full assessment. During the Reporting Period, the Group's business operations did not involve countries or regions which experienced significant deterioration in national sovereignty, political or economic conditions.

(X) Reputational Risk Management

Reputational risks refer to the risks that may be caused by negative evaluations on the Group by stakeholders, the public, the media and others due to the operation and management of the Group and the Bank, the behaviors of employees or external events, thereby damaging the brand value of the Group and the Bank, affecting the normal operations of the Group and the Bank, and even affecting market stability and social stability. Reputational events refer to relevant acts or activities that cause significant damage to the Group's and the Bank's reputation.

The Group has established an effective reputational risk monitoring and early warning and pre-assessment mechanism, aiming to promote the reputational risk control in advance by making full use of the intelligent reputation monitoring system and strengthening manual monitoring, implementing 24/7 hours omni-channel public opinion monitoring. The Group has established a sound mechanism for the hierarchical handling of reputational events and continued to strengthen the regular management of reputational risks and the whole-process management mechanism. Also, the Group conducted regular reputational risk management trainings, continuously improving the media public relations literacy and reputational risk response capabilities of relevant business personnel of various branches.

During the Reporting Period, the Group further strengthened the reputational risk screening of each branch, and regularly investigated major customer complaints as well as improper marketing and publicity behaviors that occurred in branches each quarter which may cause widespread public concern, etc. The Group also investigated and identified potential reputational risks, and promptly released reputational risk warnings. During the Reporting Period, the overall reputation of the Group was stable and good, and no major reputational events affecting the stability of the Bank's operations occurred.

(XI) Information Technology Risk Management

Information technology risks refer to risks arising from natural factors, human factors, technology loopholes and management defects during the course of the application of information technology by a commercial bank, including operational, legal and reputational risks.

During the Reporting Period, the Bank continued to promote the implementation of each information technology risk prevention measure and no major information technology risk events occurred. First, we improved our information technology governance. We fully implemented regulatory requirements, improved systems, standards and mechanisms related to the entire life cycle of information systems, optimized technology service processes and tools, strengthened resource planning and architecture control, and enhanced technology security and risk prevention capabilities. Second, we continued to strengthen the construction of our technological infrastructure. We proceeded in an orderly manner with the construction of new data centers, the integration of resources for disaster recovery centers within the same city, and the replacement of outdated equipment in data centers, strengthened the construction of data center resource pools, improved the system monitoring toolchain, and enhanced the basic capabilities for ensuring business continuity. Third, we have upgraded our cybersecurity defenses. We routinely conducted information system security assessments, vulnerability identification and remediation, security threat monitoring and interception, and mobile application privacy compliance assessments. We upgraded our security device defense strategies, improved terminal security management, and strictly prevented network and data security risks. Fourth, we strengthened business continuity management. We improved the management mechanism for business continuity contingency plans, revised contingency plans for important information systems, and organized emergency drills for important outsourced services, disaster recovery switching drills for important information systems, and power switching drills for data centers, effectively improving our ability to respond to sudden information technology incidents.

(XII) Strategic Risk Management

Strategic risk refers to the risk where the strategic goal deviates from the expected due to the failure of strategic behavior to effectively maintain the match between the enterprise and the environment.

The Group continued to pay attention to strategic risks. We have established a strategic risk management organizational framework with the Board of Directors, the Board of Supervisors and senior management as the core, to ensure the effectiveness of the implementation of the development strategic plan, to evaluate the execution of the strategic plan on a regular basis and to identify the risk factors that affect the achievement of strategic objectives, to formulate necessary measures for relevant risk factors and conduct continuous monitoring, to dynamically manage strategic planning in conjunction with internal and external environments, and to continuously improve the strategic risk management system.

During the Reporting Period, the Group conducted an in-depth assessment of the execution of the “Dongguan Rural Commercial Bank Co., Ltd. (Group) 2024-2028 Development Strategic Plan”, refined the strategic breakdown process, and promoted the formulation of various sub-strategies to drive the division and implementation of the development strategic plan across all professional fields.

(XIII) Anti-Money Laundering Management

The Group has always adhered to the “risk-based” principle, continuously strengthening its anti-money laundering management efforts, focusing on key areas, and ensuring the measures are effectively implemented. First, we have established a comprehensive anti-money laundering system. In line with the new Anti-Money Laundering Law, we have conducted a thorough review of our internal anti-money laundering control systems, strengthened research into regulatory policy trends, updated requirements for identifying beneficial owners, revised the anti-money laundering operational procedures of the Compliance Department, and clarified and detailed requirements for risk management and dynamic oversight of high-risk clients. Second, we have improved the anti-money laundering information system framework. We have optimized the data retrieval rules of the anti-money laundering monitoring system, fully upgraded the anti-money laundering list system, improved the data quality verification system, and promoted the intelligentization of risk monitoring, the automation of risk prevention and control, and the systematization of risk screening. Third, we have strengthened money laundering risk management. We optimized and adjusted our list monitoring strategy, implemented special preventive measures in accordance with work requirements, and, in conjunction with updates to the FATF “grey list” of countries and regions, organized and conducted enhanced due diligence on relevant customers. We strengthened money laundering risk warnings, organized and conducted risk investigations, promptly improved risk control measures, and closed risk loopholes. We continued to promote data governance and improved the quality of anti-money laundering data. During the Reporting Period, the Group did not have any major money laundering risk events.

(XIV) Internal Control

The Group adheres to a risk-based, prudent business philosophy, strictly aligns with authorities requirements, adheres to the principle of governance by rules, and steadily promotes the construction of internal controls. First, we continued to improve our internal control system. We revised and improved the Group's internal control system, strengthened the Group's internal control framework, and standardized internal control procedures to ensure the safe and stable operation of business management activities and effectively prevent and mitigate different kinds of risks. Second, we implement internal control risk prevention throughout the entire process, strengthen front-end control of internal control risks through means including continuous improvement of internal control system construction, standardization of business management, optimize system process control, and reinforce position constraints. We implement measures such as key business approval or authorization mechanisms and process supervision of key links in risk businesses to enhance mid-term control of internal control risks. We carry out business supervision and inspection, internal audits, and intelligent early warning of risk businesses to achieve "technical defense + manual defense" for post-event control enhancement of internal control risks. Third, we constantly elevated the professional competence and ethical standards of our employees through enhanced business training and compliance culture promotion, thereby strengthening the enforcement of internal control systems. Fourth, we strengthened the prevention of internal control deficiencies through risk indicator monitoring, risk event collection, and internal control evaluation, thereby ensuring the stable and compliant advancement of the Group's business.

(XV) Internal Audit

The Group implements an independent and vertical internal audit management system. The Board of Directors assumed ultimate responsibility for the independence and effectiveness of internal audit, considered and approved internal audit rules, mid-and long-term audit plans and annual audit plans, etc., provided necessary safeguards for independent and objective internal audit work, and assessed the independence and effectiveness of internal audit. The Audit Committee of the Board of Directors is responsible for reviewing important systems and reports such as internal audit rules, considering and approving mid-and long-term audit plans and annual audit plans as well as guiding, assessing and evaluating internal audit. The internal audit department specifically undertook internal audit responsibilities, and was responsible for reviewing, evaluating and urging for improvements in the Bank's business operation, risk management, internal control and compliance and corporate governance through the application of systematic and standardized methods, so as to promote stable operation and value enhancement of the Bank.

During the Reporting Period, the Group adhered to and strengthened the Party's leadership over audit work. The internal audit department closely monitored the "key events", "key personnel" and "key behaviors", and conducted audit projects in the annual plans of credit business, fund business, risk management, information technology, as well as conducting audits on the performance of key personnel in certain positions. In addition, through strengthening the coordination among various departments, launching the "looking back" supervision method, the Bank has been promoting the rectification and implementation of the problems revealed by audits, so as to promote a sound and long-term mechanism for risk prevention and to escort the high-quality development of the Group.

V. FUTURE BUSINESS OUTLOOK

In the second half of 2025, the Group will focus on the strategic decisions of the Party Central Committee and the work plans of the provinces and cities, thoroughly implementing the Group's new five-year development strategy plan, continuously improving the quality and efficiency of its business management, and comprehensively promoting the high-quality development of the Group.

Firstly, we will strengthen Party organization and strategic leadership to ensure the high-quality development of the Group. We will strengthen the leadership of the Party and Party organization, promote comprehensive and strict governance of the Party, strengthen strategic leadership and strategic execution, and improve the Group's strategic management system.

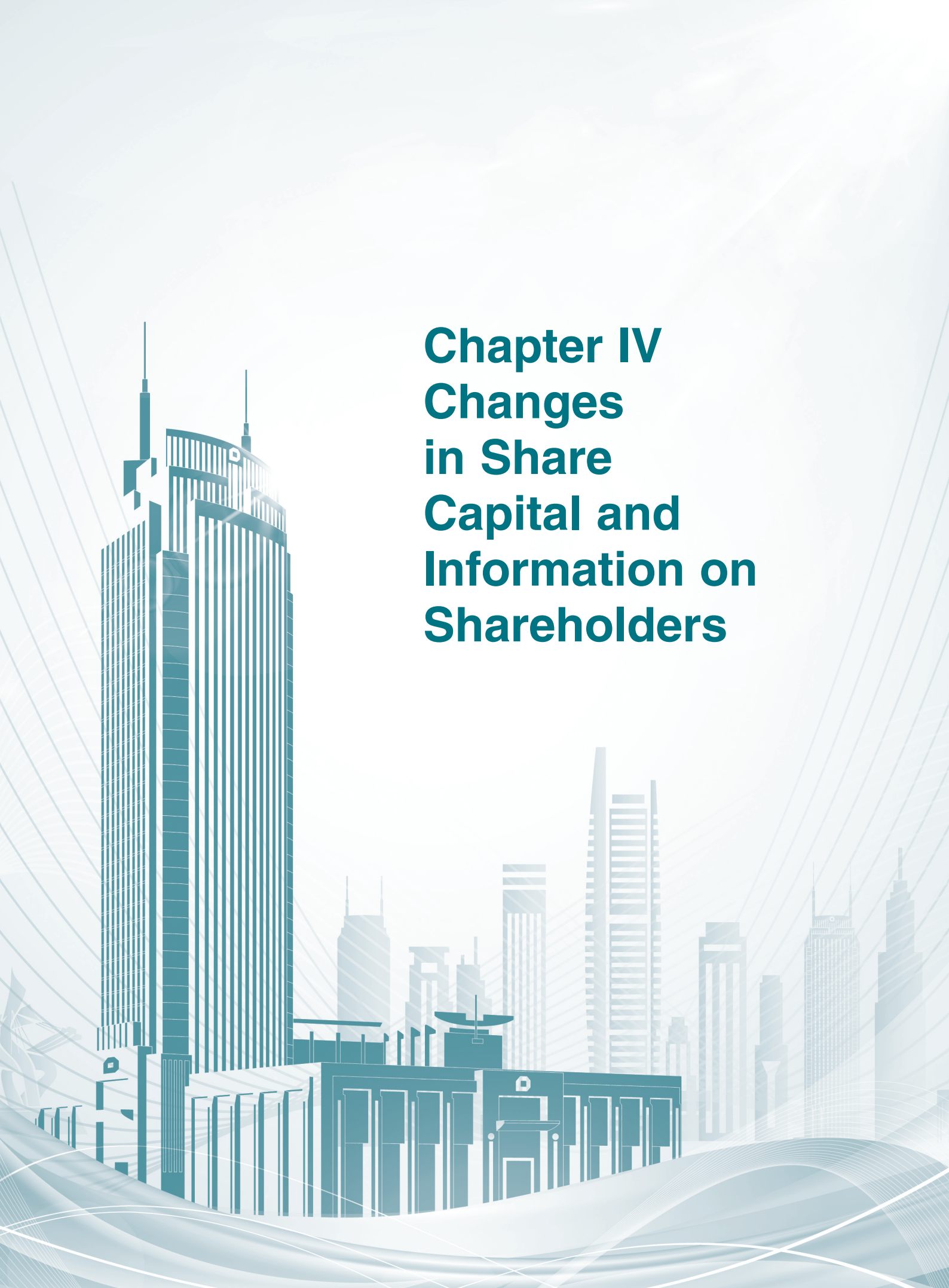
Secondly, we remain committed to our market positioning, continuing to strengthen our customer-centric services and enhance customer satisfaction. In corporate finance, we will continue to expand the coverage of technology finance and green finance services, steadily advance tiered and categorized operations, and build a healthy customer ecosystem. In retail finance, we will expand the scale of personal loan business, promote the transformation and upgrading of wealth management, and optimize the customer experience. In inclusive finance, we will continue to pursue categorized services for inclusive customers and comprehensively expand new high-quality customer groups. In asset management, we will establish a multi-strategy investment framework, operate a multi-channel customer ecosystem, and enrich our diversified wealth management product system.

Thirdly, we will continue to intensify reforms, improve the group management system, and enhance internal management capabilities. We will improve the vertical management mechanism of the group and establish an integrated management system for the group; optimize resource allocation reforms and establish a strategic resource allocation system; strengthen centralized operation reforms and establish an efficient and intensive operation system; and strengthen technology empowerment and industry-technology integration to establish a precise technology empowerment system.

Fourthly, we will accelerate the construction of risk and internal control systems and continue to improve asset quality. We will adhere to the principles of prudent and compliant operations, strengthen compliance risk prevention and anti-money laundering management, improve the comprehensive risk management system, promote the construction of a new credit system, optimize the supervision and audit mechanism to improve the accuracy of supervision, improve the "General Consumer Protection" framework, build a comprehensive consumer protection system, and strengthen safety management to ensure safe operations.

Fifthly, we will strengthen the capacity building of the entire bank and improve the professional level of our team. We will strengthen the talent pool and build a sustainable talent management system. We will improve our talent cultivation capabilities and promote the construction of an internal training system. We will enhance and improve our compensation system and improve incentive and restraint mechanisms. We will improve welfare benefits and enhance employee satisfaction. We will shape the spirit of our corporate culture and optimize the mechanism for cultural communication and transmission.

Sixthly, we will make every effort to carry out cost reduction and efficiency improvement activities to improve operating efficiency. We will standardize financial expenditures, strengthen expense management, and implement cost reduction and efficiency improvement measures. We will optimize the procurement and bidding mechanisms, strictly control procurement costs, improve procurement efficiency, and further improve the Group's operating efficiency.



Chapter IV

Changes in Share Capital and Information on Shareholders

I. CHANGES IN SHARES

(I) Share Capital

As of the end of the Reporting Period, the Bank had a total of 6,888,545,510 Shares, of which 5,740,454,510 Shares were Domestic Shares, representing 83.33% of the total share capital, while 1,148,091,000 Shares were overseas listed foreign Shares (H Shares), representing 16.67% of the total share capital. During the Reporting Period, the Bank did not have any changes in its share capital.

(II) Details of Changes in Shares

During the Reporting Period, the changes in the ordinary Shares of the Bank are as follows:

(Unit: Shares)

	As at 31 December 2024		Increase (decrease) during the period Number of changes	As at 30 June 2025	
	Number	Percentage (%)		Number	Percentage (%)
Domestic Shares	5,740,454,510	83.33	-	5,740,454,510	83.33
Domestic Shares held by legal persons	1,426,110,821	20.70	17,575,597	1,443,686,418	20.96
Domestic Shares held by natural persons	4,314,343,689	62.63	(17,575,597)	4,296,768,092	62.38
Including: Shares held by staff members	483,148,496	7.01	-	483,148,496	7.01
Overseas listed foreign Shares (H Shares)	1,148,091,000	16.67	-	1,148,091,000	16.67
Total	6,888,545,510	100.00	-	6,888,545,510	100.00

Notes:

- As of the end of the Reporting Period, there were 57,403 Domestic Shareholders. All Domestic Shares were deposited in China Securities Depository and Clearing Corporation Limited. The total number of registered H Shareholders was 22, of which HKSCC Nominees Limited, as a nominee, held the Shares on behalf of multiple Shareholders.
- As of the end of the Reporting Period, 20,303,855 Domestic Shares were involved in judicial freezing, representing 0.29% of the total Shares.
- The Bank has applied to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 8.08(1)(a) of the Listing Rules pursuant to which the minimum public float of the Shares of the Bank shall be 16.67%. Based on publicly available information and to the best knowledge of the Directors, at least 16.67% of the issued Shares of the Bank has been held by the public during the Reporting Period and as at the latest practicable date, in compliance with the requirements under the Listing Rules as modified by the aforementioned waiver.

(III) Issuance of Securities

During the Reporting Period, the Bank did not issue any new Shares.

II. SHAREHOLDING STRUCTURE

(I) Number and Shareholdings of Shareholders

As of the end of the Reporting Period, the total number of Domestic Shareholders of the Bank was 57,403, including 123 Domestic Shares legal person Shareholders holding 1,443,686,418 Shares, representing 20.96% of the total share capital. There were 57,280 Domestic Shares natural person Shareholders holding 4,296,768,092 Shares, representing 62.38% of the total Shares. The total number of registered Shareholders of H shares was 22 (including HKSCC Nominees Limited acting as an agent on behalf of multiple Shareholders).

(II) Top Ten Shareholders as at the End of the Reporting Period

As of the end of the Reporting Period, the top ten Shareholders of the Bank together held 28.79% of the Bank's total shares. Among the top ten Shareholders, the shareholdings of all Domestic Shareholders did not exceed 5%. Among the Domestic Shareholders, the largest Shareholder was Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司), holding 3.69% of the total Shares; the second largest Shareholder was Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司), holding 2.18% of the total Shares; and the third largest Shareholder was Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司), holding 1.45% of the total Shares.

Chapter IV

Changes in Share Capital and Information on Shareholders

As of the end of the Reporting Period, shareholdings of the top ten Shareholders are as follows:

No.	Name	Class of Shares	Nature of Shareholders	Number of Shares (share)	Percentage of the Bank's issued Shares ⁽²⁾ (%)	Changes of Shares during the Reporting Period (share)
1	HKSCC Nominees Limited ⁽¹⁾	H Shares	Others	1,148,049,690	16.67	-
2	Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司)	Domestic Shares	Non-state-owned legal person	254,249,270	3.69	(6,450,000)
3	Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司)	Domestic Shares	Non-state-owned legal person	150,104,602	2.18	-
4	Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司)	Domestic Shares	Non-state-owned legal person	99,660,304	1.45	-
5	Dongguan City Haida Industrial Co., Ltd.* (東莞市海達實業有限公司)	Domestic Shares	Non-state-owned legal person	74,027,320	1.07	-
6	Guangdong Haide Group Co., Ltd.* (廣東海德集團有限公司)	Domestic Shares	Non-state-owned legal person	69,784,524	1.01	-
7	Dongguan City Jianhua Paper Co., Ltd.* (東莞市建樺紙業股份有限公司)	Domestic Shares	Non-state-owned legal person	57,978,360	0.84	-
8	Dongguan City Fengjing Group Co., Ltd.* (東莞市峰景集團有限公司)	Domestic Shares	Non-state-owned legal person	57,978,360	0.84	-
9	Dongguan City Xingye Knitting Co., Ltd.* (東莞市興業針織有限公司)	Domestic Shares	Non-state-owned legal person	36,284,941	0.53	-
10	Dongguan City Commercial Center Development Co., Ltd.* (東莞市商業中心發展有限公司)	Domestic Shares	Non-state-owned legal person	35,080,472	0.51	-
Total				1,983,197,843	28.79	

Notes:

- (1) HKSCC Nominees Limited held a total of 1,148,049,690 H Shares of the Bank on behalf of various clients, representing 16.67% of the total issued Shares. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System and provides registration and custody services for clients.
- (2) Based on the total issued Shares of 6,888,545,510 Shares.

(III) Interest and Short Position of Directors and Chief Executives in the Shares, Underlying Shares and Debentures of the Bank or Any Associated Corporation

Please refer to the “Interests and Short Positions of Directors, Supervisors and Chief Executives” section in the chapter “Corporate Governance” of this Report.

(IV) Shareholding of Staff Members

As of the end of the Reporting Period, the Bank had a total of 3,023 employee Shareholders, holding 483,148,496 Shares (excluding H Shares), which accounted for 7.01% of the total Shares.

(V) Interests and Short Positions of Substantial Shareholders and Other Persons under Hong Kong Laws and Regulations

As of the end of the Reporting Period, according to the register of shareholders kept by the Bank pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities, other than a Director or chief executive of the Bank, had an interest or short position in the Shares, the underlying Shares or debentures of the Bank which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange pursuant to divisions 2 and 3 of Part XV of the SFO.

Name of Shareholders	Capacity	Class of Shares	Number of Shares ⁽¹⁾ (share)	Approximate percentage of the relevant class of Shares (%)	Approximate percentage of interest in the Bank (%)
Lee Kar Lung (李家龍)	Beneficial owner	H Shares	13,940,000(L)	17.40	2.90
	Interest in controlled corporation ⁽²⁾	H Shares	185,878,000(L)		
Scoperto Limited	Beneficial owner	H Shares	185,878,000(L)	16.19	2.70
Caitong Securities Co., Ltd.* (財通證券股份有限公司)	Interest in controlled corporation ⁽³⁾	H Shares	178,311,000(L)	15.53	2.59
Caitong Fund Management Co., Ltd.* (財通基金管理有限公司)	Others ⁽⁴⁾	H Shares	178,311,000(L)	15.53	2.59
State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan (東莞市人民政府國有資產監督管理委員會)	Interest in controlled corporation ⁽⁵⁾	H Shares	126,262,000(L)	11.00	1.83
Dongguan Communications Investment Holding Group Co., Ltd (東莞市交通投資控股集團有限公司) (formerly Dongguan Communications Investment Group Co., Ltd (東莞市交通投資集團有限公司))	Interest in controlled corporation ⁽⁵⁾	H Shares	126,262,000(L)	11.00	1.83
Dongguan City Fook Man Group Company* (東莞市福民集團公司)	Interest in controlled corporation ⁽⁵⁾	H Shares	126,262,000(L)	11.00	1.83
Fook Man Development Company Limited* (福民發展有限公司)	Beneficial owner	H Shares	126,262,000(L)	11.00	1.83
Lion Fund Management Co., Ltd. (諾安基金管理有限公司)	Investment manager	H Shares	68,325,000(L)	5.95	0.99
Central Huijin Investment Ltd. (中央匯金投資有限責任公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000 (L)	5.23	0.87
Agricultural Bank of China Limited (中國農業銀行股份有限公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000 (L)	5.23	0.87
ABC International Holdings Limited (農銀國際控股有限公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000 (L)	5.23	0.87
ABC Investment Management Limited (農銀國際投資管理有限公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000 (L)	5.23	0.87
Cozy Pony Limited (駿熹有限公司)	Person having a security interest in shares	H Shares	60,000,000 (L)	5.23	0.87

Notes:

- (1) The letter "L" denotes long position.
- (2) According to the information provided by Lee Kar Lung (李家龍), Lee Kar Lung (李家龍) has 100% control over Scoperto Limited. Accordingly, Lee Kar Lung (李家龍) was deemed to be interested in the interest held by Scoperto Limited under the SFO.
- (3) According to the information provided by Caitong Securities Co., Ltd. ("Caitong Securities"), Caitong Securities has 40% control over Caitong Fund Management Co., Ltd.* ("Caitong Fund Management"). Accordingly, Caitong Securities was deemed to be interested in the interest held by Caitong Fund Management under the SFO.
- (4) According to the information provided by Caitong Fund Management, Caitong Fund Management is the asset manager of ten asset management plans and held the H Shares under such Qualified Domestic Institutional Investor (QDII) asset management plans to implement the investment plans of its clients.
- (5) According to the information provided by the State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan, Fook Man Development Company Limited is wholly-owned by Dongguan City Fook Man Group Company (東莞市福民集團公司), which in turn is wholly-owned by Dongguan Communications Investment Holding Group Co., Ltd (東莞市交通投資控股集團有限公司) (formerly Dongguan Communications Investment Group Co., Ltd. (東莞市交通投資集團有限公司)), a company wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan. Accordingly, each of State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan, Dongguan Communications Investment Group Co., Ltd. and Dongguan City Fook Man Group Company is deemed to be interest in all the Shares held by Fook Man Development Company Limited under the SFO.
- (6) According to the information provided by Central Huijin Investment Ltd., Cozy Pony Limited is wholly-owned by ABCI Investment Management Limited, which is in turn wholly-owned by ABC International Holdings Limited. ABC International Holdings Limited is wholly-owned by Agricultural Bank of China Limited, which is in turn owned as to 40.03% by Central Huijin Investment Ltd.. Therefore, Central Huijin Investment Ltd., Agricultural Bank of China Limited, ABC International Holdings Limited and ABCI Investment Management Limited are deemed to be interested in the interest held by Cozy Pony Limited under the SFO.

(VI) Substantial Shareholders under the Interim Measures for Equity Management of Commercial Banks

According to the Interim Measures for Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》) promulgated by the former CBRC, a substantial shareholder of a commercial bank refers to a shareholder who holds or controls more than 5% of the shares or voting rights of a commercial bank, or a shareholder who hold less than 5% of the total capital or total shares but have a significant impact on the operation and management of the commercial bank. The aforementioned significant influence includes, but not limited to, dispatching directors, supervisors or senior management personnel to commercial banks, influencing the financial and operational management decisions of commercial banks through agreements or other means, and other circumstances recognized by the National Financial Regulatory Administration or its local offices.

1. Shareholders who hold 5% or above of the Shares of the Bank

As of the end of the Reporting Period, except HKSCC Nominees Limited, the Bank had no Shareholder holding 5% or above of the Shares of the Bank.

2. Other substantial Shareholders within the regulatory scope

As of the end of the Reporting Period, the Bank's other substantial Shareholders under regulatory criteria were as follows:

(1) Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司)

Guangdong Canvest Investment Co., Ltd. was established on 27 November 2002, its legal representative is Guo Huiqiang (郭惠強), its registered capital is RMB100 million, and its business scope covers: investment in industrial enterprises, sales: steel, building materials, timber, construction machinery, hardware and electrical appliances.

Guangdong Canvest Investment Co., Ltd. was regarded as a substantial Shareholder as it recommended Li Huiqin (黎慧琴) to the Bank as a candidate for Director and she obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Guangdong Canvest Investment Co., Ltd. is Guo Huiqiang, while the actual controller is Lai Chun Tung (黎俊東). There is no party acting in concert. The ultimate beneficiary is the company itself. As at the end of the Reporting Period, Guangdong Canvest Investment Co., Ltd. and its related parties held a total of 259,193,258 Shares, accounting for 3.76% of the total Shares. The related parties of Guangdong Canvest Investment Co., Ltd. include Dongguan City Sanyang Shiye Development Co., Ltd.* (東莞市三陽實業發展有限公司), Lai Chun Tung and others. At the end of the Reporting Period, the balance of credit-related party transactions between the Bank and Guangdong Canvest Investment Co., Ltd. and its related parties was RMB2,020,149,100. During the Reporting Period, Guangdong Canvest Investment Co., Ltd. and its related parties did not pledge their equities in the Bank.

(2) Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司)

Dongguan City Kanghua Investment Group Co., Ltd. was established on 29 March 2002. Its legal representative is Wang Junyang (王君揚) and its registered capital is RMB268.88 million. Its business scope covers: business management consulting; investment in various infrastructure construction projects; domestic commerce and material supply and marketing (excluding projects controlled or operated exclusively by the state); investment in medical projects (excluding operations); investment in education projects; property leasing and property management.

Dongguan City Kanghua Investment Group Co., Ltd. was regarded as a substantial Shareholder as it recommended Wong Wai Hung (王偉雄) to the Bank as a candidate for Director and he obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Dongguan City Kanghua Investment Group Co., Ltd. is Wang Junyang who is also the actual controller. There is no party acting in concert. The ultimate beneficiary is the company itself. At the end of the Reporting Period, Dongguan City Kanghua Investment Group Co., Ltd. and its related parties held a total of 172,389,749 Shares, accounting for 2.50% of the total Shares. The related parties of Dongguan City Kanghua Investment Group Co., Ltd. include Dongguan City Xingye Group Co., Ltd.* (東莞市興業集團有限公司) and others. At the end of the Reporting Period, the balance of credit-related party transactions between the Bank and Dongguan City Kanghua Investment Group Co., Ltd. and its related parties was RMB1,801,515,600. During the Reporting Period, Dongguan City Kanghua Investment Group Co., Ltd. and its related parties did not pledge their equities in the Bank.

(3) Dongguan Hongyuan Hotel Co., Ltd. (東莞市宏遠酒店有限公司)*

Dongguan Hongyuan Hotel Co., Ltd. was established on 22 June 2000, its legal representative is Chen Jiangtao (陳江濤), its registered capital is RMB10 million, and its business scope covers: licensed items: food and beverage services; accommodation services; singing and dancing entertainment activities; hairdressing services; retail sale of tobacco products; beauty services; food production. General items: advertising design and agency services; advertising production; advertising publication; food sales (pre-packaged food only); food sales via the Internet (pre-packaged food only); conference and exhibition services.

Dongguan Hongyuan Hotel Co., Ltd. was regarded as a substantial Shareholder as it recommended Chan Ho Fung (陳浩峰) to the Bank as a candidate for Director and he obtained a seat in the Board of Directors, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Dongguan Hongyuan Hotel Co., Ltd. is Chen Jiangtao, while the actual controller is Chen Haitao (陳海濤). There is no party acting in concert. The ultimate beneficiary is the company itself. At the end of the Reporting Period, Dongguan Hongyuan Hotel Co., Ltd. and its related parties held a total of 30,425,106 Shares, accounting for 0.44%. The related parties of Dongguan Hongyuan Hotel Co., Ltd. include Dongguan Yingjun Industrial Investment Co., Ltd. (東莞市盈君實業投資有限公司), Chen Haitao and others. At the end of the Reporting Period, the balance of credit-related party transactions between the Bank and Dongguan Hongyuan Hotel Co., Ltd. and its related parties was RMB2,787,766,000. During the Reporting Period, Dongguan Hongyuan Hotel Co., Ltd. and its related parties did not pledge their equities in the Bank.

(4) Dongguan Shenzhou Industrial Development Co., Ltd. (東莞市神洲實業開發有限公司)*

Dongguan Shenzhou Industrial Development Co., Ltd. was established on 30 July 1996, its legal representative is Lu Chaoping (盧超平), its registered capital is RMB6 million, and its business scope covers: general projects: investment activities using own funds; residential property leasing; non-residential property leasing; wholesale of clothing and apparel; retail of clothing and apparel; sales of building decoration materials; sales of building materials; sales of daily necessities; sales of needlework and textile products; sales of electronic products; wholesale of hardware products; retail of hardware products; property management; parking lot services.

Dongguan Shenzhou Industrial Development Co., Ltd. was regarded as a substantial Shareholder as it recommended Li Guoyu (黎國裕) to the Bank as a candidate for Supervisor and he obtained a seat in the Board of Supervisors, which was in line with the circumstances of dispatching a Supervisor to the Bank. The controlling shareholder of Dongguan Shenzhou Industrial Development Co., Ltd. is Lu Chaoping (盧超平) who is also the actual controller. There is no party acting in concert. The ultimate beneficiary is the company itself. At the end of the Reporting Period, Dongguan Shenzhou Industrial Development Co., Ltd. held a total of 6,442,040 Shares, accounting for 0.09% of the total Shares, and there were no other related parties holding Shares. At the end of the Reporting Period, the balance of credit-related party transactions between the Bank and Dongguan Shenzhou Industrial Development Co., Ltd. and its related parties was RMB65,124,200. During the Reporting Period, Dongguan Shenzhou Industrial Development Co., Ltd. and its related parties did not pledge their equities in the Bank.

Chapter IV

Changes in Share Capital and Information on Shareholders

(5) *Fook Man Development Company Limited** (福民發展有限公司)

Fook Man Development Company Limited was established on 10 April 1984, the person in charge of this enterprise is Tang Wencheng (唐聞成), and its registered capital is HKD20.05 million.

Fook Man Development Company Limited was regarded as a substantial Shareholder as it recommended Tang Wencheng to the Bank as a candidate for Director and he obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Fook Man Development Company Limited is Dongguan City Group Company (東莞市福民集團公司), and the actual controller is Dongguan Communications Investment Holding Group Co., Ltd (東莞市交通投資控股集團有限公司) (formerly Dongguan Communications Investment Group Co., Ltd.* (東莞市交通投資集團有限公司)). There is no party acting in concert, and the ultimate beneficiary is the company itself. At the end of the Reporting Period, Fook Man Development Company Limited held a total of 126,262,000 Shares, accounting for 1.83% of the total Shares, and there were no other related parties holding Shares. At the end of the Reporting Period, the balance of credit-related party transactions between the Bank and Fook Man Development Company Limited and its related parties was RMB450,148,100. During the reporting period, Fook Man Development Company Limited and its related parties did not pledge their equities in the Bank.

(6) *Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd.** (東莞市邦業機電設備貿易有限公司)

Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. was established on 6 December 2011, its legal representative is Cai Junbang (蔡浚邦), its registered capital is RMB500,000, and its business scope covers: sales of electrical and mechanical equipment, hardware products, plastic products, electronic products and accessories, construction materials, household electrical appliances, household ornaments, sanitary ware, and daily necessities; industrial investment, property leasing, and property management.

Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. was regarded as a substantial Shareholder as it recommended Cai Junbang to the Bank as a candidate for Supervisor and he obtained a seat in the Board of Supervisors, which was in line with the circumstances of dispatching a Supervisor to the Bank. The controlling shareholders of Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. are Cai Junbang and Cai Shaobin (蔡少斌), and the actual controller is Cai Chengzhi (蔡成枝). There is no party acting in concert. The ultimate beneficiary is the company itself. At the end of the Reporting Period, Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. held a total of 12,677,400 Shares, accounting for 0.18% of the total Shares, and there were no other related parties holding Shares. At the end of the Reporting Period, the balance of credit-related party transactions between the Bank and Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. and its related parties was nil. During the Reporting Period, Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd. and its related parties did not pledge their equities in the Bank.

(7) Dongguan Jianghao Trading Co., Ltd. (東莞市江豪貿易有限公司)*

Dongguan Jianghao Trading Co., Ltd. was established on 6 May 2003, its legal representative is Wang Yanling (王燕玲), its registered capital is RMB1.5 million, and its business scope covers: sales: gold and silver jewelry, jade, gemstone jewelry, arts and crafts, watches and clocks, stationery and office supplies.

Dongguan Jianghao Trading Co., Ltd. was regarded as a substantial Shareholder as it recommended Liu Jiahao (劉家豪) to the Bank as a candidate for Supervisor and he obtained a seat in the Board of Supervisors, which was in line with the circumstances of dispatching a Supervisor to the Bank. The controlling shareholder of Dongguan Jianghao Trading Co., Ltd. is Liu Jiahao, and the actual controller is Liu Renting (劉任庭). There is no party acting in concert. The ultimate beneficiary is the company itself. At the end of the Reporting Period, Dongguan Jianghao Trading Co., Ltd. held a total of 6,442,040 Shares, accounting for 0.09% of the total Shares, and there were no other related parties holding Shares. At the end of the Reporting Period, the balance of credit-related party transactions between the Bank and Dongguan Jianghao Trading Co., Ltd. and its related parties was RMB0. During the Reporting Period, Dongguan Jianghao Trading Co., Ltd. and its related parties did not pledge their equities in the Bank.

(VII) Information on Controlling Shareholders and Actual Controllers

During the Reporting Period, there was no major change in the Bank's shareholding structure and, except HKSCC Nominees Limited, there is no individual Shareholder together with its related parties holding more than 10% of the Shares, and the Bank does not have any controlling Shareholder or actual controller.

(VIII) Pledge and Freezing of Shares

As at the end of the Reporting Period, there were no ordinary Shares held by Shareholders holding more than 5% (including 5%) of the total Shares being pledged or frozen. So far as the Bank was aware, there was no pledge of Domestic Shares of the Bank, and no Shareholders had pledged their Shares to the Bank. 20,303,855 Domestic Shares of the Bank were judicially frozen, representing 0.29% of the total Shares.

According to Article 43 of the Articles of Association of the Bank, if the equities of the Bank pledged by the Shareholders reach or exceed 50% of equities of the Bank held by such Shareholders, such Shareholders' voting right on the general meeting and the voting rights of the Directors nominated by such Shareholders on the Board meeting shall be restricted. During the Reporting Period, the Bank did not need to restrict the voting rights of relevant shares in general meetings or Board meetings.

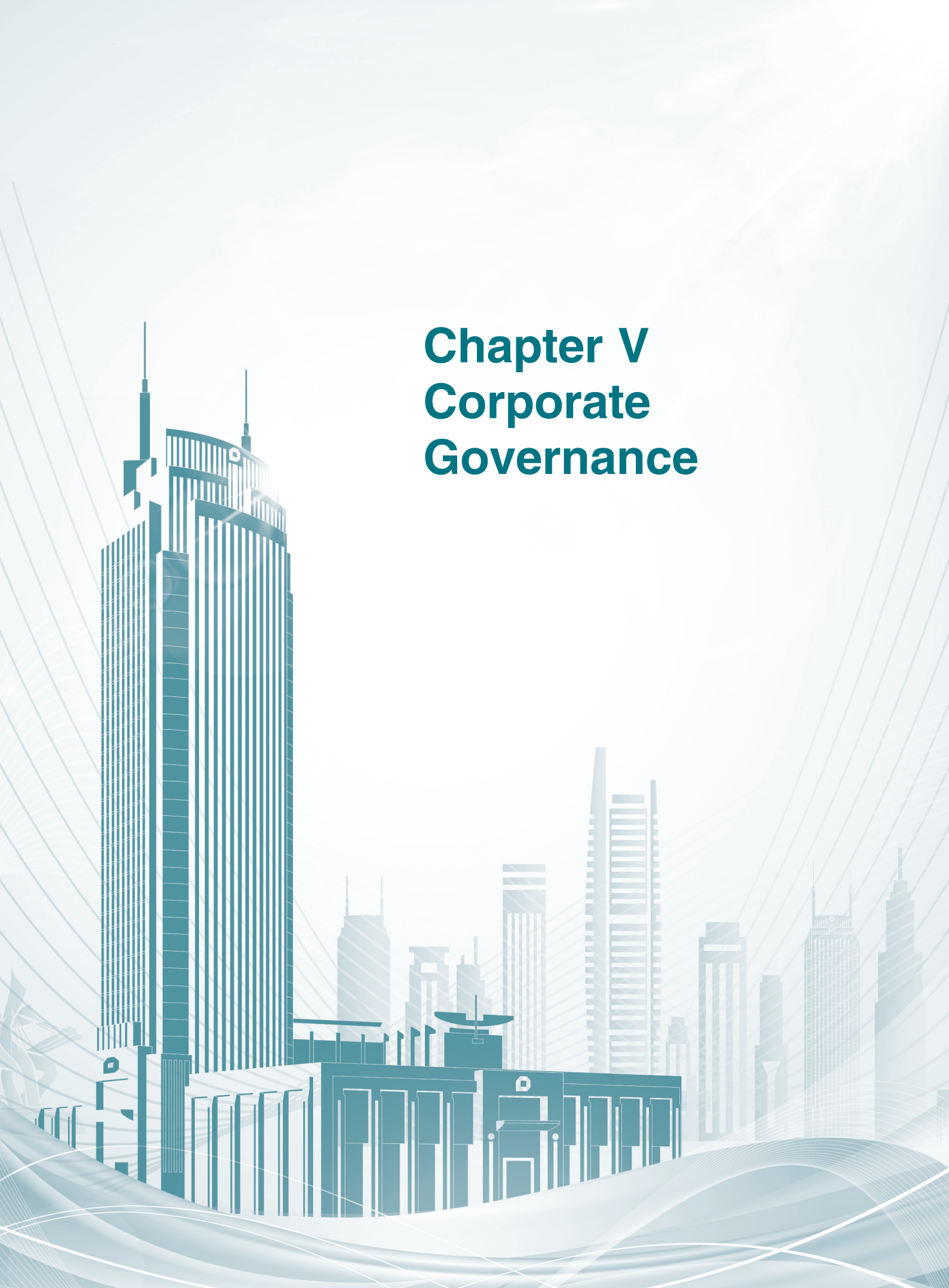
(IX) Purchase, Sale or Redemption of Listed Securities or Redeemable Securities of the Bank

During the Reporting Period, the Bank did not purchase, sell or redeem any listed securities (including the sale of treasury shares, if any) or redeemable securities of the Bank.

For the issuance and redemption of the Bank's bonds, please refer to "BONDS ISSUED AND REDEEMED" in the "Other Matters" chapter of this Report.

Chapter V

Corporate Governance



I. ORGANISATIONAL CHART



Note: Structure as of 30 June 2025 as set out above

II. OVERVIEW OF CORPORATE GOVERNANCE

During the Reporting Period, according to the requirements of the Company Law of the People's Republic of China, the Corporate Governance Standards of Banking and Insurance Institutions of the former CBIRC, and the Listing Rules of the Hong Kong Stock Exchange, and adhering to the leadership of the Party, the Bank has established a corporate governance structure consisting of general meetings, the Board of Directors, the Board of Supervisors and the senior management, improved all specialized committees under the Board of Directors, the Board of Supervisors and the senior management, continuously improved the corporate governance structure and enhanced the level of corporate governance.

The Bank strictly complied with the requirements of the Corporate Governance Code, as well as the relevant laws and regulations and the Listing Rules and other regulations on inside information management. There was no material difference between the Bank's corporate governance and the requirements of the Company Law of the People's Republic of China and the Hong Kong Stock Exchange.

During the Reporting Period, the Bank convened 1 general meeting, 6 meetings of the Board of Directors, 6 meetings of the Board of Supervisors. The convening of such meetings is in compliance with the procedures stipulated in laws and regulations, regulatory requirements and the Articles of Association of the Bank.

III. SHAREHOLDERS' GENERAL MEETING

During the Reporting Period, the Bank convened one general meeting, namely the 2024 annual general meeting held at the conference room of Dongguan Rural Commercial Bank on 30 May 2025. The convening, notice, holding and voting procedures of the meeting were in compliance with relevant laws and regulations and relevant provisions of the Articles of Association of the Bank. At the general meeting, 8 resolutions, including the resolution in relation to Work Report of the Board of Directors of the Dongguan Rural Commercial Bank Co., Ltd. for 2024 (《關於東莞農村商業銀行股份有限公司董事會2024年工作報告的議案》) the Resolution in relation to the Approval of the 2024 Annual Report of Dongguan Rural Commercial Bank Co., Ltd., and the Resolution in relation to the Appointment of the Audit Accounting Firms for 2025 of Dongguan Rural Commercial Bank Co., Ltd. were considered and approved, safeguarding the legitimate rights and interests of all shareholders, and ensuring that shareholders can exercise their powers in accordance with the law.

Please refer to the 2024 Annual General Meeting circular dated 9 May 2025 and the poll results announcement dated 30 May 2025 of the Bank on the HKExnews website of the Hong Kong Stock Exchange and the official website of the Bank for details of the resolutions and specific voting results of the General Meeting.

IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Basic Information

As of the end of the Reporting Period, the basic information of the Bank's Directors, Supervisors, and senior management is as follows:

Name	Gender	Date of birth	Position	Term of office	Class of Shares	Number of Shares held as at the beginning of the Reporting Period (share)	Increase/decrease in the number of Shares held during the Reporting Period	Number of Shares held as at the end of the Reporting Period (share)
Lu Guofeng	Male	September 1969	Secretary to the Party Committee Chairman of the Board of Directors	April 2023-present December 2023-present	—	—	—	—
Fu Qiang	Male	July 1970	Executive Director Deputy Secretary to the Party Committee	November 2023-present November 2018-present	Domestic Shares	500,000	—	500,000
Qian Hua	Male	September 1973	Executive Director President Member of the Party Committee	July 2019-present July 2019-present November 2018-present	Domestic Shares	322,202	—	322,202
Ye Jianguang	Male	October 1972	Executive Director Vice President Executive Director	October 2024-present October 2024-present March 2019-present	Domestic Shares	500,000	—	500,000
			Vice President Secretary to the Board of Directors	December 2017-present May 2021-present				
Li Huiqin	Female	December 1978	Joint company secretary Non-executive Director	April 2021-present March 2025-present	—	—	—	—
Wong Wai Hung	Male	August 1988	Non-executive Director	February 2025-present	—	—	—	—
Tang Wencheng	Male	May 1979	Non-executive Director	September 2022-present	—	—	—	—
Chan Ho Fung	Male	May 1995	Non-executive Director	February 2025-present	—	—	—	—
Zeng Jianhua	Male	February 1958	Independent Non-executive Director	September 2022-present	—	—	—	—
Yip Tai Him	Male	August 1970	Independent Non-executive Director	March 2019-present	—	—	—	—
Xu Zhi	Male	June 1972	Independent Non-executive Director	December 2019-present	—	—	—	—
Tan Fulong	Male	June 1973	Independent Non-executive Director	December 2019-present	—	—	—	—

Name	Gender	Date of birth	Position	Term of office	Class of Shares	Number of Shares held as at the beginning of the Reporting Period (share)	Increase/decrease in the number of Shares held during the Reporting Period	Number of Shares held as at the end of the Reporting Period (share)
Liu Yuou	Female	August 1971	Independent Non-executive Director	December 2019-present	—	—	—	—
Xu Tingting	Female	June 1983	Independent Non-executive Director	December 2019-present	—	—	—	—
Chen Sheng	Male	September 1974	Member of the Party Committee Chairman of the Board of Supervisors	August 2018-present September 2018-present	Domestic Shares	32,210	—	32,210
Chen Huinan	Male	September 1972	Employee Supervisor Employee Supervisor	September 2018-present May 2024-present	Domestic Shares	230,000	—	230,000
Wen Junhua	Female	April 1977	Employee Supervisor	May 2024-present	Domestic Shares	70,650	—	70,650
Liu Liping	Female	November 1974	Employee Supervisor	May 2024-present	—	—	—	—
Deng Qian	Female	July 1976	Shareholder Representative Supervisor	May 2024-present	Domestic Shares	5,003,156	—	5,003,156
Cai Junbang	Male	March 1990	Shareholder Representative Supervisor	May 2024-present	—	—	—	—
Liu Jiahao	Male	December 1990	Shareholder Representative Supervisor	May 2024-present	—	—	—	—
Li Guoyu	Male	November 1982	Shareholder Representative Supervisor	May 2024-present	—	—	—	—
Wei Haiying	Female	December 1963	External Supervisor	October 2019-present	—	—	—	—
Zhang Bangyong	Male	February 1979	External Supervisor	October 2019-present	—	—	—	—
Mai Xiuhua	Female	January 1971	External Supervisor	October 2019-present	—	—	—	—
Liu Sheng	Male	December 1990	External Supervisor	May 2024-present	—	—	—	—
Ye Yunfei	Male	March 1977	Assistant to the President	October 2024-present	Domestic Shares	360,707	—	360,707
Zhong Guobo	Male	June 1973	Assistant to the President	January 2023-present	Domestic Shares	500,000	—	500,000
Zheng Renhe	Male	October 1975	Chief Risk Officer	April 2025-present	Domestic Shares	500,000	—	500,000

(II) Changes in Directors, Supervisors and Senior Management

The appointment of Mr. Wong Wai Hung and Mr. Chan Ho Fung as non-executive Directors of the Bank was approved at the Bank's 2023 annual general meeting and their qualifications were approved by the Dongguan Regulatory Bureau of the National Financial Supervisory Administration with effect from 24 February 2025.

The appointment of Ms. Li Huiqin as a non-executive Director of the Bank was approved at the Bank's 2023 annual general meeting and her qualification was approved by the Dongguan Regulatory Bureau of the National Financial Regulatory Administration with effect from 13 March 2025.

Mr. Yip Tai Him, due to the term of office reaching the prescribed limit, resigned from his positions as independent non-executive Director of the Bank and relevant Board committee position on 21 March 2025. According to relevant laws, regulations and the provisions of the Bank's Articles of Association, he shall continue to perform his duties until the Bank's Shareholders' meeting elects a new independent non-executive Director and the qualification of the newly appointed independent non-executive Director is approved by the banking regulatory authority.

Mr. Ye Jinqun has ceased to serve as non-executive Director of the Bank and relevant Board committee positions of the Bank since 31 March 2025, due to the term of office reaching the prescribed limit in accordance with regulatory requirements.

Mr. Zhang Qingxiang and Mr. Chen Weiliang have ceased to serve as non-executive Directors of the Bank and relevant Board committee positions since 31 March 2025, due to work arrangements.

Mr. Zheng Renhe has been appointed as the Chief Risk Officer of the Bank with effect from 1 April 2025, following a decision by the Bank's fifth session of Board of Directors and approval of qualification by the Dongguan Regulatory Bureau of the National Financial Regulatory Administration.

(III) Changes in Information of Directors and Supervisors

Mr. Chan Ho Fung has ceased to serve as a director of Dongguan Hongyue Zhilian Technology Co., Ltd. * (東莞市宏粵智聯科技有限公司) with effect from May 2025.

Ms. Wen Junhua has been appointed as the general manager of the human resources department of the Bank with effect from May 2025.

Ms. Liu Liping has been appointed as the general manager of the consumer protection department of the Bank with effect from May 2025.

Mr. Tang Wencheng will no longer serve as Assistant General Manager of Dongguan Communications Investment Group Co., Ltd.* (東莞市交通投資集團有限公司) with effect from August 2025. He has served as an external director of Dongguan Luqiao Investment and Construction Co., Ltd. (東莞市路橋投資建設有限公司) and an external director of Dongguan Bus Co., Ltd. (東莞巴士有限公司) with effect from August 2025.

(IV) Interests and Short Positions of Directors, Supervisors and Chief Executives

As at the end of the Reporting Period, the interests and short positions of the Directors, Supervisors and chief executives in the Shares, underlying Shares and debentures of the Bank or its associated corporations (within the meaning of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register of interests or short positions kept by the Bank pursuant to section 352 of the SFO, or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules are as follows:

Interest in Shares or underlying Shares

Name	Position	Class of Shares	Long position/ short position	Capacity	Number of Shares directly or indirectly held (shares) ⁽¹⁾	Approximate % of the relevant class of Shares of the Bank ⁽¹⁾ (%)	Approximate % of total issued Shares of the Bank ⁽¹⁾ (%)
Fu Qiang	Executive Director	Domestic Shares	Long position	Beneficial owner	500,000	0.00871	0.00726
Qian Hua	Executive Director	Domestic Shares	Long position	Beneficial owner	322,202	0.00730	0.00608
		Domestic Shares	Long position	Interest of spouse	96,631		
Ye Janguang	Executive Director	Domestic Shares	Long position	Beneficial owner	500,000	0.01742	0.01452
		Domestic Shares	Long position	Interest of spouse	500,000		
Chen Sheng	Employee Supervisor	Domestic Shares	Long position	Beneficial owner	32,210	0.00056	0.00047
Chen Huinan	Employee Supervisor	Domestic Shares	Long position	Beneficial owner	230,000	0.00401	0.00334
Wen Junhua	Employee Supervisor	Domestic Shares	Long position	Beneficial owner	70,650	0.00123	0.00103
Wong Wai Hung	Shareholder Representative Director	Domestic Shares	Long position	Interest in controlled corporation ⁽²⁾	22,285,147	0.38821	0.32351
Deng Qian	Shareholder Representative Supervisor	Domestic Shares	Long position	Beneficial owner	5,003,156	0.08732	0.07277
		Domestic Shares	Long position	Interest of spouse	9,663		
Cai Junbang	Shareholder Representative Supervisor	Domestic Shares	Long position	Interest in controlled corporation ⁽³⁾	12,677,400	0.22084	0.18404
Liu Jiahao	Shareholder Representative Supervisor	Domestic Shares	Long position	Interest in controlled corporation ⁽⁴⁾	6,442,040	0.11222	0.09352

Notes:

- (1) As at the end of the Reporting Period, the total number of issued ordinary Shares of the Bank was 6,888,545,510, divided into 5,740,454,510 Domestic Shares and 1,148,091,000 H Shares.
- (2) Such 22,285,147 Domestic Shares are held by Dongguan City Xingye Group Co., Ltd.* (東莞市興業集團有限公司), and i) Dongguan City Kangwei Industrial Investment Co., Ltd. holds a 48% interest in Dongguan City Xingye Group Co., Ltd.; ii) Dongguan City Kangwei Industrial Investment Co., Ltd.* (東莞市康偉實業投資有限公司) is wholly-owned by Dongguan City Weishun Property Investment Co., Ltd.* (東莞市偉順物業投資有限公司); iii) Dongguan City Weishun Property Investment Co., Ltd. is wholly-owned by HH International Investment Limited; iv) Mr. Wong Wai Hung holds a 34% interest in HH International Investment Limited. Accordingly, Mr. Wong Wai Hung is deemed to be interested in all the Domestic Shares held by Dongguan City Xingye Group Co., Ltd. under the SFO.
- (3) Such 12,677,400 Domestic Shares are held by Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd.* (東莞市邦業機電設備貿易有限公司), which is owned as to 50% by Mr. Cai Junbang. Accordingly, Mr. Cai Junbang is deemed to be interested in all the Domestic Shares held by Dongguan Bangye Mechanical & Electrical Equipment Trading Co., Ltd.* (東莞市邦業機電設備貿易有限公司) under the SFO.
- (4) Such 6,442,040 Domestic Shares are held by Dongguan Jianghao Trading Co., Ltd.* (東莞市江豪貿易有限公司), which is owned as to 50% by Mr. Liu Jiahao. Accordingly, Mr. Liu Jiahao is deemed to be interested in all the Domestic Shares held by Dongguan Jianghao Trading Co., Ltd.* (東莞市江豪貿易有限公司) under the SFO.

Interest in associate

Name	Position in the Bank	Name of associated corporation	Nature of interest	Number of shares Held in associated corporation (Shares)	Approximate percentage of interest in associated corporation (%)
Wong Wai Hung	Non-executive Director	Hezhou Babu Dongying County Bank Company Limited	Interest in controlled corporation ⁽¹⁾	3,125,000	3.12500

Note:

- (1) The 3,125,000 shares of Hezhou Babu Dongying County Bank Company Limited are held by Dongguan City Dongcheng Stone Co., Ltd.* (東莞市東成石材有限公司), and Dongguan City Dongcheng Stone Co., Ltd. is wholly-owned by Dongguan City Xingye Group Co., Ltd., and i) Dongguan City Kangwei Industrial Investment Co., Ltd. holds a 48% interest in Dongguan City Xingye Group Co., Ltd.; ii) Dongguan City Kangwei Industrial Investment Co., Ltd. is wholly-owned by Dongguan City Weishun Property Investment Co., Ltd.; iii) Dongguan City Weishun Property Investment Co., Ltd. is wholly-owned by HH International Investment Limited; iv) Mr. Wong Wai Hung holds a 34% interest in HH International Investment Limited. Accordingly, Mr. Wong Wai Hung is deemed be interested in Hezhou Babu Dongying County Bank Company Limited held by Dongguan City Dongcheng Stone Co., Ltd. under the SFO.

Save as disclosed above, none of the Directors, Supervisors or chief executives of the Bank had any interests or short positions in the Shares, underlying Shares and debentures of the Bank or its associated corporations (as defined in the part XV of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register of interests or short positions referred to therein, or which were required pursuant to the Model Code to be notified to the Bank and the Stock Exchange.

(V) Security Transactions by Directors and Supervisors

The Bank has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the standards of securities transactions by Directors and Supervisors since its listing. Having made specific enquiry to all Directors and Supervisors, all Directors and Supervisors have confirmed that they have complied with the Model Code during the Reporting Period.

(VI) Rights to Acquire Securities of the Bank

None of the Bank, or any of its holding companies (if any) or subsidiaries, or any fellow subsidiaries (if any), is a party to any arrangement enables any Directors, Supervisors or chief executives of the Bank or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Bank or any of its associated corporations (as defined in the SFO) or to acquire benefits by means of acquisition of shares in, or debentures of, the Bank or any other body corporate.

(VII) Directors' Interests in Competing Business

Mr. Wong Wai Hung, a non-executive director of the Bank, holds a 34% interest in HH International Investment Limited, which wholly owns Dongguan City Weishun Property Investment Co., Ltd., which wholly owns Dongguan City Kangwei Industrial Investment Co., Ltd., which holds a 48% interest in Dongguan Group Xingye Group Co., Ltd., which holds a 20% interest in Dongguan City Dongshang Small Loans Co., Ltd.* (東莞市東商小額貸款有限公司) ("Dongshang Small Loans"). Dongshang Small Loans primarily engages in small loans business, with registered capital of RMB200.00 million. Given its involvement in small loans business, it may compete with the business of the Bank.

Given that the registered capital of the aforementioned competing business is relatively small compared to the Bank's registered capital, amounting to RMB200.00 million, and considering the Bank's broad business scope, the potential competition between such competing business and the Bank is minimal. Since the relevant Director is a non-executive Director and does not participate in the Bank's daily management, the Bank believes that its business operations will not be affected by the interests held by such Director in the relevant competing business. Pursuant to the Bank's articles of Association, if a Director has a material interest in any matter requiring approval by the Board of Directors, such Director shall abstain from voting on the relevant resolution.

(VIII) Financial, Business and Family Relationship among Directors, Supervisors and Senior Management

To the best of our knowledge, there is no financial, business, family or other material or relevant relationship among the Directors, Supervisors and senior management of the Bank.

(IX) Remaining Portion of Directors' and Supervisors' Pre-tax Emoluments

The remaining portion of the pre-tax emoluments of Directors and Supervisors who were remunerated at the Bank for 2024 was settled as required. The compensation for senior management decreased in 2024 compared to the prior year, among them, the remaining portion of the pre-tax emoluments of Mr. Lu Guofeng, Mr. Fu Qiang, Mr. Ye Janguang, Mr. Qianhua, Mr. Chen Sheng, Mr. Chen Huinan, Mr. Wu Lixin and Mr. Liang Zhifeng for the year of 2024 amounted to RMB695,700, RMB695,700, RMB848,200, RMB212,100, RMB848,200, RMB343,600, RMB228,500, and RMB168,100, respectively. In accordance with the relevant regulations, the performance-based compensation of the aforesaid personnel is deferred. The total amount of deferred performance-based compensation before tax for the aforesaid personnel for the year 2024 was RMB3,613,800, and the deferred compensation has yet to be paid to individuals.

(X) Directors' and Supervisors' Interests in Contracts, Transactions and Arrangements

Save for the continuing connected transactions exempted from the reporting, annual review, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules, none of a Director, Supervisor or an entity connected with a Director or a Supervisor has any interest, either directly or indirectly, in significant transactions, arrangements and contracts in relation to the Group's business to which the Bank, its holding company, subsidiaries or fellow subsidiaries was a party during the Reporting Period (excluding service contracts). No Director or Supervisor of the Bank has entered into any service contract with the Bank that requires compensation (other than statutory compensation) if the contract is terminated by the Bank within one year.

V. BOARD OF DIRECTORS

(I) Composition of the Board of Directors

As of the end of the Reporting Period, the Board of Directors of the Bank consisted of 14 Directors (including those who resigned and continued with their duties), including 4 executive Directors, namely Mr. Lu Guofeng, Mr. Fu Qiang, Mr. Qian Hua and Mr. Ye Jianguang; 4 non-executive Directors, namely Ms. Li Huiqin, Mr. Wong Wai Hung, Mr. Tang Wencheng and Mr. Chan Ho Fung; 6 independent non-executive Directors, namely Mr. Zeng Jianhua, Mr. Yip Tai Him, Mr. Xu Zhi, Mr. Tan Fulong, Ms. Liu Yuou and Ms. Xu Tingting. All communication documents of the Bank containing the names of directors clearly state the categories of directors in compliance with the requirements of the Listing Rules.

The roles and duties of the chairman and the president of the Bank are taken up by different individuals. There is a clear division of responsibilities in compliance with the requirements and recommendations of the regulatory provisions and the Listing Rules.

The Bank has formulated the board diversity policy among others, according to the position and the continuous adoption and implementation of the policy, we are committed to ensuring that the Board of Directors of the Bank achieves an appropriate balance in terms of diversity. The Bank will consider the composition of the Board of Directors from various aspects in accordance with the board diversity policy, including but not limited to directors' gender, age, education background, professional experience, knowledge and skills, etc., to ensure a balanced distribution of skills and experience combinations of board members to provide different perspectives, insights and questions, allowing the board to effectively perform its duties, thereby enhancing the effective operation of the board and maintaining high standards of corporate governance.

(II) Meetings of the Board of Directors and committees under the Board of Directors

During the Reporting Period, the Bank convened 6 meetings of the Board of Directors, all of which were on-site meetings. The Board of Directors mainly considered and approved 68 proposals, including the Resolution in relation to Work Report of the Board of Directors of the Bank for 2024, the Resolution in relation to Operation and Management Work Report of the Bank for 2024, the Resolution in relation to Work Report of Independent Directors of the Bank for 2024, the Resolution on the Approval of the 2024 Annual Financial Report of Dongguan Rural Commercial Bank Co., Ltd. and reviewed 14 reports including the Report on the Implementation of the 2024 Shareholders' Meeting and Board of Directors' Decisions of Dongguan Rural Commercial Bank Co., Ltd.

The Board of Directors had six specialized committees including the Strategic Decision and Sannong Committee, the Comprehensive Risk Management Committee, the Nomination and Remuneration Committee, the Related Party Transaction Control Committee, the Audit Committee and the Consumer Rights Protection Committee. During the Reporting Period, the six specialized committees under the Board of Directors exercised their powers independently, compliantly and effectively in accordance with laws, and convened 27 meetings, at which considered resolutions including strategic planning, remuneration appraisal, comprehensive risk management, internal control, related party transactions and consumer rights protection. The committees maintained communication with the operational management, and gave full play to their roles in assisting the Board of Directors in making scientific decisions.

VI. THE BOARD OF SUPERVISORS

(I) Composition of the Board of Supervisors

As of the end of the Reporting Period, the Board of Supervisors of the Bank consists of 12 Supervisors, including 4 employee Supervisors, namely Mr. Chen Sheng, Mr. Chen Huinan, Ms. Wen Junhua and Ms. Liu Liping; 4 Shareholder representative Supervisors, namely Ms. Deng Qian, Mr. Cai Junbang, Mr. Liu Jiahao and Mr. Li Guoyu; and 4 external Supervisors, namely Ms. Wei Haiying, Mr. Zhang Bangyong, Ms. Mai Xiuhua and Mr. Liu Sheng.

(II) Meetings of the Board of Supervisors and Committees Thereunder

During the Reporting Period, the Bank held a total of 6 meetings of the Board of Supervisors, including 5 on-site meetings and 1 meeting by circulation of written resolutions. The Board of Supervisors mainly considered and approved 43 proposals, including the Resolution on the 2024 Work Report of the Board of Supervisors of Dongguan Rural Commercial Bank Co., Ltd. and the Resolution on the Written Review Opinion of the Board of Supervisors of Dongguan Rural Commercial Bank Co., Ltd. on the 2024 Annual Report, and reviewed 96 other proposals.

The Board of Supervisors has established two special committees, namely the Nomination Committee and the Supervision Committee. During the Reporting Period, the two special committees under the Board of Supervisors of the Bank exercised their functions and powers independently, in compliance with laws and regulations and effectively. They held a total of 10 meetings and considered and passed 49 proposals, including the Resolution on the Report on the Performance Evaluation Results of Directors, Supervisors and Senior Management of Dongguan Rural Commercial Bank Co., Ltd. for 2024 and the Resolution on the Report of the Supervisory Committee of the Board of Supervisors of Dongguan Rural Commercial Bank Co. on the Performance of its Duties in 2024. They maintained communication with the Board of Directors and the management and gave full play to their supervisory role.

VII. SENIOR MANAGEMENT

As of the end of the Reporting Period, the Bank's senior management consisted of 6 senior executives, including 1 president, Mr. Fu Qiang; 2 vice presidents, Mr. Qian Hua and Mr. Ye Jianguang; 2 assistants to the president, Mr. Ye Yunfei and Mr. Zhong Guobo; and 1 chief risk officer, Mr. Zheng Renhe.

At the senior management level, the Bank has established Assets and Liabilities Management Committee (資產負債管理委員會), Product Management Committee (產品管理委員會), Information Technology Management Committee (信息科技管理委員會), and Comprehensive Risk Management Execution Committee (全面風險管理執行委員會). Each committee is under operation independently according to relevant functions.

VIII. EMPLOYEES

The Group strictly complies with relevant laws and regulations and is committed to creating a more equitable employment environment and a diverse workplace atmosphere. It highly values the protection of female employees' rights and interests, and through measures such as organizing International Women's Day activities and setting up maternity rooms, it strives to create a comfortable, equal, and convenient environment for female employees, thereby fully safeguarding their rights and interests. As of the end of the Reporting Period, the Group had 7,798 employees, including 4,572 male employees and 3,226 female employees, with a male-to-female ratio of approximately 1.42:1. The specific details of the employees are as follows:

(I) Employees Functional Structure

Function type	Number	Percentage
Corporate banking business	1,094	14.03%
Personal banking business	3,003	38.51%
Treasury business	96	1.23%
Finance, accounting and operation	1,491	19.12%
Risk management, internal control and legal compliance	812	10.41%
Information technology	392	5.03%
Administrative management	641	8.22%
Others	269	3.45%
Total	7,798	100.00%

(II) Employee Educational Background Structure

Educational background type	Number	Percentage
Postgraduate and above	379	4.86%
Undergraduate	6,298	80.76%
Associate college	916	11.75%
Technical secondary school and below	205	2.63%
Total	7,798	100.00%

(III) Employee Title Structure

Title category	Number	Percentage
Senior title	147	1.89%
Intermediate title	1,633	20.94%
Assistant title	1,991	25.53%
Employee level and below	4,027	51.64%
Total	7,798	100.00%

Note: The number of employees mentioned above refers to the number of in-service employees who have signed labor contracts with the Group, excluding non-active personnel such as retired and early retired personnel, and personnel under labor dispatch or outsourcing arrangement.

(IV) Employee Remuneration Policy

The Bank's remuneration is based on risk compliance, follows the basic principles of total quantity control, distribution according to work volume, priority for efficiency, fairness and sustainable development, and fully reflects external competitiveness, internal fairness, individual incentives, corporate affordability and institutional flexibility, which is in line with the strategic development and operation management needs of the Bank.

The Bank continued to strengthen the construction of the remuneration system and performance incentive and restraint mechanism, and formulated the Dongguan Rural Commercial Bank Co., Ltd. Remuneration Management Measures and the performance appraisal plan for all levels of personnel. The performance-based compensation is mainly linked with the completion of the organization's business performance and the result of risk control.

The Bank continued to implement the mechanism of deferred and revoked payment for performance-based compensation. To that end, the scope of deferred payment of performance-based compensation included senior management of the Bank, employees in positions that have significant impact on risks, and other individuals who engage in credit and credit-like business. The Bank divided different provision ratios according to titles, ranks and positions of deferred payment subject, with payment deferral period of 3 years.

(V) Staff Training

The Bank embodies the concept that “Talent is the First Resource” and focuses on employee growth. It continues to promote the development of a systematic, standardized, and targeted employee training system, dedicating itself to enhancing the professional level and core competitiveness of its talent pool, thereby providing key support for the Group’s high-quality development.

The Bank continues to improve the quality and efficiency of management training. It regularly offers a series of “Evergreen Foundation (基業長青)” training courses for managers at different levels and in different fields. Through various forms such as visits to leading enterprises and learning about cutting-edge industry courses, the Bank ensures that senior and middle-level managers maintain a forward-looking perspective and continuously expand their strategic thinking. By combining specialized courses with action learning, the Bank accelerates the improvement of complex problem-solving abilities and management maturity among managers at all levels through practical experience and hard work.

The Bank considers the development of internal talent cultivation capabilities to be of utmost importance. It has further developed its “mentorship system” for talent cultivation, assigning mentors to new hires, employees who have recently changed positions, and newly promoted employees to help them integrate into the team and adapt to their new roles efficiently. It has also established the “Craftsmanship Program (匠心計劃)” for internal trainer development, continuously improving the teaching capabilities of its internal faculty, strengthening its internal faculty team, enriching its internal course resources, and promoting the dissemination of best practices within the Bank.

IX. BRANCHES AND SUBSIDIARIES

(I) Branches

As of the end of the Reporting Period, the Bank has established 39 tier-one branches and sub-branches, 206 tier-two sub-branches and 225 offices. Details of tier-one branches and sub-branches of the Bank are as follows:

No.	Name of entity	Address	Telephone
1	Zhongxin sub-branch	No.2 Hongfu East Road, Dongcheng Street, Dongguan City	0769-22866666
2	Zhongtang sub-branch	No.101 Zhongxing Road, Zhongtang Town, Dongguan City	0769-88818522
3	Wangniudun sub-branch	Zhenzhong Road, Wangniudun Town, Dongguan City	0769-88851262
4	Daojiao sub-branch	No.120 Zhenxing Road North, Daojiao Town, Dongguan City	0769-88833111
5	Hongmei sub-branch	No. 69 Qiaodong Road, Hongmei Town, Dongguan City	0769-88841546
6	Machong sub-branch	No.5 Zhenxing Road, Machong Town, Dongguan City	0769-88821389
7	Wanjiang sub-branch	No.3 Wanjiang Road North, Xincheng Community, Wanjiang District, Dongguan City	0769-22288628
8	Humen sub-branch	Dushi Huating, No.181 Humen Avenue, Humen Town, Dongguan City	0769-85123142
9	Changan sub-branch	No.286 Changqing South Street, Chang'an Town, Dongguan City	0769-85310223
10	Houjie sub-branch	No.16 Kangle North Road, Houjie Town, Dongguan City	0769-85588841
11	Shatian sub-branch	Room 101, Room 104, Rooms 117-122, Room 124, Room 125, Room 143, Room 153, Room 154, Rooms 203-207, Room 210, Room 211, 59 Shatian Avenue Shatian Town, Dongguan City	0769-88861903
12	Nancheng sub-branch	No.44 Nancheng Road Section, Guantai Road, Dongguan City	0769-22818522
13	Dongcheng sub-branch	No.7 Dongcheng East Road, Dongcheng District, Dongguan City	0769-22239029
14	Liaobu sub-branch	No.2 Jiaoyu Road, Liaobu Town, Dongguan City	0769-83329710
15	Dalingshan sub-branch	Room 101, No.460 Dalingshan Section, Guanchang Road, Dalingshan Town, Dongguan City	0769-83351158
16	Dalang sub-branch	No.568 Meijing Central Road, Dalang Town, Dongguan City	0769-83311102
17	Huangjiang sub-branch	No.65 Huangjiang Avenue, Huangjiang Town, Dongguan City	0769-83365136
18	Zhangmutou sub-branch	No.111 Guanzhang West Road, Zhangmutou Town, Dongguan City	0769-87719118
19	Qingxi sub-branch	No.2 Xiangmang Central Road, Qingxi Town, Dongguan City	0769-87730998
20	Tangxia sub-branch	No.5 Yingbin Avenue, Tangxia Town, Dongguan City	0769-87728810

No.	Name of entity	Address	Telephone
21	Fenggang sub-branch	No.69 Yongsheng Street, Fenggang Town, Dongguan City	0769-87750947
22	Xiegang sub-branch	Rooms 101-601, No.1 Building, No.72 Xiegang Huayuan Avenue, Xiegang Town, Dongguan City	0769-87865828
23	Changping sub-branch	No.50 Changping Avenue, Changping Town, Dongguan City	0769-83331409
24	Qiaotou sub-branch	No.197 Qiaoguang Avenue (Qiaotou Section), Qiaotou Town, Dongguan City	0769-83342244
25	Hengli sub-branch	No.580 Zhongshan Road, Hengli Town, Dongguan City	0769-83371841
26	Dongkeng sub-branch	No.74 Dongkeng Avenue Central, Dongkeng Town, Dongguan City	0769-83880995
27	Qishi sub-branch	No.8 Jiangbin Road, Qishi Town, Dongguan City	0769-86665038
28	Shipai sub-branch	No.297 Shipai Avenue Central, Shipai Town, Dongguan City	0769-86657030
29	Chashan sub-branch	No.73 Caihong Road, Chashan Town, Dongguan City	0769-86641493
30	Shijie sub-branch	No.4 Dongfeng South Road, Shijie Town, Dongguan City	0769-86636495
31	Gaobu sub-branch	No.13 Office Building, New Century Yilongwan Phase III, Xiansha Village, Gaobu Town, Dongguan City	0769-88871317
32	Donglian sub-branch	Building F, First International, No. 200 Hongfu Road, Nancheng Street, Dongguan City	0769-22856679
33	Shilong sub-branch	No.8 Fangzheng Central Road, Shilong Town, Dongguan City	0769-86602831
34	Songshanhu Keji sub-branch	Building No.20, Songkeyuan, No.4 Libin Road, Songshan Lake Science and Technology Industrial Park, Dongguan City	0769-22891811
35	Binhai Bay New District sub-branch	Room 106, No.1 Bay Area Avenue, Binhai Bay New District, Dongguan City	0769-88007788
36	Huizhou Branch	No. 8 Chenjiang Avenue, Chenjiang Street, Zhongkai High-tech Zone, Huizhou City	0752-3223850
37	Qingxin sub-branch	G/F, Building C, Kaixuancheng, No.38 Jianshe Road South, Taihe Town, Qingxin District, Qingyuan City	0763-5206869
38	Nansha branch in Guangdong Pilot Free Trade Zone	Room 311, 312, 313, 314, podium building, Block 17, Zhonghui Bilong Bay, No. 3 Wangjiang 2nd Street, Nansha District, Guangzhou City	020-39391183
39	Hengqin branch in Guangdong Pilot Free Trade Zone	Room 3103, Block 2, No.88 Gangao Avenue, Hengqin New District, Zhuhai City	0756-2992623

Note: The list contains the tier-one branches and sub-branches only and subsidiaries are not included.

(II) Major Subsidiaries

As at the end of the Reporting Period, the Bank's major subsidiaries include Zhanjiang RCB, Guangdong Chaoyang RCB, Yunfu Xinxing Dongying County Bank and Hezhou Babu Dongying County Bank. A total of 37 tier-one branches and sub-branches, 66 tier-two sub-branches, and 64 offices have been established. Details of the tier-one branches and sub-branches of the Bank's main subsidiaries are as follows:

No.	Subsidiary	Institution Name	Address	Telephone
1	Zhanjiang Rural Commercial Bank	Economic and Technological Development Zone Sub-branch	No. 119, Haibin Avenue, Zhanjiang City	0759-2326990
2	Zhanjiang Rural Commercial Bank	Mazhang Sub-branch	No. 14, Mazhi Road, Mazhang Town, Mazhang District, Zhanjiang City	0759-2278377
3	Zhanjiang Rural Commercial Bank	Chikan Sub-branch	1/F to 8/F, No. 19, Haibin 6th Road, Chikan District, Zhanjiang City	0759-3205195
4	Zhanjiang Rural Commercial Bank	Donghai Sub-branch	West side of Zhanlin Road, Dongshan Town, Donghai Island, Zhanjiang City	0759-2962057
5	Zhanjiang Rural Commercial Bank	Potou Sub-branch	No. 7, Beishan Road, Potou District, Zhanjiang City	0759-3950886
6	Zhanjiang Rural Commercial Bank	Xiashan Sub-branch	Office A-7, G/F, Xingfa Garden Commercial and Residential Building, No. 70, Haibin Avenue South, Zhanjiang Development Zone	0759-2122381
7	Guangdong Chaoyang Rural Commercial Bank	Chengqu Branch	No. 38, Xihuancheng Road, Wenguang Subdistrict, Chaoyang District, Shantou City (G/F)	0754-83820377
8	Guangdong Chaoyang Rural Commercial Bank	Wenguang Branch	Building E, Fudongzhuang, Shuimen Road, Wenguang Subdistrict, Chaoyang District, Shantou City (1/F to 3/F)	0754-83845382
9	Guangdong Chaoyang Rural Commercial Bank	Chengdong Branch	No. 132, Zhongshan Middle Road, Wenguang Subdistrict, Chaoyang District, Shantou City (G/F and 2/F)	0754-83816105
10	Guangdong Chaoyang Rural Commercial Bank	Jinpu Branch	Next to Jinmei Avenue, Sanbao Residential Committee, Jinpu Subdistrict, Chaoyang District, Shantou City	0754-86645440
11	Guangdong Chaoyang Rural Commercial Bank	Heping Branch	No. 305, Laohehui Road, Zhongzhai Residential Committee, Heping Town, Chaoyang District, Shantou City	0754-82251265
12	Guangdong Chaoyang Rural Commercial Bank	Runze Branch	Shops 01-05, Building 1, Runze Villa, Chengbei 1st Road, Wenguang Subdistrict, Chaoyang District, Shantou City (G/F and 2/F)	0754-86561317

No.	Subsidiary	Institution Name	Address	Telephone
13	Guangdong Chaoyang Rural Commercial Bank	Miancheng Branch	Chaochai Road and Taoyuan Road Intersection, Chaoyang District, Shantou City	0754-83835884
14	Guangdong Chaoyang Rural Commercial Bank	Pingbei Branch	Shop 98, Pingbei Market, Mianbei Street, Chaoyang District, Shantou City	0754-88719271
15	Guangdong Chaoyang Rural Commercial Bank	Haimen Branch	No. 8-12, Building 1, Hai'anyuan, Haimen Town, Chaoyang District, Shantou City	0754-86631170
16	Guangdong Chaoyang Rural Commercial Bank	Guiyu Branch	No. 118, Huamei Road Section, Guojing Road, Guiyu Town, Chaoyang District, Shantou City	0754-84448174
17	Guangdong Chaoyang Rural Commercial Bank	Tongyu Branch	No. 11, Xinxing Road, Tongboyu Village, Tongyu Town, Chaoyang District, Shantou City	0754-87595696
18	Guangdong Chaoyang Rural Commercial Bank	Gurao Branch	No. 84, Lifeng Road, Shangbao Residential Committee, Gurao Town, Chaoyang District, Shantou City	0754-87610385
19	Guangdong Chaoyang Rural Commercial Bank	Jinyu Branch	Yuhua West Road, Yupu, Jinzao Town, Chaoyang District, Shantou City	0754-83391401
20	Guangdong Chaoyang Rural Commercial Bank	Xilu Branch	No. 2, Xinxing Road, Xiyi Residential Committee, Xilu Town, Chaoyang District, Shantou City	0754-83311907
21	Guangdong Chaoyang Rural Commercial Bank	Hexi Branch	Xitian Village, Xitian Village Road, Hexi Town, Chaoyang District, Shantou City	0754-83422827
22	Guangdong Chaoyang Rural Commercial Bank	Guanbu Branch	Along Guanjin Road, Guanbu Town, Chaoyang District, Shantou City	0754-83361382
23	Guangdong Chaoyang Rural Commercial Bank	Xiashan Branch	Shops 42-48, G/F and 2/F of Shop 50, and 2/F of Shop 51 (Room 202, Building 13), Dijingyuan, Xiayi Road, Xiashan Street, Chaonan District, Shantou City	0754-87761955
24	Guangdong Chaoyang Rural Commercial Bank	Simapu Branch	East Market, Simapu Town, Chaonan District, Shantou City	0754-87732754
25	Guangdong Chaoyang Rural Commercial Bank	Lugang Branch	No. 228, Xihe Road, Lugang Town, Chaonan District, Shantou City	0754-82281361
26	Guangdong Chaoyang Rural Commercial Bank	Shalong Branch	No. 12, Shalong Haoxi Section, Hehui Highway, Chaonan District, Shantou City	0754-82224606
27	Guangdong Chaoyang Rural Commercial Bank	Chengtian Branch	No. 89, Shencheng Road, Chengtian Town, Chaonan District, Shantou City	0754-82231331
28	Guangdong Chaoyang Rural Commercial Bank	Jingdu Branch	Shenshan Residential Committee, Jingdu Town, Chaonan District, Shantou City	0754-86691239
29	Guangdong Chaoyang Rural Commercial Bank	Tianxin Branch	No. 69, Tianzhong Road, Tianxintian Second Village, Chaonan District, Shantou City (next to the Post Office)	0754-83511532

No.	Subsidiary	Institution Name	Address	Telephone
30	Guangdong Chaoyang Rural Commercial Bank	Liangying Branch	1/F to 3/F of Shops 07-11, and 2/F to 3/F of Shops 05-06, Building A1, Shengyue Haoting, No. 001, Dongying Road, Guxiyang, Chenku Residential Committee, Liangying Town, Chaonan District, Shantou City	0754-85571824
31	Guangdong Chaoyang Rural Commercial Bank	Chendian Branch	No. 30, Guanghe North Fourth Street, Kewei, Chendian Town, Chaonan District, Shantou City	0754-84485394
32	Guangdong Chaoyang Rural Commercial Bank	Xiancheng Branch	No. 418, Chenxian Highway, Xiancheng Town, Chaonan District, Shantou City	0754-84421743
33	Guangdong Chaoyang Rural Commercial Bank	Hongchang Branch	Left side of Hongchang Town Government, Chaonan District, Shantou City	0754-83752146
34	Guangdong Chaoyang Rural Commercial Bank	Leiling Branch	Chuandi, Leiling Town, Chaonan District, Shantou City	0754-85521026
35	Yunfu Xinxing Dongying County Bank	Chengnan Branch	No. 6, Xinglong Road, Xincheng Town, Xinxing County, Yunfu City, Guangdong Province	0766-2989811
36	Hezhou Babu Dongying County Bank	Xindu Branch	Xiangyun Road, Xindu Town, Babu District, Hezhou City	0774-5081889
37	Hezhou Babu Dongying County Bank	Pinggui Branch	No. 15, Pinggui Avenue, Pinggui District, Hezhou City	0774-8833001

For details about the major subsidiaries, please refer to the Note 19 “Subsidiaries” to the consolidated financial statements in the “Financial Report” chapter in this Report.

X. RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to the Guidelines for Comprehensive Risk Management of Financial Institutions in the Banking Industry (《銀行業金融機構全面風險管理指引》), the Bank continuously identifies and assesses the credit risk, liquidity risk, market risk, bank book interest rate risk, operation risk, compliance risk, legal risk, money laundering risk, information technology risk, reputation risk, strategic risk, country risk and other main risks which the Bank and its subsidiaries expose to, and regularly analyzes critic issues exposed to and formulates corresponding management measures, and reports to the senior management and the Board of Directors in time. Upon review by the Board of Directors, the Bank's comprehensive risk management system is adequate and effective, and no significant risks requiring special attention have occurred. At the same time, the comprehensive risk management system that the Bank assisted its subsidiaries in establishing is also effective and in line with their own positioning.

In accordance with the Guidelines for Internal Control of Commercial Banks (《商業銀行內部控制指引》) and relevant regulations and under the guidance of the Board of Directors and the Audit Committee of the Board of Directors, the Bank organized and carried out the internal control evaluation in 2024. Upon review by the Board of Directors of the Bank, the internal control system established by the Bank was sound and effective, and was capable of effectively identifying and controlling various risks, and no major deficiency in internal control were found during the Reporting Period.

Since the comprehensive risk management and internal control system is to manage rather than to eliminate the risk of failure to achieve business objectives, the Board of Directors can only make reasonable rather than absolute assurance that there would be no material misstatements or losses.

For details of the Bank's risk management and internal control, please refer to the "Risk Management" section in the "Management Discussion and Analysis" chapter of this Report.

XI. DIRECTORS' RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the interim financial statements of 2025, the International Financial Reporting Accounting Standards has been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. The Board of Directors is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board of Directors has continued to adopt the going concern basis in preparing the financial statements.

XII. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Bank did not amend its Articles of Association during the Reporting Period.

XIII. CORPORATE CULTURE

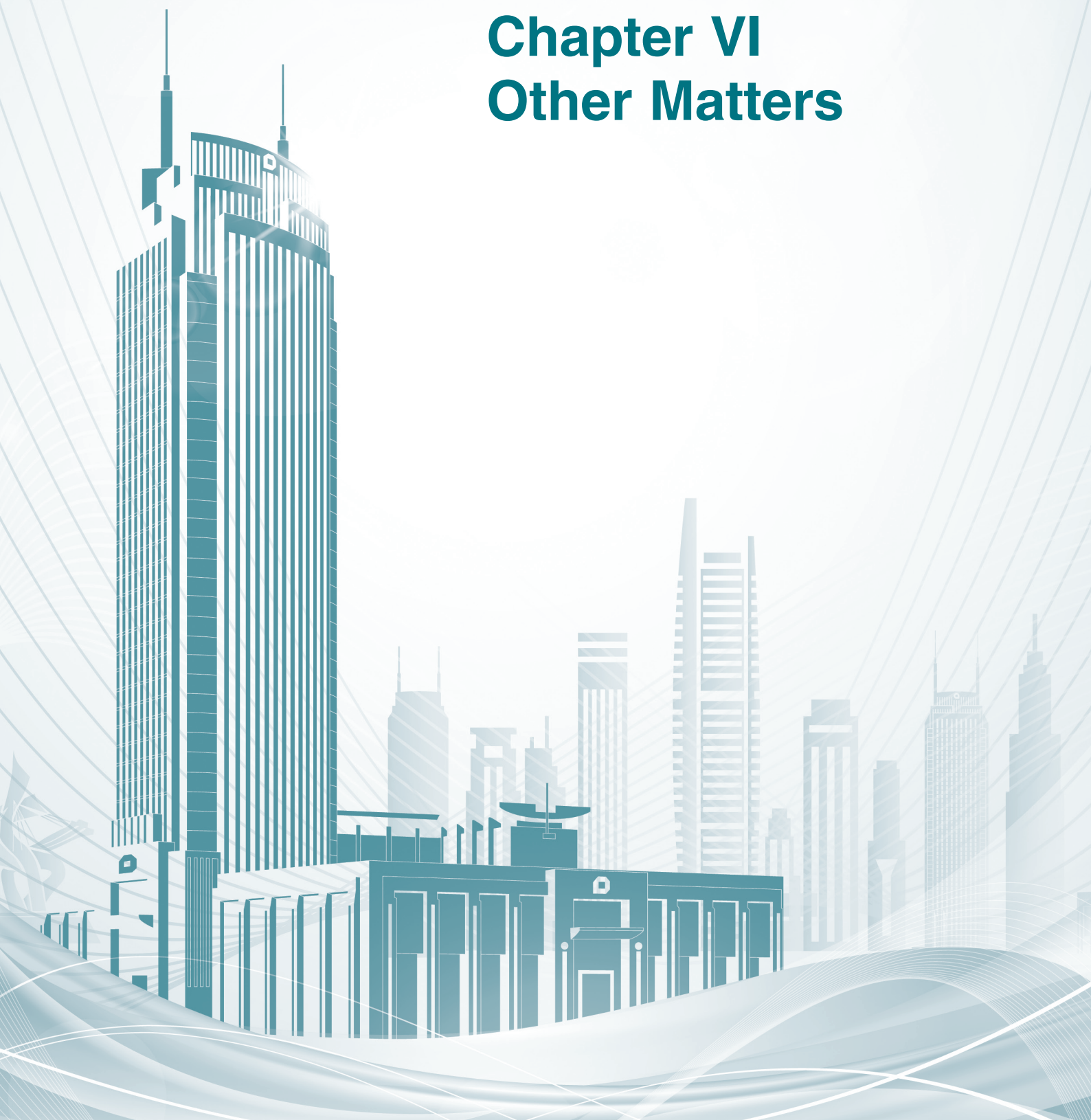
The Bank has established a comprehensive core value system, clearly defining its mission, vision, values, and business philosophy as part of its corporate culture framework. This ensures that the Bank's corporate culture aligns with its strategic development goals and business development model. The Group promotes a culture of responsibility and dedication, a prudent and compliant culture, and a caring and harmonious family-like culture, all centered on the core values of joy and openness. This fosters an organizational atmosphere of equality, mutual trust, mutual assistance, mutual care, and shared progress, fully activating employees' intrinsic motivation and facilitating the joint realization of the Company's vision and employees' aspirations.

XIV. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Reporting Period, the Bank adopted and complied with all code provisions set out in Part 2 of the Corporate Governance Code.

Chapter VI

Other Matters



I. 2025 INTERIM PROFIT DISTRIBUTION PLAN

The operating results during the Reporting Period and the financial position as of the end of the Reporting Period are set out in the chapter headed the Financial Report in this Report. No interim dividend will be distributed by the Bank for the Reporting Period.

II. BONDS ISSUED AND REDEEMED

During the Reporting Period, the Bank had no bonds issued or redeemed.

III. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS AND OTHER SIMILAR RIGHTS

The Bank had no convertible security, option, warrant or other similar right during the Reporting Period.

IV. SHARE OPTION SCHEME AND EQUITY INCENTIVE PLAN

During the Reporting Period, the Bank does not have plans for share option nor plans for equity incentives.

V. MAJOR ASSET ACQUISITIONS, SALES AND BUSINESS MERGERS

During the Reporting Period, the Bank did not have any other major asset acquisitions, disposals, or corporate mergers.

VI. SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS

During the Reporting Period, the Bank had no significant investments nor plans for significant investments.

VII. CONTRACTS OF SIGNIFICANCE AND THEIR PERFORMANCE

During the Reporting Period, the Bank had no other significant contractual matters requiring disclosure, other than those disclosed in this Report.

VIII. SIGNIFICANT LITIGATION AND ARBITRATION

The Bank involved in certain legal proceedings in the ordinary course of our business, most of which are initiated to recover non-performing loans. As of the end of the Reporting Period, the Bank's new loans with a principal amount of more than or equal to RMB10 million in the year involving RMB4,505.62 million as a plaintiff or applicant (including litigation and arbitration). The Bank had no outstanding cases (including litigations and arbitrations) as defendant or respondent with an additional target amount of more than or equal to RMB10 million for the year. The Bank will continue to follow up on the disposal of the above cases. The above litigations and arbitrations will not have any material adverse impact on the financial or operating results of the Bank.

IX. PUNISHMENT OF THE BANK AND THE DIRECTORS AND SUPERVISORS, SENIOR MANAGEMENT OF THE BANK

During the Reporting Period, none of the Bank, or its Directors, Supervisors and senior management members had been subject to sanctions, and criticism by the CSRC, or had been subject to any penalty by other regulatory bodies that caused a significant impact on the Bank's operation.

X. SIGNIFICANT EVENTS OF SUBSIDIARIES

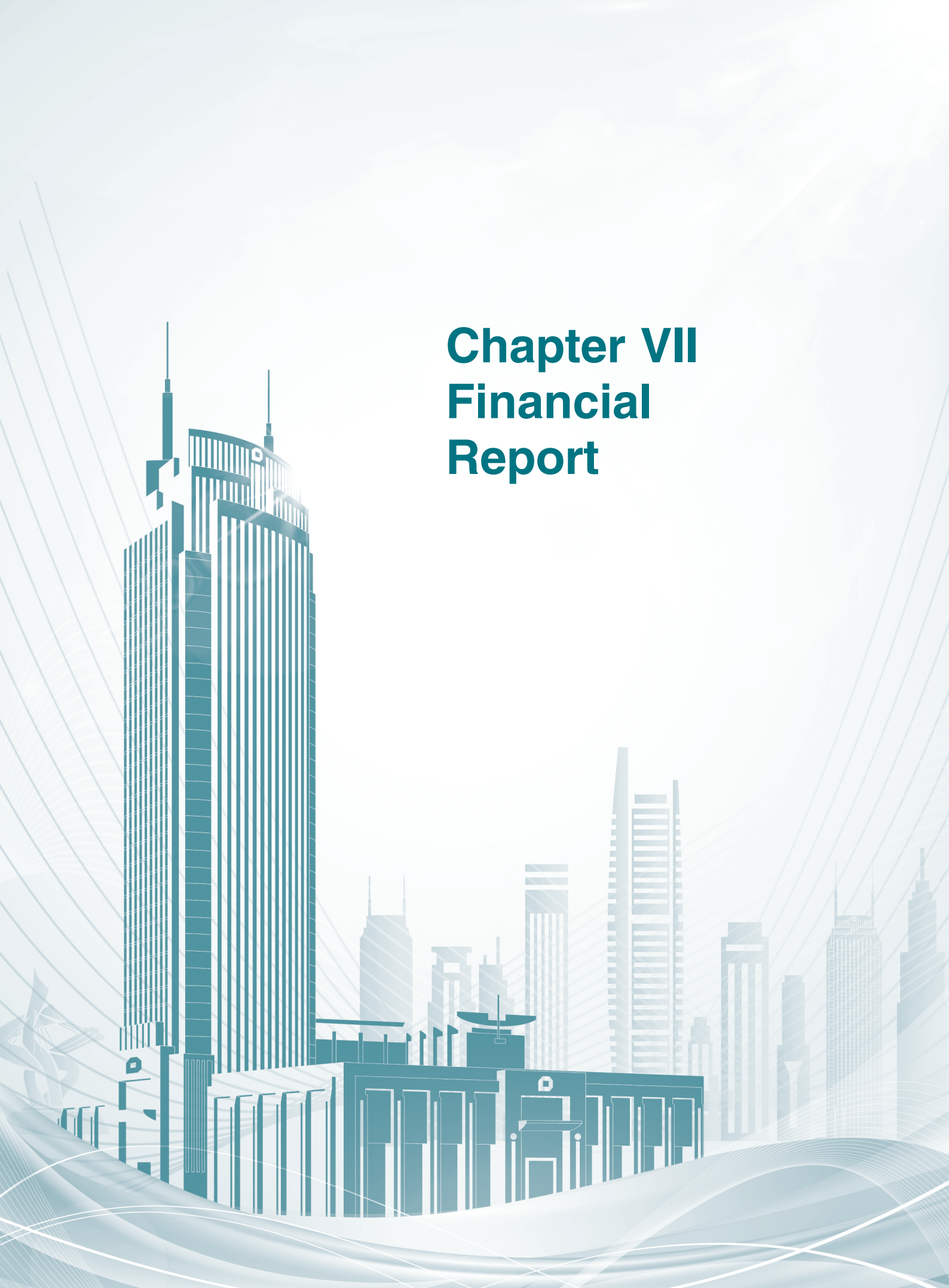
During the Reporting Period, there were no material matters in respect of the subsidiaries.

XI. SUBSEQUENT EVENTS

Subsequent to the Reporting Period, the Bank did not have any events or cases that had a significant impact on the Bank.

Chapter VII

Financial Report



Review report to the Board of Directors of Dongguan Rural Commercial Bank Co., Ltd.

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

Introduction

We have reviewed the interim financial report set out on pages 109 to 194 which comprises the consolidated statement of financial position of Dongguan Rural Commercial Bank Co., Ltd. (the “Bank”) and its subsidiaries (together, the “Group”) as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34 *Interim Financial Reporting*.

Our responsibility is to express a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 August 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025 – unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

	Notes	Six months ended 30 June	
		2025	2024
Interest income	4	9,973,080	11,164,440
Interest expense	4	(5,736,569)	(6,461,334)
Net interest income		4,236,511	4,703,106
Fee and commission income	5	374,560	431,598
Fee and commission expense	5	(140,353)	(150,149)
Net fee and commission income		234,207	281,449
Net trading gains	6	293,192	848,537
Net gains on financial instruments	7	701,920	509,945
Other operating income	8	35,103	55,145
Operating income		5,500,933	6,398,182
Operating expenses	9	(1,902,275)	(2,058,472)
Impairment losses on assets	11	(869,794)	(901,221)
Operating profit		2,728,864	3,438,489
Share of profits of associates	20	26,179	18,951
Profit before tax		2,755,043	3,457,440
Income tax expense	12	(127,137)	(78,709)
Net profit for the period		2,627,906	3,378,731
Net profit attributable to:			
Shareholders of the Bank		2,628,882	3,169,894
Non-controlling interests		(976)	208,837

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2025 – unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	Six months ended 30 June	
		2025	2024
Other comprehensive income Items which may be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		(926,876)	1,230,565
Credit impairment provision for financial assets at fair value through other comprehensive income		6,658	(39,514)
Impact on income tax on changes in fair value and credit impairment provision of financial assets at fair value through other comprehensive income		230,055	(297,763)
Items will not be reclassified to profit or loss:			
Changes in fair value of equity instruments designated at fair value through other comprehensive income		2,676	38,422
Impact on income tax on changes in fair value of equity instruments designated at fair value through other comprehensive income		(669)	(9,606)
Other comprehensive income for the period, net of tax		(688,156)	922,104
Total comprehensive income for the period		1,939,750	4,300,835
Total comprehensive income for the period attributable to:			
Shareholders of the Bank		1,997,712	4,042,570
Non-controlling interests		(57,962)	258,265
Total comprehensive income for the period		1,939,750	4,300,835
Basic and diluted earnings per share for profit attributable to the shareholders of the Bank (expressed in RMB per share)	13	0.38	0.46

The notes on pages 116 to 194 form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025 – unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

	Notes	As at 30 June 2025	As at 31 December 2024
Assets			
Cash and balances with the central bank	14	36,472,621	36,333,987
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	15	19,657,838	16,818,580
Derivative financial assets	16	479,713	601,062
Loans and advances to customers	17	381,369,314	367,364,491
Financial investments	18	310,411,133	313,641,516
– Financial investments at fair value through profit or loss		47,841,557	43,268,319
– Financial investments at amortised cost		136,856,530	140,564,544
– Financial investments at fair value through other comprehensive income		125,713,046	129,808,653
Investment in associates	20	665,654	644,456
Property and equipment	21	2,317,323	2,288,747
Right-of-use assets	22	1,132,189	1,176,183
Goodwill	23	520,521	520,521
Deferred tax assets	24	5,103,598	4,732,688
Other assets	25	2,315,376	1,782,257
Total assets		760,445,280	745,904,488
Liabilities			
Borrowings from the central bank	26	26,013,292	31,982,838
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	27	17,571,177	31,123,784
Financial liabilities at fair value through profit or loss	28	2,050,703	1,676,073
Derivative financial liabilities	16	432,188	530,460
Deposits from customers	29	542,808,275	530,171,576
Debt securities issued	30	104,846,683	83,544,009
Taxes payable	31	561,508	290,369
Lease liabilities	22	458,608	498,048
Other liabilities	32	3,072,079	3,621,431
Total liabilities		697,814,513	683,438,588

Consolidated Statement of Financial Position *(Continued)*

As at 30 June 2025 – unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

	Notes	As at 30 June 2025	As at 31 December 2024
Equity			
Share capital	33	6,888,546	6,888,546
Capital reserve	34	6,323,045	6,323,045
Revaluation reserve	35	2,408,274	3,039,444
Surplus reserve	36	9,273,110	9,273,110
General reserve	36	7,867,224	7,867,224
Retained earnings		27,066,830	26,160,083
Total equity attributable to shareholders of the Bank		59,827,029	59,551,452
Non-controlling interests		2,803,738	2,914,448
Total equity		62,630,767	62,465,900
Total liabilities and equity		760,445,280	745,904,488

Approved and authorised for issue by the Board of Directors 28 August 2025.

Lu Guofeng
Chairman

Fu Qiang
President

Ye Jianguang
Person-in-charge of
Accounting

Zhong Xuemei
Head of the Accounting
Department

The notes on pages 116 to 194 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 – unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

Note	Equity attributable to shareholders of the Bank						Non-controlling interests	Total
	Share capital (Note 33)	Capital reserve (Note 34)	Revaluation reserve (Note 35)	Surplus reserve (Note 36)	General reserve (Note 36)	Retained earnings		
As at 1 January 2025	6,888,546	6,323,045	3,039,444	9,273,110	7,867,224	26,160,083	2,914,448	62,465,900
Net profit for the period	-	-	-	-	-	2,628,882	(976)	2,627,906
Other comprehensive income	-	-	(631,170)	-	-	-	(56,986)	(688,156)
Total comprehensive income	-	-	(631,170)	-	-	2,628,882	(57,962)	1,939,750
Appropriation to surplus reserve	-	-	-	-	-	-	-	-
Appropriation to general reserve	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(1,722,135)	(52,748)	(1,774,883)
As at 30 June 2025	6,888,546	6,323,045	2,408,274	9,273,110	7,867,224	27,066,830	2,803,738	62,630,767
As at 1 January 2024	6,888,546	6,342,779	850,285	8,829,850	7,422,108	24,315,819	2,839,150	57,488,537
Net profit for the period	-	-	-	-	-	3,169,894	208,837	3,378,731
Other comprehensive income	-	-	872,676	-	-	-	49,428	922,104
Total comprehensive income	-	-	872,676	-	-	3,169,894	258,265	4,300,835
Appropriation to surplus reserve	-	-	-	-	-	-	-	-
Appropriation to general reserve	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(1,825,463)	(54,419)	(1,879,882)
Other comprehensive income transferred to retained earnings	-	-	11,405	-	-	(11,405)	-	-
As at 30 June 2024	6,888,546	6,342,779	1,734,366	8,829,850	7,422,108	25,648,845	3,042,996	59,909,490

The notes on pages 116 to 194 form part of these financial statements.

Consolidated Statement of Cash Flows

For the six months ended 30 June 2025 – unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

		Six months ended 30 June	
	Notes	2025	2024
Cash flows from operating activities:			
Profit before tax		2,755,043	3,457,440
Adjust for:			
Impairment losses on assets	11	869,794	901,221
Interest income from financial investments	4	(3,125,201)	(3,213,692)
Interest expense on debt securities issued	4	1,000,856	929,542
Interest expense on lease liabilities	4	7,490	8,749
Net trading gains	6	(207,053)	(832,545)
Net gains on financial instruments	7	(701,920)	(509,945)
Net gains on disposal of property, equipment and other long-term assets	8	(482)	(300)
Depreciation and amortisation	9	222,480	208,427
Share of profits of associates	20	(26,179)	(18,951)
Unrealized foreign exchange gains		20,927	5,215
Others		(31,621)	(25,178)
		784,134	909,983
Net increase in operating assets:			
Net (increase)/decrease in balances with the central bank		(200,399)	602,652
Net increase in financial assets held under resale agreements and deposits and placements with banks and other financial institutions		(2,035,143)	(2,742,051)
Net increase in loans and advances to customers		(14,388,633)	(25,437,758)
Net increase in other operating assets		(746,171)	(371,115)
		(17,370,346)	(27,948,272)
Net (decrease)/increase in operating liabilities:			
Net decrease in borrowings from the central bank		(5,757,030)	(192,515)
Net decrease in financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions		(13,758,209)	(4,827,716)
Net increase in deposits from customers		12,129,719	20,608,900
Net decrease in other operating liabilities		(172,945)	(238,201)
		(7,558,465)	15,350,468
Cash used in from operating activities		(24,144,677)	(11,687,821)
Income tax paid		(119,508)	(71,009)
Net cash used in from operating activities		(24,264,185)	(11,758,830)

Consolidated Statement of Cash Flows *(Continued)*

For the six months ended 30 June 2025 – unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	Six months ended 30 June	
		2025	2024
Cash flows from investing activities:			
Cash received from investment income and disposal of financial investments		161,331,771	176,674,666
Net cash received from disposal of property, equipment and other long-term assets		390	2,698
Cash dividends received		39,084	40,425
Cash paid to acquire financial investments		(154,678,836)	(173,008,036)
Cash paid to acquire property, equipment and other long-term assets		(132,812)	(104,850)
Net cash generated from investing activities		6,559,597	3,604,903
Cash flows from financing activities:			
Cash received for debt securities issued		80,082,518	79,989,122
Cash payments for debt securities issued		(59,780,700)	(73,136,800)
Cash payments for distribution of dividends		(1,769,754)	(83,822)
Cash payments for leases		(64,032)	(69,098)
Net cash generated from financing activities		18,468,032	6,699,402
Effect of foreign exchange rate changes on cash and cash equivalents		(7,450)	8,467
Net increase/(decrease) in cash and cash equivalents		755,994	(1,446,058)
Cash and cash equivalents at the beginning of the period		16,950,135	23,308,600
Cash and cash equivalents at the end of the period	38	17,706,129	21,862,542

The notes on pages 116 to 194 form part of these financial statements.

Notes to the Consolidated Interim Financial Report

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

1 General information

Dongguan Rural Commercial Bank Co., Ltd. (“the Bank”) primary established in 1952, formerly known as Dongguan Rural Credit Cooperative Union (“Dongguan Cooperative Union”). Subsequently, as per the approval by China Banking and Insurance Regulatory Commission (In 2023, the regulator was renamed the National Financial Regulatory Administration, hereinafter referred to as the “NFRA”), Dongguan Cooperative Union was restructured into a joint-stock commercial bank, and officially changed its name to Dongguan Rural Commercial Bank Co., Ltd. on 22 December 2009.

The Bank operates under financial services certificate NO. B1054H344190001 issued by Dongguan Office of the NFRA, and the Business License issued by the Dongguan Administration for Market Regulation (registration ID: 914419007829859746). The registered address is Hongfu East Road No. 2, Dongcheng Street, Dongguan, Guangdong. On 29 September 2021, the Bank was listed on The Stock Exchange of Hong Kong Limited with the stock code of 09889.

The Bank and its subsidiaries (collectively referred to as “the Group”) operate in the People’s Republic of China (the “PRC”) and are principally engaged in the following activities: corporate and individual deposits, loans and advances, payment and settlement, treasury and other banking business approved by the NFRA.

2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorized for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of the interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited but has been reviewed by KPMG in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the International Auditing and Assurance Standards Board (“IAASB”).

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

2 Basis of preparation (Continued)

The financial information relating to the financial year ended 31 December 2024, that is included in the interim financial report as comparative information does not constitute the Bank's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

3 Changes in accounting policies

The group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

4 Net interest income

	Six months ended 30 June	
	2025	2024
Interest income		
Balances with the central bank	218,063	209,801
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	235,849	328,638
Loans and advances to customers	6,393,967	7,412,309
Financial investments	3,125,201	3,213,692
Sub-total	9,973,080	11,164,440
Interest expense		
Borrowings from the central bank	(238,324)	(459,546)
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	(296,398)	(559,102)
Deposits from customers	(4,193,501)	(4,504,395)
Debt securities issued	(1,000,856)	(929,542)
Lease liabilities	(7,490)	(8,749)
Sub-total	(5,736,569)	(6,461,334)
Net interest income	4,236,511	4,703,106

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

5 Net fee and commission income

	Six months ended 30 June	
	2025	2024
Fee and commission income		
Wealth management agency services	109,902	150,654
Bank cards	93,173	101,986
Custodian and other fiduciary	107,708	104,103
Settlement and clearing services	34,238	30,951
Others	29,539	43,904
Sub-total	374,560	431,598
Fee and commission expense		
Settlement and clearing services	(47,451)	(53,951)
Transaction services	(78,387)	(72,830)
Platform cooperation services	(14,107)	(22,971)
Others	(408)	(397)
Sub-total	(140,353)	(150,149)
Net fee and commission income	234,207	281,449

6 Net trading gains

	Six months ended 30 June	
	2025	2024
Net gains on financial assets held for trading	208,048	840,540
Gains on precious metal	63,837	1,977
Exchange gains	22,302	14,015
Financial liabilities at fair value through profit or loss	(995)	(7,995)
Total	293,192	848,537

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

7 Net gains on financial instruments

	Six months ended 30 June	
	2025	2024
Net gains on financial assets at fair value through other comprehensive income	527,186	277,094
Net gains on financial assets at fair value through profit or loss	125,959	153,141
Net gains on derecognition of financial investments measured at amortised cost	151,395	162,587
Dividend income from equity instruments	34,103	35,373
Others	(136,723)	(118,250)
Total	701,920	509,945

8 Other operating income

	Note	Six months ended 30 June	
		2025	2024
Government grants	(a)	17,284	39,133
Rental income		13,284	13,402
Gains on disposal of property, equipment and other long-term assets		482	300
Others		4,053	2,310
Total		35,103	55,145

(a) Government grants mainly comprise incentives for inclusive loans support tool to small and micro enterprises and job stabilization subsidies.

9 Operating expenses

	Note	Six months ended 30 June	
		2025	2024
Staff costs	10	1,300,973	1,457,367
General and administrative expenses		326,694	340,261
Depreciation and amortisation		222,480	208,427
Taxes and surcharges		50,154	49,750
Auditors' remuneration		1,974	2,667
– Audit service		1,974	2,431
– Non – audit service		–	236
Total		1,902,275	2,058,472

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

10 Staff costs

	Six months ended 30 June	
	2025	2024
Salaries, bonuses, allowances and subsidies	916,888	1,052,670
Social benefits and others	304,833	321,391
Enterprise annuity scheme	61,053	62,276
Labour union funds and employee education funds	18,199	21,030
Total	1,300,973	1,457,367

11 Impairment losses on assets

	Six months ended 30 June	
	2025	2024
Loans and advances to customers		
– Measured at amortised cost	767,035	897,868
– Measured at fair value through other comprehensive income	4,996	1,492
Financial investments		
– Measured at amortised cost	26,323	(1,279)
– Measured at fair value through other comprehensive income	22,969	(24,905)
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	4,859	(2,607)
Loan commitments and guarantee contracts	8,847	(36,809)
Other assets	34,765	67,461
Total	869,794	901,221

12 Income tax expense

	Note	Six months ended 30 June	
		2025	2024
Current income tax		49,180	112,055
Deferred income tax	24	(141,524)	(16,216)
Tax filing differences		219,481	(17,130)
Total		127,137	78,709

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

12 Income tax expense (Continued)

The actual amount of tax paid by the Group is different from the amount calculated based on the profit before tax of the Group and statutory tax rate applicable to the Group. The major adjustments are as follows:

	Notes	Six months ended 30 June	
		2025	2024
Profit before tax		2,755,043	3,457,440
Income tax calculated at statutory tax rate of 25%		688,761	864,360
Tax effect of income non-taxable for tax purpose	(a)	(770,828)	(729,322)
Share of profits of associates		(6,545)	(4,738)
Non-deductible expenses		17,208	24,250
Recognition of previously unrecognised deductible temporary differences		(25,067)	(4,471)
Reversal of previously recognized deferred tax assets		—	14,742
Tax effect of unused tax losses not recognised		—	(76,222)
Current-year losses for which no deferred tax asset is recognised		2,929	4,438
Effect of preferential tax rate applicable to a subsidiary	(b)	1,198	2,802
Adjustments for current tax of prior periods		219,481	(17,130)
Income tax expense		127,137	78,709

(a) The non-taxable income of the Group mainly includes interest income from PRC treasury bonds, municipal government bonds and dividend income.

(b) According to *Announcement on the Continuation of the Enterprise Income Tax Policy for the Western Development* (Cai Shui Fa [2020] No. 23), Hezhou Babu Dongying County Bank Co., Ltd., the Group's subsidiary, is entitled to a preferential income tax rate of 15% from 1 January 2021 to 31 December 2030.

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

13 Basic and diluted earnings per share

- (a) **Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the Bank by the weighted average number of ordinary shares issued by the Bank during the period.**

	Six months ended 30 June	
	2025	2024
Net profit attributable to the shareholders of the Bank (RMB'000)	2,628,882	3,169,894
Weighted average number of ordinary shares (thousand shares)	6,888,546	6,888,546
Basic earnings per share (RMB)	0.38	0.46

- (b) **Diluted earnings per share**

There were no potential dilutive ordinary shares outstanding during the current and prior periods. Accordingly, diluted earnings per share were same as basic earnings per share.

14 Cash and balances with the central bank

		As at 30 June 2025	As at 31 December 2024
	Notes		
Cash		2,260,717	2,566,580
Mandatory reserve deposits with the central bank	(a)	26,235,766	25,934,793
Surplus reserve deposits	(b)	7,853,210	7,607,072
Other deposits with the central bank	(c)	110,649	212,299
Sub-total		36,460,342	36,320,744
Accrued interest		12,279	13,243
Total		36,472,621	36,333,987

Notes to the Consolidated Interim Financial Report (*Continued*)

*For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)*

14 Cash and balances with the central bank (*Continued*)

- (a) Mandatory reserve deposits with the central bank represent the general reserve that the Group maintains with the People's Bank of China ("PBOC") in accordance with relevant regulations. As at each of the balance sheet dates, the deposit ratios for the reserve of the Bank were as follows, respectively:

	As at 30 June 2025	As at 31 December 2024
Mandatory reserve rate for deposits denominated in RMB	5.00%	5.00%
Mandatory reserve rate for deposits denominated in foreign currencies	4.00%	4.00%

The aforementioned mandatory reserve deposits with the central bank cannot be used for daily operating activities. The ratios for RMB deposits in the reserve of the Bank's subsidiaries are in accordance with regulations of the PBOC.

- (b) Surplus reserve deposits with the central bank are mainly for the purpose of clearing and settlement.
- (c) Other deposits with the central bank primarily represent fiscal deposits that are not available for use in the Group's daily operations.

15 Financial assets held under resale agreements and deposits and placements with banks and other financial institutions

	Note	As at 30 June 2025	As at 31 December 2024
Deposits with domestic banks and other financial institutions		4,212,200	2,444,307
Deposits with overseas banks and other financial institutions		1,093,875	1,166,474
Placements with domestic banks and other financial institutions		14,349,032	12,867,781
Bonds held under resale agreements	(a)	—	325,598
Sub-total		19,655,107	16,804,160
Accrued interest		26,211	33,048
Provision for impairment losses		(23,480)	(18,628)
Total		19,657,838	16,818,580

- (a) As at the end of the reporting period, the Group did not use financial assets held under resale agreements as mortgaged or pledged assets for repurchase agreements with other financial institutions.

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

16 Derivative financial instruments

	As at 30 June 2025		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate swap	30,100,000	263,055	(243,570)
Structured deposits	297,581	180,394	(180,394)
Foreign exchange swap	7,345,109	34,085	(607)
Others	406,655	2,179	(7,617)
Total	38,149,345	479,713	(432,188)

	As at 31 December 2024		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate swap	31,060,000	349,844	(318,834)
Structured deposits	376,522	178,115	(178,115)
Foreign exchange swap	5,915,192	72,323	(28,618)
Others	482,534	780	(4,893)
Total	37,834,248	601,062	(530,460)

Notes to the Consolidated Interim Financial Report *(Continued)*

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(All amounts expressed in thousands of RMB unless otherwise stated)

17 Loans and advances to customers

(a) Loans and advances to customers are summarised as follows:

	As at 30 June 2025	As at 31 December 2024
Loans and advances to customers measured at amortised cost		
Corporate loans and advances		
– Corporate loans	232,017,277	218,380,176
– Discounted bills	4,181,164	4,367,947
Sub-total	236,198,441	222,748,123
Personal loans and advances		
– Business loans	45,263,185	46,616,324
– Property mortgages	41,593,706	40,688,088
– Personal consumption loans	36,115,586	36,434,537
– Credit cards	3,879,367	4,481,750
Sub-total	126,851,844	128,220,699
Accrued interest	847,435	734,502
Total loans and advances to customers measured at amortised cost	363,897,720	351,703,324
Impairment provision for loans and advances measured at amortised cost	(13,893,297)	(14,414,904)
Net book value of loans and advances to customers at amortised cost	350,004,423	337,288,420
Loans and advances to customers at fair value through other comprehensive income		
Corporate loans and advances		
– Inter-bank discounted bills	18,009,117	17,152,300
– Forfaiting	6,804,038	6,167,869
Loans and advances to customers at fair value through profit or loss		
Corporate loans and advances		
– Inter-bank discounted bills	6,551,736	6,755,902
Net loans and advances to customers	381,369,314	367,364,491

As at 30 June 2025, the credit impairment losses rate for loans and advances to customers at amortised cost of the Group was 3.82% (31 December 2024: 4.10%).

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

17 Loans and advances to customers (Continued)

(b) Changes in provision for impairment losses of loans and advances to customers by assessment type:

Loans and advances to customers measured at amortised cost	Notes	Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
As at 1 January 2025		4,340,672	3,799,070	6,275,162	14,414,904
Net transfers in:					
– Stage 1		82,895	–	–	82,895
– Stage 2		–	(506,533)	–	(506,533)
– Stage 3		–	–	423,638	423,638
Originated or purchased		1,087,031	–	–	1,087,031
Remeasurement	(i)	(586,760)	515,685	1,564,287	1,493,212
Repayment or transfer out		(1,122,942)	(232,367)	(306,654)	(1,661,963)
Write-off	(ii)	–	–	(1,439,887)	(1,439,887)
As at 30 June 2025		3,800,896	3,575,855	6,516,546	13,893,297
As at 1 January 2024		4,801,711	3,134,574	5,355,579	13,291,864
Net transfers in:					
– Stage 1		115,023	–	–	115,023
– Stage 2		–	(1,200,600)	–	(1,200,600)
– Stage 3		–	–	1,085,577	1,085,577
Originated or purchased		2,280,086	–	–	2,280,086
Remeasurement	(i)	(958,508)	2,645,957	3,753,576	5,441,025
Repayment or transfer out		(1,897,640)	(780,861)	(2,097,158)	(4,775,659)
Write-off	(ii)	–	–	(1,822,412)	(1,822,412)
As at 31 December 2024		4,340,672	3,799,070	6,275,162	14,414,904

For the period ended 30 June 2025 and the year ended 31 December 2024, all the movements in expected credit losses allowance on loans and advances to customers at fair value through other comprehensive income are in stage 1.

- (i) Remeasurement are caused by parameter changes or transfers between stages.
- (ii) The contractual amount outstanding on loans and advances to customers that were written off during the period ended 30 June 2025 that are still subject to enforcement activity is RMB1,440 million (31 December 2024: RMB1,822 million).

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

17 Loans and advances to customers (Continued)

(c) Loans and advances to customers by assessment type:

As at 30 June 2025	Carrying amounts				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Not Applicable	
Total loans and advances to customers measured at amortised cost	343,016,802	13,420,972	7,459,946	–	363,897,720
Provision for impairment losses	(3,800,896)	(3,575,855)	(6,516,546)	–	(13,893,297)
Net loans and advances to customers measured at amortised cost	339,215,906	9,845,117	943,400	–	350,004,423
Total loans and advances to customers at fair value through other comprehensive income	24,813,155	–	–	–	24,813,155
Total loans and advances to customers at fair value through profit or loss	–	–	–	6,551,736	6,551,736
Net loans and advances to customers	364,029,061	9,845,117	943,400	6,551,736	381,369,314

As at 31 December 2024	Carrying amounts				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Not Applicable	
Total loans and advances to customers measured at amortised cost	330,722,904	13,799,612	7,180,808	–	351,703,324
Provision for impairment losses	(4,340,672)	(3,799,070)	(6,275,162)	–	(14,414,904)
Net loans and advances to customers measured at amortised cost	326,382,232	10,000,542	905,646	–	337,288,420
Total loans and advances to customers at fair value through other comprehensive income	23,320,169	–	–	–	23,320,169
Total loans and advances to customers at fair value through profit or loss	–	–	–	6,755,902	6,755,902
Net loans and advances to customers	349,702,401	10,000,542	905,646	6,755,902	367,364,491

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For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

18 Financial investments

	Notes	As at 30 June 2025	As at 31 December 2024
Financial investments at fair value through profit or loss	(a)	47,841,557	43,268,319
Financial investments at amortised cost	(b)	136,856,530	140,564,544
Financial investments at fair value through other comprehensive income	(c)	125,713,046	129,808,653
Total		310,411,133	313,641,516

(a) Financial investments at fair value through profit or loss

	Notes	As at 30 June 2025	As at 31 December 2024
Debt securities listed in Mainland China	(i)		
– Government bonds		8,525,844	7,289,320
– Financial institution bonds		9,681,449	7,693,047
– Corporate bonds		224,355	438,655
– Interbank certificates of deposits		1,426,042	1,191,995
Sub-total		19,857,690	16,613,017
Fund Investments		26,413,595	25,097,285
Trust beneficiary rights	(ii)	1,570,272	1,558,017
Sub-total		27,983,867	26,655,302
Total		47,841,557	43,268,319
Listed	(iii)	19,857,690	16,613,017
– of which in Hong Kong		–	–
Unlisted		27,983,867	26,655,302
Total		47,841,557	43,268,319

(i) Debt securities traded on the China Domestic Inter-bank Bond Market are included in “Listed in Mainland China”.

(ii) As at the end of the reporting period, trust beneficiary rights are invested in loan, foreclosed assets.

(iii) Debt securities traded on the China Domestic Interbank Bond Market are classified as “Listed”.

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18 Financial investments *(Continued)*

(b) Financial investments at amortised cost

	As at 30 June 2025	As at 31 December 2024
Debt securities listed in Mainland China		
– Government bonds	105,958,973	106,825,455
– Financial institution bonds	28,937,811	30,416,365
– Corporate bonds	60,256	60,382
– Interbank certificates of deposits	–	1,318,006
Sub-total	134,957,040	138,620,208
Certificate treasury bonds	549,533	424,930
Accrued interest	1,553,250	1,696,376
Provision for impairment losses	(203,293)	(176,970)
Total	136,856,530	140,564,544
Listed	136,280,956	140,117,546
– of which in Hong Kong	–	–
Unlisted	575,574	446,998
Total	136,856,530	140,564,544

Notes to the Consolidated Interim Financial Report (Continued)

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(All amounts expressed in thousands of RMB unless otherwise stated)

18 Financial investments (Continued)

(b) Financial investments at amortised cost (Continued)

(i) Analyzed by movements in loss allowance:

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025		176,970	–	–	176,970
Net transfers in:					
– Stage 1		–	–	–	–
– Stage 2		–	–	–	–
– Stage 3		–	–	–	–
Originated or purchased		33,287	–	–	33,287
Remeasurement	(1)	(2,916)	–	–	(2,916)
Repayment or transfer out		(4,048)	–	–	(4,048)
As at 30 June 2025		203,293	–	–	203,293
As at 1 January 2024		374,843	2,641	–	377,484
Net transfers in:					
– Stage 1		–	–	–	–
– Stage 2		–	–	–	–
– Stage 3		–	–	–	–
Originated or purchased		35,225	–	–	35,225
Remeasurement	(1)	(142,163)	–	–	(142,163)
Repayment or transfer out		(90,935)	(2,641)	–	(93,576)
As at 31 December 2024		176,970	–	–	176,970

(1) Remeasurement are caused by parameter changes or transfers between stages.

Notes to the Consolidated Interim Financial Report *(Continued)*

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(All amounts expressed in thousands of RMB unless otherwise stated)*

18 Financial investments *(Continued)*

(c) Financial investments at fair value through other comprehensive income

	As at 30 June 2025	As at 31 December 2024
Debt securities listed in Mainland China		
– Government bonds	80,187,510	106,709,853
– Financial institution bonds	42,289,895	18,721,459
– Corporate bonds	264,454	662,819
– Interbank certificates of deposit	579,450	1,051,975
Sub-total	123,321,309	127,146,106
Equity instruments designated at fair value through other comprehensive income		
– Listed equity investments	226	–
– Unlisted equity investments	1,175,952	1,173,395
Sub-total	1,176,178	1,173,395
Accrued interest	1,215,559	1,489,152
Total	125,713,046	129,808,653
Listed	124,595,809	128,618,013
– of which in Hong Kong	–	–
Unlisted	1,117,237	1,190,640
Total	125,713,046	129,808,653

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(All amounts expressed in thousands of RMB unless otherwise stated)

18 Financial investments (Continued)

(c) Financial investments at fair value through other comprehensive income (Continued)

(i) Analyzed by movements in loss allowance:

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025		84,251	1,091	1,036,444	1,121,786
Net transfers in:					
– Stage 1		(4)	–	–	(4)
– Stage 2		–	(75)	–	(75)
– Stage 3		–	–	79	79
Originated or purchased		38,006	–	–	38,006
Remeasurement	(1)	4,563	–	3,169	7,732
Repayment or transfer out		(16,752)	(1,016)	(6,565)	(24,333)
Write-off		–	–	(19,742)	(19,742)
As at 30 June 2025		110,064	–	1,013,385	1,123,449
As at 1 January 2024		161,113	5,314	1,408,556	1,574,983
Net transfers in:					
– Stage 1		2,657	–	–	2,657
– Stage 2		–	31	–	31
– Stage 3		–	–	(2,688)	(2,688)
Originated or purchased		40,373	–	–	40,373
Remeasurement	(1)	(55,005)	(4,254)	(23,923)	(83,182)
Repayment or transfer out		(64,887)	–	(28,102)	(92,989)
Write-off		–	–	(317,399)	(317,399)
As at 31 December 2024		84,251	1,091	1,036,444	1,121,786

(1) Remeasurement are caused by parameter changes or transfers between stages.

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19 Subsidiaries

	As at 30 June 2025	As at 31 December 2024
Investment cost	3,547,487	3,547,487

Subsidiaries invested by the Bank are set out below:

Name of entity	Note	Date and place of incorporation/ establishment	Authorized/paid-in capital	Percentage of equity interest		Percentage of voting rights		Principal activities
				30 June 2025	31 December 2024	30 June 2025	31 December 2024	
Yunfu Xinxing Dongying County Bank Co., Ltd.		23 December 2011 Yunfu, Guangdong	RMB100,000,000	51.00%	51.00%	51.00%	51.00%	Banking
Hezhou Babu Dongying County Bank Co., Ltd.		8 August 2012 Hezhou, Guangxi	RMB100,000,000	51.00%	51.00%	51.00%	51.00%	Banking
Zhanjiang Rural Commercial Bank Co., Ltd.	(a)	26 October 2019 Zhanjiang, Guangdong	RMB1,655,000,000	49.41%	49.41%	49.41%	49.41%	Banking
Guangdong Chaoyang Rural Commercial Bank Co., Ltd.		27 December 2020 Shantou, Guangdong	RMB1,202,000,000	67.03%	67.03%	67.03%	67.03%	Banking

- (a) The business combination of Zhanjiang Rural Commercial Bank Co., Ltd. ("Zhanjiang RCB") was completed on 26 October 2019. Upon the acquisition, the Bank holds 49.41% shares and the remaining shareholdings are widely dispersed. Therefore, the Bank controls Zhanjiang RCB.

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20 Investment in associates

	Six months ended 30 June 2025	Year ended 31 December 2024
Opening balance	644,456	633,467
Share of changes of other reserves	—	—
Share of net profits	26,179	24,444
Dividends received	(4,981)	(13,455)
Ending balance	665,654	644,456

The Group's investments in associates are ordinary shares of non-listed companies, and the results of these associates and their assets and liabilities are summarised below:

Investee	Notes	Place of registration	Assets	Net assets	Revenue for the current period/year	Net profit for the current period/year	Shareholding
As at 30 June 2025							
Ya'an Rural Commercial Bank Co., Ltd.	(a)	Ya'an, Sichuan	83,253,799	6,580,125	665,730	276,136	7.62%
Guangdong Lechang Rural Commercial Bank Co., Ltd.	(b)	Lechang, Guangdong	11,938,564	1,057,309	133,522	46,766	8.00%
Guangdong Xuwen Rural Commercial Bank Co., Ltd.	(c)	Xuwen, Guangdong	12,983,313	1,018,026	217,243	17,589	7.94%
As at 31 December 2024							
Ya'an Rural Commercial Bank Co., Ltd.	(a)	Ya'an, Sichuan	81,830,305	6,258,160	1,445,514	413,716	7.62%
Guangdong Lechang Rural Commercial Bank Co., Ltd.	(b)	Lechang, Guangdong	11,654,164	1,038,492	271,512	81,800	8.00%
Guangdong Xuwen Rural Commercial Bank Co., Ltd.	(c)	Xuwen, Guangdong	12,467,673	1,031,697	405,029	106,452	7.94%

- (a) One of the nine members of the board of directors of Ya'an Rural Commercial Bank Co., Ltd. ("Ya'an RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Ya'an RCB and accounts for Ya'an RCB as an associate.
- (b) One of the nine members of the board of directors of Guangdong Lechang Rural Commercial Bank Co., Ltd. ("Lechang RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Lechang RCB and accounts for Lechang RCB as an associate.
- (c) One of the nine members of the board of directors of Guangdong Xuwen Rural Commercial Bank Co., Ltd. ("Xuwen RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Xuwen RCB and accounts for Xuwen RCB as an associate.

Notes to the Consolidated Interim Financial Report *(Continued)*

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21 Property and equipment

	Buildings	Motor vehicles	Machinery and equipment	Construction in progress	Total
Cost					
As at 1 January 2025	3,156,152	40,695	1,151,010	506,019	4,853,876
Addition	13,521	—	46,806	83,016	143,343
Transfers in/(out)	114,509	—	5,157	(116,926)	2,740
Disposal	—	(8,742)	(2,491)	—	(11,233)
As at 30 June 2025	3,284,182	31,953	1,200,482	472,109	4,988,726
Accumulated depreciation					
As at 1 January 2025	(1,477,748)	(38,109)	(1,048,415)	—	(2,564,272)
Depreciation	(81,704)	(695)	(35,101)	—	(117,500)
Disposal	—	8,742	2,484	—	11,226
As at 30 June 2025	(1,559,452)	(30,062)	(1,081,032)	—	(2,670,546)
Provision for impairment losses					
As at 1 January 2025	(857)	—	—	—	(857)
Charge for the period	—	—	—	—	—
As at 30 June 2025	(857)	—	—	—	(857)
Net book value					
As at 30 June 2025	1,723,873	1,891	119,450	472,109	2,317,323

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(All amounts expressed in thousands of RMB unless otherwise stated)

21 Property and equipment (Continued)

	Buildings	Motor vehicles	Machinery and equipment	Construction in progress	Total
Cost					
As at 1 January 2024	2,702,261	39,663	1,108,851	858,058	4,708,833
Addition	8,973	1,940	75,705	146,713	233,331
Transfers in/(out)	447,353	–	19,345	(498,752)	(32,054)
Disposal	(2,435)	(908)	(52,891)	–	(56,234)
As at 31 December 2024	3,156,152	40,695	1,151,010	506,019	4,853,876
Accumulated depreciation					
As at 1 January 2024	(1,325,456)	(37,074)	(1,038,029)	–	(2,400,559)
Depreciation	(153,834)	(1,886)	(62,550)	–	(218,270)
Disposal	1,542	851	52,164	–	54,557
As at 31 December 2024	(1,477,748)	(38,109)	(1,048,415)	–	(2,564,272)
Provision for impairment losses					
As at 1 January 2024	(857)	–	–	–	(857)
Charge for the year	–	–	–	–	–
As at 31 December 2024	(857)	–	–	–	(857)
Net book value					
As at 31 December 2024	1,677,547	2,586	102,595	506,019	2,288,747

As at 30 June 2025, The property rights of buildings in the Group with original costs of RMB491 million and net values at RMB68 million are defective. (31 December 2024: original costs of RMB492 million and net values at RMB79 million).

All properties of the Group are located in the mainland of China.

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22 Right-of-use assets and lease liabilities

	Property	Equipment	Land use rights	Total
Right-of-use assets				
Cost				
As at 1 January 2025	671,969	5,350	967,612	1,644,931
Increase	22,287	805	—	23,092
Decrease	(35,392)	(177)	—	(35,569)
As at 30 June 2025	658,864	5,978	967,612	1,632,454
Accumulated depreciation				
As at 1 January 2025	(229,248)	(2,405)	(234,740)	(466,393)
Increase	(49,320)	(1,311)	(11,611)	(62,242)
Decrease	30,550	175	—	30,725
As at 30 June 2025	(248,018)	(3,541)	(246,351)	(497,910)
Provision for impairment losses				
As at 1 January 2025	—	—	(2,355)	(2,355)
Increase	—	—	—	—
Decrease	—	—	—	—
As at 30 June 2025	—	—	(2,355)	(2,355)
Net book value				
As at 30 June 2025	410,846	2,437	718,906	1,132,189
Lease liabilities				
Net book value				
As at 30 June 2025	456,118	2,490	—	458,608

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For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

22 Right-of-use assets and lease liabilities (Continued)

	Property	Equipment	Land use rights	Total
Right-of-use assets				
Cost				
As at 1 January 2024	718,245	2,904	769,283	1,490,432
Increase	141,924	3,606	199,326	344,856
Decrease	(188,200)	(1,160)	(997)	(190,357)
As at 31 December 2024	671,969	5,350	967,612	1,644,931
Accumulated depreciation				
As at 1 January 2024	(275,972)	(1,485)	(217,799)	(495,256)
Increase	(111,773)	(2,080)	(17,938)	(131,791)
Decrease	158,497	1,160	997	160,654
As at 31 December 2024	(229,248)	(2,405)	(234,740)	(466,393)
Provision for impairment losses				
As at 1 January 2024	—	—	(2,355)	(2,355)
Increase	—	—	—	—
Decrease	—	—	—	—
As at 31 December 2024	—	—	(2,355)	(2,355)
Net book value				
As at 31 December 2024	442,721	2,945	730,517	1,176,183
Lease liabilities				
Net book value				
As at 31 December 2024	495,050	2,998	—	498,048

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23 Goodwill

	Note	As at 30 June 2025	As at 31 December 2024
Zhanjiang Rural Commercial Bank Co., Ltd. ("Zhanjiang RCB")		181,381	181,381
Guangdong Chaoyang Rural Commercial Bank Co., Ltd. ("Chaoyang RCB")		339,140	339,140
Impairment allowance	(i)	—	—
		520,521	520,521

(i) Impairment assessment

For the business combination of Zhanjiang RCB and Chaoyang RCB, the recoverable amount of the asset group is based on the six-year budget and ten-year budget approved by the management respectively, which is then estimated based on a fixed growth rate (as described in the table below) and calculated using the cash flow forecast method.

Cash flow projections periods of the Group are determined based on the forecast of the local economic situation, the banking industry, and with reference to the Group's past operating experience. The Group estimated that Zhanjiang City and Shantou City, where the two banks are located, will experience a stable growth for a period more than 5 years until the economic growths of these two cities reach a stable level. In addition, the development of the banking industry is highly in line with the local economic development. Accordingly, the Group has incorporating the aforementioned factors into the cash projection by using six and ten years for Zhanjiang RCB and Chaoyang RCB respectively to reflect management's estimation of the future local economic forecasts and the related banking business growth.

	Zhanjiang RCB		Chaoyang RCB	
	As at 30 June 2025	As at 31 December 2024	As at 30 June 2025	As at 31 December 2024
Stable period growth rate	2.00%	2.00%	2.00%	2.00%
Pre-tax discount rate	13.43%	13.43%	14.80%	14.80%

Notes to the Consolidated Interim Financial Report (Continued)

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(All amounts expressed in thousands of RMB unless otherwise stated)

23 Goodwill (Continued)

(i) Impairment assessment (Continued)

The growth rate is the weighted average growth rate used by the Group to forecast the cash flow after six years for Zhanjiang RCB and ten years for Chaoyang RCB respectively. The management uses the cost of equity as the discount rate which can reflect the specific risks of the relevant asset group. The above assumptions are used to analyse the recoverable amounts of the asset group within the business division.

The Directors and management have considered and assessed reasonably possible changes for key assumptions and have not identified other instances that could cause the carrying amount of the CGUs to exceed its recoverable amount.

24 Deferred income tax

Deferred tax assets and liabilities can be offset only when the Group has the right to offset income tax assets and liabilities within the Group and the deferred tax assets and liabilities are associated with the same tax authority.

(1) Main items of deferred tax assets and liabilities and their movements are as follows:

	Allowance for impairment losses	Changes in fair value of financial assets	Employee benefits payable	Accelerated depreciation of property and equipment	Deductible tax losses	Fair value gain from business combination	Lease liabilities/ Right-of-use assets	Total
As at 1 January 2025	3,902,975	14,872	334,278	(10,109)	549,343	(71,710)	13,039	4,732,688
Recognised in profit or loss	287,133	128,805	(25,295)	3,129	(256,489)	6,007	(1,766)	141,524
Recognised in other comprehensive income	(1,664)	231,050	-	-	-	-	-	229,386
As at 30 June 2025	<u>4,188,444</u>	<u>374,727</u>	<u>308,983</u>	<u>(6,980)</u>	<u>292,854</u>	<u>(65,703)</u>	<u>11,273</u>	<u>5,103,598</u>
As at 1 January 2024	3,497,694	944,228	329,393	(24,033)	29,133	(83,724)	17,683	4,710,374
Recognised in profit or loss	281,934	(59,812)	4,885	13,924	520,210	12,014	(4,644)	768,511
Recognised in other comprehensive income	123,347	(869,544)	-	-	-	-	-	(746,197)
As at 31 December 2024	<u>3,902,975</u>	<u>14,872</u>	<u>334,278</u>	<u>(10,109)</u>	<u>549,343</u>	<u>(71,710)</u>	<u>13,039</u>	<u>4,732,688</u>

Notes to the Consolidated Interim Financial Report *(Continued)*

*For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)*

24 Deferred income tax *(Continued)*

- (2) The deferred tax assets and liabilities before offsetting and the corresponding temporary differences are as follows:

	As at 30 June 2025		As at 31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Allowance for impairment losses	16,778,751	4,188,444	15,636,775	3,902,975
Changes in fair value of financial assets	1,498,906	374,727	59,488	14,872
Employee benefits payable	1,237,713	308,983	1,338,892	334,278
Deductible tax losses	1,171,418	292,854	2,197,370	549,343
Lease liabilities	458,608	113,491	498,048	123,251
Sub-total	21,145,396	5,278,499	19,730,573	4,924,719
Deferred tax liabilities:				
Fair value gain from business combination	(262,812)	(65,703)	(286,840)	(71,710)
Accelerated depreciation of property and equipment	(27,918)	(6,980)	(40,434)	(10,109)
Right-of-use assets	(413,283)	(102,218)	(445,666)	(110,212)
Sub-total	(704,013)	(174,901)	(772,940)	(192,031)
Total	20,441,383	5,103,598	18,957,633	4,732,688

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

25 Other assets

	Notes	As at 30 June 2025	As at 31 December 2024
Precious metals		824,083	277,217
Research and development expenditure		291,286	275,694
Prepayments		247,396	137,795
Long-term deferred expenses		178,781	203,239
Foreclosed assets	(a)	163,637	163,637
Receivables from disposal of long-term assets		105,765	105,765
Intangible assets – software	(b)	77,504	93,159
Interest receivable	(c)	53,470	67,184
Clearing and settlement		23,921	12,366
Investment properties	(d)	6,397	7,231
Others		343,136	438,970
Total		2,315,376	1,782,257

(a) Foreclosed assets

	As at 30 June 2025	As at 31 December 2024
Property and equipment	363,049	363,049
Land use rights	107,461	107,461
Sub-total	470,510	470,510
Provision for impairment losses	(306,873)	(306,873)
Total	163,637	163,637

Notes to the Consolidated Interim Financial Report *(Continued)*

*For the six months ended 30 June 2025 - unaudited
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25 Other assets *(Continued)*

(b) Intangible assets – software

	As at 30 June 2025	As at 31 December 2024
Cost		
Opening balance	307,065	223,952
Addition	1,780	83,113
Decrease	–	–
Ending balance	308,845	307,065
Accumulated amortisation		
Opening balance	(213,906)	(181,242)
Amortisation	(17,435)	(32,664)
Decrease	–	–
Ending balance	(231,341)	(213,906)
Net book value		
Ending balance	77,504	93,159

(c) Interest receivable

	As at 30 June 2025	As at 31 December 2024
Loans and advances to customers	73,782	74,806
Financial investments	90,188	90,119
Provision for impairment losses	(110,500)	(97,741)
Total	53,470	67,184

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

25 Other assets (Continued)

(d) Investment properties

	As at 30 June 2025	As at 31 December 2024
Cost		
Opening balance	64,928	67,237
Disposal	—	(2,309)
Ending balance	64,928	64,928
Accumulated depreciation		
Opening balance	(57,697)	(58,339)
Depreciation	(834)	(1,667)
Decrease	—	2,309
Ending balance	(58,531)	(57,697)
Net book value		
Ending balance	6,397	7,231

26 Borrowings from the central bank

	As at 30 June 2025	As at 31 December 2024
Medium-term lending facility	11,160,000	17,080,000
Refinancing loans	14,444,183	14,379,184
Re-discounted bills	307,655	209,684
Sub-total	25,911,838	31,668,868
Accrued interest	101,454	313,970
Total	26,013,292	31,982,838

As at the end of the reporting period, borrowings from the central bank were refinancing loans, re-discounted bills and medium-term lending facility. The collateral provided by the Group under borrowing agreements are disclosed in Note 40 to this report.

Notes to the Consolidated Interim Financial Report *(Continued)*

*For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)*

27 Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions

	Note	As at 30 June 2025	As at 31 December 2024
Deposits from domestic banks		4,760,775	4,342,680
Deposits from other domestic financial institutions		663,678	1,453,252
Placements from domestic banks		1,126,730	6,242,506
Bonds sold under repurchase agreements	(a)	10,262,843	18,667,486
Bills sold under repurchase agreements	(a)	718,779	323,322
Sub-total		17,532,805	31,029,246
Accrued interest		38,372	94,538
Total		17,571,177	31,123,784

(a) The securities provided by the Group as collateral under repurchase agreements are disclosed in Note 40 to this report.

28 Financial liabilities at fair value through profit or loss

	Note	As at 30 June 2025	As at 31 December 2024
Gold deposit		410,325	151,527
Others	(a)	1,640,378	1,524,546
Total		2,050,703	1,676,073

(a) On 20 December 2022, the Group has worked with Guangdong Utrust Investment Holdings Co., Ltd. ("Utrust Holdings") in using the small and medium banks development supporting Special Bonds issued by Guangdong Provincial Government to replenish capital of Guangdong Puning Rural Commercial Bank Co., Ltd. ("Puning RCB"), and entered into transaction agreements in relation to the transfer of the shares of Puning RCB ("Subject Shares") and the trust beneficial interest ("Subject Beneficial Interest") with Utrust Holdings. Based on the transaction agreements, the Group shall acquire, by tranches, Subject Shares and the Subject Beneficial Interest held by Utrust Holdings based on the repayment progress of the principal and interest of the special bonds. The total consideration payable by the Group to Utrust Holdings for the acquisition of the Subject Shares and the Subject Beneficial Interest should in any event be capped at the Special Bonds principal and interest plus the corresponding taxes and fees, less the disposal proceeds received. As at 30 June 2025, the shortfall in the discounted value of the future cash flows of Special Bonds Fund that shall be obliged to pay under the transaction agreement less the corresponding asset values of Subject Beneficial Interest and the value of Subject Shares is RMB1.64 billion (31 December 2024: RMB1.52 billion).

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

29 Deposits from customers

	As at 30 June 2025	As at 31 December 2024
Corporate demand deposits	89,447,936	92,317,178
Corporate time deposits	107,608,075	104,334,518
Individual demand deposits	114,633,735	113,232,554
Individual time deposits	211,180,539	201,227,007
Pledged deposits	9,293,383	8,954,586
Other deposits	200,257	182,396
Sub-total	532,363,925	520,248,239
Accrued interest	10,444,350	9,923,337
Total	542,808,275	530,171,576

30 Debt securities issued

	Notes	As at 30 June 2025	As at 31 December 2024
Financial bonds for small and micro enterprise	(a)	5,999,877	5,999,845
Fix-rated financial bonds	(b)	4,499,903	4,499,879
Tier-2 capital bond	(c)	3,999,061	3,999,067
Green financial bond	(d)	1,499,924	1,499,889
Sannong financial bond	(e)	999,981	999,973
Interbank certificates of deposit	(f)	87,577,293	66,413,246
Sub-total		104,576,039	83,411,899
Accrued interest		270,644	132,110
Total		104,846,683	83,544,009

Notes to the Consolidated Interim Financial Report *(Continued)*

*For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)*

30 Debt securities issued *(Continued)*

- (a) In September and October 2023, the Bank issued the first phase and second phase of 3-year fixed rate financial bonds for small and micro enterprise amounting to RMB2.50 billion and RMB1.50 billion with nominal annual interest rate of 2.73% and 2.80%, respectively, and these bonds pays interest annually.

In June 2024, the Bank issued a 3-year fixed rate financial bonds for small and micro enterprise amounting to RMB2 billion with nominal annual interest rate of 2.16%, and the bond pays interest annually.

- (b) In November 2023, the Bank issued a 3-year fixed rate financial bond amounting to RMB1.50 billion with nominal annual interest rate of 2.83%, and the bond pays interest annually.

In May 2024, the Bank issued a 3-year fixed rate financial bond amounting to RMB3 billion with nominal annual interest rate of 2.25%, and the bond pays interest annually.

- (c) In December 2022, the Bank issued a 10-year fixed rate Tier-2 capital bond amounting to RMB4 billion with nominal annual interest rate of 4.30%, and the bond pays interest annually.

- (d) In July 2023, the Bank issued a 3-year fixed rate green financial bond amounting to RMB1.50 billion with nominal annual interest rate of 2.66%, and the bond pays interest annually.

- (e) In July 2023, the Bank issued a 3-year fixed rate Sannong financial bond amounting to RMB1 billion with nominal annual interest rate of 2.73%, and the bond pays interest annually.

- (f) Interbank certificates of deposit are as follows:

	As at 30 June 2025	As at 31 December 2024
Reference rates of return Original maturity	1.60% – 2.10% 3 to 12 months	1.64% – 2.31% 3 to 12 months

As at 30 June 2025 and 31 December 2024, the Group did not have any overdue principal and interest on interbank certificates of deposit or other defaults.

31 Taxes payable

	As at 30 June 2025	As at 31 December 2024
Income tax	26,325	542
VAT and others	535,183	289,827
Total	561,508	290,369

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

32 Other liabilities

	Notes	As at 30 June 2025	As at 31 December 2024
Employee benefits payable	(a)	1,827,339	2,154,189
Accrued expenses		387,035	565,499
Purchases payable		378,154	363,092
Clearing and settlement		222,145	259,847
Provisions	(b)	115,231	106,385
Dividends payable		9,141	4,012
Others		133,034	168,407
Total		3,072,079	3,621,431

(a) Employee benefits payable

	As at 30 June 2025	As at 31 December 2024
Wages and salaries, bonuses, allowances and subsidies	1,583,757	1,858,320
Labour union funds and employee education funds	125,444	124,197
Enterprise annuity scheme	71,053	101,302
Social benefits and others	47,085	70,370
Total	1,827,339	2,154,189

(b) Provisions

	Note	As at 30 June 2025	As at 31 December 2024
Loan commitments and financial guarantee contracts	(1)	115,231	106,385

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

32 Other liabilities *(Continued)*

(b) Provisions *(Continued)*

- (1) Analysis of movements in provisions of loan commitments and financial guarantee contracts measured using the ECL model.

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025		83,931	533	21,921	106,385
Net transfers in:					
– Stage 1		609	–	–	609
– Stage 2		–	(246)	–	(246)
– Stage 3		–	–	(363)	(363)
Originated or purchased		71,001	398	2,580	73,979
Remeasurement	(i)	3,351	549	706	4,606
Decrease		(68,992)	(99)	(648)	(69,739)
As at 30 June 2025		89,900	1,135	24,196	115,231

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024		111,609	12,535	21,195	145,339
Net transfers in:					
– Stage 1		–	–	–	–
– Stage 2		–	–	–	–
– Stage 3		–	–	–	–
Originated or purchased		71,057	–	–	71,057
Remeasurement	(i)	(3,193)	(297)	2,831	(659)
Decrease		(95,542)	(11,705)	(2,105)	(109,352)
As at 31 December 2024		83,931	533	21,921	106,385

- (i) Remeasurement are caused by parameter changes or transfers between stages.

33 Share capital

	Number of shares (in thousands)	Nominal amount
As at 30 June 2025 and 31 December 2024	6,888,546	6,888,546

The share capital of the Bank consists of authorised share capital issued and fully paid, with par value of RMB1 per share.

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

34 Capital reserve

	1 January 2025	Increase	Decrease	30 June 2025
Share premium	6,230,429	–	–	6,230,429
Other capital reserve	92,616	–	–	92,616
Total	6,323,045	–	–	6,323,045

	1 January 2024	Increase	Decrease	31 December 2024
Share premium	6,230,429	–	–	6,230,429
Other capital reserve	112,350	–	(19,734)	92,616
Total	6,342,779	–	(19,734)	6,323,045

35 Revaluation reserve

	As at 30 June 2025	As at 31 December 2024
As at January 1	3,039,444	850,285
Changes in fair value recognized in other comprehensive income	(366,308)	3,681,469
Transfer to profit or loss upon disposal	(482,446)	(380,373)
Transfer to retained earnings upon disposal	–	88,726
Changes in impairment losses recognized in other comprehensive income	7,194	(470,943)
Less: Deferred income tax	210,390	(729,720)
At the end of the reporting period/year	2,408,274	3,039,444

Notes to the Consolidated Interim Financial Report *(Continued)*

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36 Surplus reserves and general reserve

	Surplus reserves (a)	General reserve (b)
1 January 2025	9,273,110	7,867,224
Appropriation to surplus reserves	—	—
Appropriation to general reserve	—	—
30 June 2025	9,273,110	7,867,224
1 January 2024	8,829,850	7,422,108
Appropriation to surplus reserves	443,260	—
Appropriation to general reserve	—	445,116
31 December 2024	9,273,110	7,867,224

(a) Surplus reserves

The surplus reserve at the end of each of the periods represented statutory surplus reserve and discretionary surplus reserve.

Pursuant to the PRC Company Law and the Articles of Association of the Bank, the Bank is required to appropriate 10% of its net profit as on an annual basis determined under the PRC Generally Accepted Accounting Principles (“GAAP”) until the balance reaches 50% of its registered capital as statutory surplus reserve. The Bank may also appropriate to the discretionary surplus reserve in accordance with the resolution of the shareholders.

(b) General reserve

Pursuant to Caijin [2012] No. 20 “Requirements on Impairment Allowance for Financial Institutions” (the “Requirement”) issued by the MOF, effective 1 July 2012, in addition to impairment allowances, the Group are required to establish and maintain a general reserve within equity through the appropriation of profit to address unidentified potential impairment risks. The general reserve should not be less than 1.5% of the aggregate amount of risk assets on an annual basis as defined by the Requirement.

37 Dividends

		Six months ended 30 June	
	Notes	2025	2024
Dividends on ordinary shares declared			
Cash dividend related to 2024	(1)	1,722,135	—
Cash dividend related to 2023	(2)	—	1,825,463

Notes to the Consolidated Interim Financial Report (Continued)

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(All amounts expressed in thousands of RMB unless otherwise stated)

37 Dividends (Continued)

Under the PRC Company Law and the Bank's Articles of Association, the net profit after tax as reported in the PRC statutory financial statements can only be distributed as dividends after:

- Making up prior year's cumulative losses, if any;
- Allocations to the non-distributable statutory reserve of 10% of the net profit of the Bank.

(1) Distribution of final dividend for 2024

A dividend of RMB0.25 per share (tax inclusive) in respect of the year ended 31 December 2024, with a total of RMB1,722 million was approved in the annual general meeting on 30 May 2025.

(2) Distribution of final dividend for 2023

A dividend of RMB0.265 per share (tax inclusive) in respect of the year ended 31 December 2023, with a total of RMB1,825 million was approved in the annual general meeting on 30 May 2024.

38 Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise the following amounts which have original maturities of less than three months and are used to meet short-term cash commitments:

	As at 30 June 2025	As at 31 December 2024
Cash	2,260,717	2,566,580
Surplus reserve deposits with the central bank	7,853,210	7,607,072
Deposits with banks and other financial institutions	5,133,170	3,450,885
Placements with banks and other financial institutions	2,459,032	3,000,000
Financial assets held under resale agreements	–	325,598
Total	17,706,129	16,950,135

39 Structured entities

(a) Consolidated structured entities

Structured entities consolidated by the Group are asset management plans, which were invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

As at 30 June 2025, the total consolidated structured entities were RMB5,407 million (31 December 2024: RMB6,398 million).

Notes to the Consolidated Interim Financial Report *(Continued)*

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39 Structured entities *(Continued)*

(b) Non-principal-guaranteed Wealth-Management Products (“WMPs”) issued by the Group

Non-principal-guaranteed WMPs are not subject to any guarantee by the Group of the principal invested or interest to be paid.

The WMPs invest in a range of primarily fixed rate assets, most typically money market instruments, debt securities and other debt assets. As the manager of these WMPs, the Group invests, on behalf of the investors in these WMPs, the funds raised as described in the investment plan related to each WMP and receives fee and commission income.

As at 30 June 2025 and 31 December 2024, there were no non-principal-guaranteed WMPs consolidated and the unconsolidated non-principal-guaranteed WMPs amounted to RMB38,687 million and RMB37,789 million, respectively.

For the period ended 30 June 2025 and 30 June 2024, the Group’s interest in WMPs included fee and commission income of RMB110 million and RMB151 million, respectively.

(c) Unconsolidated structured entities set up in third-party organisations

The Group invests in other unconsolidated structured entities which are sponsored and managed by other entities for investment returns, and records trading gains or losses and interest income therefrom. As at 30 June 2025 and 31 December 2024, the carrying amounts of the Group’s interests in structured entities set up in third-party organisations by directly holding the investment were as follows:

	Note	As at 30 June 2025	As at 31 December 2024
Financial investments at fair value through profit or loss	18(a)		
– Fund investments		26,413,595	25,097,285
– Trust beneficiary rights		1,570,272	1,558,017
Total		27,983,867	26,655,302

For the period ended 30 June 2025 and the year ended 31 December 2024, the maximum exposures of the above structured entities were their carrying amount.

Notes to the Consolidated Interim Financial Report *(Continued)*

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(All amounts expressed in thousands of RMB unless otherwise stated)

40 Contingent liabilities and commitments

(a) Financial guarantees and other credit commitments

	As at 30 June 2025	As at 31 December 2024
Bank acceptances	11,004,481	10,339,944
Unused limit of credit cards	7,128,458	7,568,439
Guarantees	3,000,503	2,794,279
Letters of credit	1,399,804	1,156,542
Total	22,533,246	21,859,204

(b) Credit risk weighted amounts of financial guarantees and credit commitments

	As at 30 June 2025	As at 31 December 2024
Financial guarantees and credit commitments	9,714,061	10,516,523

Credit risk weighted amounts refer to amounts which depend on the status of counterparties and the maturity characteristics, and are calculated in accordance with the NFRA guidance. Risk weightings used for contingent liabilities and credit commitments range from 0% to 100%.

(c) Capital commitments

	As at 30 June 2025	As at 31 December 2024
Contracted, but not provided for	7,534	103,357

(d) Legal proceedings

The litigation cases of the Group are not expected to have a significant impact on the Group.

Notes to the Consolidated Interim Financial Report (*Continued*)

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40 Contingent liabilities and commitments (*continued*)

(e) Collateral

Assets as collateral

The fair value of the Group's assets pledged as collateral under borrowings from the central bank are as follows:

	As at 30 June 2025	As at 31 December 2024
Debt securities	27,893,649	36,754,448
Loans	10,854,210	6,359,376
Bills	307,655	209,684
Total	39,055,514	43,323,508

The liabilities of above collateral were presented in Note 26.

The fair value of the Group's assets pledged as collateral under repurchase agreements are as follows:

	As at 30 June 2025	As at 31 December 2024
Debt securities	11,205,405	21,155,309
Bills	719,119	324,062
Total	11,924,524	21,479,371

The liabilities of above collateral were presented in Note 27. All repurchase agreements are due within 12 months from their effective dates.

Collateral accepted

The Group accepts bonds and bills as collateral in relevant securities borrowing and lending and resale agreement businesses. As at 30 June 2025 and 31 December 2024, the Group did not hold any collateral that can be resold or re-pledged.

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

40 Contingent liabilities and commitments *(continued)*

(f) Redemption commitments of PRC government savings bonds (in certificate form)

The Group is entrusted by the MOF to underwrite certain PRC government savings bonds (in certificate form). The investors of the bonds have a right to redeem the bonds they hold at any time before their maturities, while the Group is obligated to meet redemption requests. The early redemption proceeds for these PRC government savings bonds (in certificate form) are the principal of the bonds plus unpaid interest accrued in accordance with the early redemption agreement.

As at 30 June 2025, the balance of the principals of the Group's PRC government savings bonds (in certificate form) with early redemption obligations was RMB2,056 million (31 December 2024: RMB1,808 million). The original maturities of these bonds are 3 and 5 years. Management expects the Group's exposure to early redemptions of these bonds will not be material. The MOF will not provide funding for the early redemptions of these bonds on a back-to-back basis but will settle the principal and interest upon maturity.

41 Related party transactions

(a) Related parties of the Bank

Related parties of the Bank include subsidiaries, associates and other related parties. Other related parties could be natural persons or legal persons, including directors, supervisors, senior managers of the Bank and their close family members; Entities controlled or jointly controlled by directors, supervisors, senior managers of the Bank and their closely related family members, etc.

(b) Related party transactions and balances

(i) Transactions and balances with subsidiaries

As at each of the balance sheet dates, the Group had the following transactions and balances with subsidiaries:

	As at 30 June 2025	As at 31 December 2024
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	111,739	216
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	85,690	81,122

Notes to the Consolidated Interim Financial Report *(Continued)*

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(All amounts expressed in thousands of RMB unless otherwise stated)*

41 Related party transactions *(continued)*

(b) Related party transactions and balances *(continued)*

(i) Transactions and balances with subsidiaries *(continued)*

The balances with related parties are based on normal commercial terms and market price.

	Six months ended 30 June	
	2025	2024
Interest income	410	244
Interest expense	227	1,344

	Six months ended 30 June	
	2025	2024
Range of rates		
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	0.05%-1.64%	0.39%
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	0.72%	0.72%

(ii) Transactions and balances with associates

As at each of the balance sheet dates, the Group had the following transactions and balances with associates:

	As at 30 June 2025	As at 31 December 2024
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	18,891	13,902

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For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

41 Related party transactions *(continued)*

(b) Related party transactions and balances *(continued)*

(ii) Transactions and balances with associates *(continued)*

The balances with related parties are based on normal commercial terms and market price.

	Six months ended 30 June	
	2025	2024
Interest income	18	4

	Six months ended 30 June	
	2025	2024
Range of rates		
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	0.28% – 0.31%	0.28% – 0.31%

(iii) Transaction and balances with other related parties

As at each of the balance sheet dates, the Group had the following transactions and balances with other related parties:

	As at 30 June 2025	As at 31 December 2024
Loans and advances to customers	7,107,578	10,880,235
Deposits from customers	2,119,926	2,438,024
Non-principal-guaranteed WMPs issued by the Bank	159,251	119,804
Right-of-use assets	1,278	2,180
Lease liabilities	1,309	2,225
Off-balance sheet items		
Credit Commitment	–	166,906

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited
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41 Related party transactions (continued)

(b) Related party transactions and balances (continued)

(iii) Transaction and balances with other related parties (continued)

The balances with related parties are based on normal commercial terms and market price.

	Six months ended 30 June	
	2025	2024
Interest income	137,726	308,761
Interest expense	4,826	7,942
Fee and commission income	84	98
Leasing expenses	940	940

	Six months ended 30 June	
	2025	2024
Range of rates		
Loans and advances to customers	2.45% – 5.45%	2.90% – 7.14%
Deposits from customers	0.00% – 5.15%	0.05% – 5.15%
Financial investments at fair value through other comprehensive income	–	2.98%
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	–	0.30%
Management fee rate of non-principal-guaranteed WMPs issued by the Bank	0.01% – 0.50%	0.05% – 0.50%

(c) Remuneration of key management personnel

Key management personnel refer to those persons who have the authority and responsibility to plan, conduct and control the Bank's activities.

The remuneration of key management personnel in each of the reporting periods is as follows:

	Six months ended 30 June	
	2025	2024
Salaries and fees	6,736	6,832
Subsidies and physical benefits	627	462
Discretionary bonuses	3,389	2,330
Pension plan contributions	594	486
Total	11,346	10,110

The Group has implemented the deferred emoluments regulation. The deferred emoluments have not been paid.

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

41 Related party transactions *(continued)*

- (d) **Loans and advances with directors, supervisors and entities that are controlled, jointly controlled or significantly influenced by either such directors, supervisors or their close relatives**

	As at 30 June 2025	As at 31 December 2024
Directors	–	19,500
Certain controlled body corporates and connected entities of the directors	6,837,688	10,551,342
Certain controlled body corporates and connected entities of the supervisors	233,438	117,314
Total	7,071,126	10,688,156

42 Segmental analysis

(a) Business segments

The Group manages its operations from both business and regional perspectives. From a business perspective, the Group mainly provides financial services through four business segments, which are listed below:

- Corporate banking: Corporate banking business segment covers financial products and services to corporate customers, governments and financial institutions. These products and services include corporate loans and advances, trade finance, deposits, and various other corporate intermediary businesses.
- Personal banking: Personal banking business segment covers financial products and services to individual customers. These products and services include personal loans and advances, deposits, bank cards, and various other individual intermediary businesses.
- Treasury: Treasury segment covers the Group's money market transactions, repurchase transactions, debt instrument investments, wealth management products and precious metals.
- Others: The others segment covers the remaining businesses of the Group that cannot be directly attributable to the above segments, and some assets, liabilities, income or expenses of the Head Office that have not been properly allocated.

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

42 Segmental analysis (continued)

(a) Business segments (continued)

From a regional perspective, all businesses of the Group are conducted in Mainland China.

	Six months ended 30 June 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	4,823,025	1,527,048	3,623,007	–	9,973,080
External interest expense	(1,868,215)	(2,455,794)	(1,412,560)	–	(5,736,569)
Inter-segment net interest income or expense	(674,020)	2,588,503	(1,914,483)	–	–
Net interest income	2,280,790	1,659,757	295,964	–	4,236,511
Net fee and commission income	35,231	171,763	13,770	13,443	234,207
Net trading gains or losses	41,479	787	250,926	–	293,192
Net gains or losses on financial investments	(193)	–	861,175	(159,062)	701,920
Other operating income	11,275	41	546	23,241	35,103
Operating income	2,368,582	1,832,348	1,422,381	(122,378)	5,500,933
Operating expense	(635,868)	(848,916)	(167,611)	(249,880)	(1,902,275)
– Depreciation and amortisation	(65,083)	(98,042)	(35,798)	(23,557)	(222,480)
Impairment losses on assets	(582,216)	(198,662)	(88,916)	–	(869,794)
Share of profits of associates	–	–	–	26,179	26,179
Profit before tax	1,150,498	784,770	1,165,854	(346,079)	2,755,043
Capital expenditure	62,671	94,408	34,471	22,683	214,233

	As at 30 June 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	262,974,530	123,185,494	365,314,871	3,866,787	755,341,682
Unallocated assets					5,103,598
Total assets					760,445,280
Segment liabilities	206,030,888	339,754,944	151,209,242	819,439	697,814,513

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

42 Segmental analysis (continued)

(a) Business segments (continued)

	Six months ended 30 June 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	5,472,784	1,850,887	3,840,769	–	11,164,440
External interest expense	(2,044,446)	(2,532,742)	(1,884,146)	–	(6,461,334)
Inter-segment net interest income or expense	(799,499)	2,386,234	(1,586,735)	–	–
Net interest income	2,628,839	1,704,379	369,888	–	4,703,106
Net fee and commission income	41,004	187,985	42,186	10,274	281,449
Net trading gains or losses	62,215	1,002	785,320	–	848,537
Net gains or losses on financial investments	1,030	–	655,349	(146,434)	509,945
Other operating income	33,995	16	–	21,134	55,145
Operating income	2,767,083	1,893,382	1,852,743	(115,026)	6,398,182
Operating expense	(756,455)	(1,020,008)	(238,624)	(43,385)	(2,058,472)
– Depreciation and amortisation	(65,296)	(101,935)	(38,227)	(2,969)	(208,427)
Impairment losses on assets	(1,809,477)	946,925	(38,669)	–	(901,221)
Share of profits of associates	–	–	–	18,951	18,951
Profit before tax	201,151	1,820,299	1,575,450	(139,460)	3,457,440
Capital expenditure	76,417	119,296	44,738	3,475	243,926

	As at 30 June 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	246,199,442	126,118,456	358,441,637	2,741,487	733,501,022
Unallocated assets					4,419,221
Total assets					737,920,243
Segment liabilities	200,670,849	318,822,995	156,176,787	2,340,122	678,010,753

Notes to the Consolidated Interim Financial Report (*Continued*)

*For the six months ended 30 June 2025 - unaudited
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43 Financial risk management

Overview

The Group's activities expose it to a variety of financial risks. The Group analyses and evaluates its risk exposures and accepts and manages a certain level of such risks or combined risks. Financial risk management is critical to the financial industry in which the Group operates, and business operations inevitably involve financial risks. The Group's aim is to achieve an appropriate balance between risk and return to minimise potential adverse effects on the Group's financial statements.

The Group's risk management policies are designed to identify and analyse related risks, so as to set appropriate risk limits and control processes, and to monitor risks and their limits through reliable processes.

The Board of Directors of the Group is responsible for setting out the overall risk preference, reviewing and approving the Group's risk management objectives and strategies. Senior management is responsible for developing and implementing appropriate risk management policies and procedures based on risk management objectives and strategies. The Board of Supervisors is responsible for supervising and inspecting the risk management and internal control and spurring remedial measures where necessary.

The major financial risks faced by the Group are credit risk, market risk and liquidity risk, and market risk mainly comprises interest rate risk and foreign exchange risk.

43.1 Credit risk

43.1.1 Credit risk management

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable or unwilling to meet its obligations under a contract. The concentrations of credit risk will increase when counterparties are within similar industry distribution or geographical regions. On-balance-sheet credit exposure includes loans and advances to customers, financial investments, deposits and placements with banks and certain other financial assets. There is also off-balance-sheet credit exposure, such as credit commitments, letters of credit, guarantees, and acceptance notes. Currently, the Group's principal business is primarily concentrated in Dongguan City of Guangdong Province in China, which indicates that the Group is more susceptible to changes in regional economic conditions. As a result, the management monitors its credit risk prudently. The Risk Management Department at Head Office of the Group is responsible for the daily management of the Group's overall credit risk, and reports to the Group's senior management timely.

Notes to the Consolidated Interim Financial Report (*Continued*)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (*continued*)

43.1 Credit risk (*continued*)

43.1.1 Credit risk management (*continued*)

The Group adopts standardised management for the whole business procedure of credit business, including credit investigation and declaration, credit review and approval, loan issuance, post-lending monitoring and non-performing loans (NPL) management. It comprehensively improves the credit risk management level by strictly regulating credit operation procedures, strengthening end-to-end loan management from prelending investigation, rating and assigning credit limits, review and approval, loan drawdown review, to post-lending monitoring, improving the risk mitigation effect of collateral, accelerating the recovering and disposal of NPLs, and promoting the upgrading of credit management system.

For the period ended 30 June 2025 and the year ended 31 December 2024, the domestic economy was hit by various unexpected factors, and as a result, negative impact on the asset quality of the Group's credit assets and investments. In response to the government's policies, the Group delivered timely solutions to assist existing customers who had been affected by economic downswing, including relief measures, and at the same time, further enhanced its credit risk monitoring and early warning management system to step up credit risk monitoring. The Group and the Bank actively respond to the change of the credit environment by conducting regular analysis on credit risk situations and matters and taking precautionary risk control measures with a forward-looking vision.

The Comprehensive Risk Management Execution Committee is responsible for supervising the recovery and disposal of NPLs. The Group manages its NPLs mainly by the following methods: (1) collection; (2) restructuring; (3) disposal of collateral or seeking recourse against guarantors; (4) litigation or arbitration; and (5) write-off according to regulatory requirements, to minimise its losses from credit risks. If the Group, after executing all necessary procedures, still considers that it is not reasonably possible to expect to recover the whole or part of a loan, it shall be written off. For the period ended 30 June 2025 and the year ended 31 December 2024, the loans and advances to customers written off by the Group amounted to RMB1,532 million and RMB1,822 million respectively.

In addition to risks arising from credit assets, the Group manages the credit risk of treasury operations by carefully selecting banks and other financial institutions with appropriate credit levels as counterparties, balancing credit risk and investment return, comprehensively referring to internal and external credit rating information, grading credit, and using a timely credit line management system to review and adjust the credit line. In addition, the Group provides off-balance-sheet commitments and guarantees for customers. There is a possibility that the Group will make payments on behalf of customers due to their default, and bear the risk similar to loans. Therefore, the Group adopts risk control procedures and policies similar to the credit business to reduce the credit risk.

Notes to the Consolidated Interim Financial Report *(Continued)*

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(All amounts expressed in thousands of RMB unless otherwise stated)*

43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.2 Measurement of credit risk

(a) Loans

According to the Rules on Risk Classification of Financial Assets of Commercial Banks issued by the NFRA and the People's Bank of China, the Group establishes a management system regarding to the classification of loan risks, and implements five-level classification management. Loans are classified into five categories based on their risk levels, namely pass, special-mention, sub-standard, doubtful and loss, the latter three of which are regarded as non-performing loans. The primary factors considered in impairment assessment for loans include probability of loan repayment and recoverability of principal and interest, which reflect borrowers' repayment ability, repayment record and intention, profitability, guarantees or collateral and legal responsibility of repayment.

The five categories into which the Group classifies its loans and advances to customers are set out below:

- Pass: Borrowers can fulfil the contract without objective evidence that the principal, interest, or income cannot be paid in full on a timely basis.
- Special-mention: Although there are some factors that may have an adverse impact on the performance of the contract, borrowers currently has the ability to repay the principal, interest, or income.
- Sub-standard: Borrowers cannot fully repay the loan principal and interest or income, or the financial assets have experienced credit impairment.
- Doubtful: Borrowers have been no longer able to fully repay the loan principal and interest or income, and the financial assets have experienced significant credit impairment.
- Loss: After taking all possible measures, only a very small portion of financial assets can be recovered, or all financial assets can be lost.

(b) Bonds and other notes

The Group manages its credit risk exposures to bonds and other notes by setting restriction of investment size, issuer profile and rating and also post-investment management.

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.2 Measurement of credit risk *(continued)*

(c) Other financial investments

Other financial investments mainly comprise trust beneficiary rights, fund investments and direct financing instruments for WMPs. The Group has rating-based access policies in place towards the cooperating trust companies, securities companies and fund companies. Subsequent risk management is carried out on a regular basis.

(d) Interbank transactions

The Group reviews and monitors credit risk of individual financial institutions periodically and credit quota has been maintained for each bank and other institutions that have transactions with the Group.

(e) Financial guarantees and credit commitments

The primary purpose of financial guarantees and credit commitments is to ensure that customers can acquire the funds needed. Guarantees, acceptances of bills and letters of credit represent irrevocable commitments of the Group to fulfil the obligations of payment to a third party when the customers are unable to do so, with the same credit risk as loans. The amount of potential credit risk faced by the Group is equal to the total amount of its financial guarantees and credit commitments.

43.1.3 Risk limit control and mitigation measures

The Group prudently manages and controls the concentration of credit risk, including single borrower, group, industry and region. The Group has established related mechanism to set up credit risk limit which is bearable for single borrower, and makes an assessment on credit risk limit at least once a year.

The Group has established a series of policies and taken various measures to mitigate the credit risk. Obtaining collateral, deposits and corporates' or individuals' guarantee are important means for the Group to control the credit risk.

The collateral policy established by the Group stipulates the type of specific collateral that is acceptable, mainly including:

- Housing;
- Business assets such as premises, inventory and accounts receivable;
- Financial instruments such as debt securities and stocks.

Notes to the Consolidated Interim Financial Report *(Continued)*

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43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.3 Risk limit control and mitigation measures *(continued)*

The fair value of collateral or pledge is generally determined with the help of specialised valuation agencies recognized by the Group. In order to reduce the credit risk, the Group has defined the maximum loan-to-value ratio (the ratio of the loan amount to the fair value of collateral or pledge) for different collateral or pledge. The main types of collateral or pledge for loans and advances and the corresponding maximum loan-to-value ratio are as follows:

Collateral	Maximum loan-to- value ratio	Pledge	Maximum loan-to- value ratio
Real estate – residential	80%	Wealth Management Products	95%
Real estate – commercial	80%	Certificates of deposit	95%
		Treasury bonds	
Machineries	30%	(certificate bonds and saving bonds)	95%
Means of transportation	40%	Bank acceptance bills	90%
Mining right	40%	Precious metal	80%
Forest rights	40%	Inventories	50%
		Shares of public company listed on	
Rural land use rights	50%	main boards	60%
		Intellectual properties	20%

For loans guaranteed by a third-party guarantor, the Group will assess the financial condition, credit history and ability to meet obligations of the guarantor.

Notes to the Consolidated Interim Financial Report *(Continued)*

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43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.4 Policies on provision for expected credit loss

The Group uses the “ECL model” to make provision for the impairment of financial assets measured at amortised cost and those measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

(a) Division of stages

For financial instruments included in the measurement of ECL, the Group applies the “three-stage” impairment model to measure the loss allowance and recognise the ECL in assessing whether the credit risk on a financial instrument has increased significantly since initial recognition.

- Stage 1: Financial instruments where credit risk has not significantly increased since initial recognition are classified as Stage 1.
- Stage 2: Financial instruments where credit risk has significantly increased since initial recognition but have not been considered to have incurred credit impairment are classified as Stage 2.
- Stage 3: Financial instruments that have incurred credit impairment are classified as Stage 3.

The loss allowance for the financial instruments at Stage 1 is determined at the amount of the ECL on the financial instrument within the next 12 months. The loss allowance for the financial instruments at Stage 2 and Stage 3 is determined at the amount of the ECL on the financial instrument within the lifetime.

Various factors, such as five-level classification, number of overdue days and changes in credit ratings, will be taken into account when the credit risk increases significantly during assessment. These three stages are transferable. Financial instruments in the Stage 1 should be downgraded into Stage 2 in case of significant deterioration of credit risk.

Notes to the Consolidated Interim Financial Report *(Continued)*

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43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.4 Policies on provision for expected credit loss *(Continued)*

(b) Judgement criteria for significant increase in credit risk

When one or more of the following quantitative and qualitative criteria or limit indicators are triggered, the Group considers that the credit risk of financial instrument has been significantly increased:

- The debtor breaches the contract and the principal or interest of the contract was overdue for more than 30 days.
- The significant negative influences appears in business, financing or economic position and indication for cash flow or liquidity problems for debtor.
- The principal or interest of bills, financial investments and financial assets with banks and other financial institutions was overdue for not more than 30 days.
- The debtor's external credit rating (issuer rating) is lower than the AA and higher than the CCC investment grade, comparing with its initial recognition date.
- There are significant changes in the economic, technical or legal environment in which the debtor is located in the current period or in the near future, and the Group will be affected adversely.

Notes to the Consolidated Interim Financial Report (*Continued*)

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(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (*continued*)

43.1 Credit risk (*continued*)

43.1.4 Policies on provision for expected credit loss (*continued*)

(c) Definition of default and incurred loss

A financial asset will be defined as defaulted if it meets one or more of the following quantitative and qualitative criteria or limit indicators. These criteria are consistent with the definition of incurred loss:

- The debtor breached the contract and the principal or interest of the contract was overdue for more than 90 days.
- The principal or interest of bills, financial investments and financial assets with banks and other financial institutions was overdue for more than 30 days.
- The debtor's external credit rating (issuer rating) is lower than the CCC (inclusive) investment grade, or a default has occurred, comparing with its initial recognition date.
- The debtor is likely to go bankrupt or face other financial restructuring.
- The issuer of the financial instruments held by the Group is experiencing significant financial difficulty.
- The Group, for economic or legal reasons, grants a concession to the debtor who has financial difficulty.
- The active market for relevant financial assets disappears due to the financial difficulty of the borrower.

The above criteria apply to all financial instruments held by the Group; the definition of default is consistently applied to the ECL calculation process of the Group, including the model building of probability of default (PD), exposure at default (EAD) and loss given default (LGD).

When a financial instrument does not qualify for default for six consecutive months, the Group no longer considers it as an asset in default (it has been reversed). The Group adopts an observation period of six months based on relevant analyses in which the Group has considered the possibility of a financial instrument being reclassified as the default status in various scenarios after it has been reversed.

Notes to the Consolidated Interim Financial Report (*Continued*)

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43 Financial risk management (*continued*)

43.1 Credit risk (*continued*)

43.1.4 Policies on provision for expected credit loss (*continued*)

- (d) *Calculation of credit impairment losses: description of parameters, assumptions, and estimation techniques*

The Group calculates the provision for impairment losses of different types of assets as 12-month ECL or lifetime ECL based on whether there was significant increase in credit risk and whether credit impairment occurred for assets. ECL is the product of exposure at default (EAD), probability of default (PD) and loss given default (LGD) after term adjustment and discount. Relevant definitions are as follows:

PD refers to the possibility that borrowers are unable to perform their repayment obligation in the next 12 months or during the rest of the lifetime.

LGD refers to the percentage of the risk exposure loss in the event of default. LGD varies with the type of the counterparty in the transaction, and the accessibility of collateral and other credit supports.

EAD refers to the repayment due to the Group when default occurs in the next 12 months or during the rest of the lifetime. The Group's EAD is determined based on the expected repayment arrangements and different types of products will have different EAD. For loans repaid on an instalment basis or in a lump sum, the Group determines the EAD based on the repayment plan as agreed in the contract.

The Group determines the ECL by estimating the PD, LGD and EAD of an individual loan in each period. It multiplies these three values and adjusts their existence (in case of no early repayment or default). This approach can effectively calculate the ECL of each future period. The calculation results of all periods are then discounted to the reporting date and summed up. Discount rates used to calculate the ECL are the actual interest rate or the approximation thereof.

In reporting periods, there was no significant change in the above estimation techniques or key assumptions.

Notes to the Consolidated Interim Financial Report (*Continued*)

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(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (*continued*)

43.1 Credit risk (*continued*)

43.1.4 Policies on provision for expected credit loss (*continued*)

(e) *Forward-looking information in the expected credit loss model*

Through historical data analysis, the Group identifies key economic indicators that affect the credit risk and ECL of each business types, such as loan demand index, entrepreneur macro-economy heat index, total export-import volume, consumer price index (CPI), year-on-year (YOY) growth rate of currency in circulation (M0).

The Group considers internal and external data, expert forecasts and statistical analysis to determine the relationship between these economic indicators and PD. The Group regularly conducts the forecast on three types of domestic macro scenarios and macro-economic indicators such as optimistic, basic and pessimistic for asset impairment model.

(f) *Grouping for ECL provision*

The Group classified the exposures with similar characteristics when collectively assessing the ECL provision.

The characteristics for grouping are as follows:

Personal loans

- Product types (for instance, personal business loans, personal consumption loans, personal property mortgages, credit cards)

Corporate loans

- Industry

Exposures evaluated by impairment assessment

- Corporate loans in Stage 3

Credit risk team monitors and reviews the grouping appropriateness regularly.

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (continued)

43.1 Credit risk (continued)

43.1.5 Maximum exposures to credit risk before considering collateral held or other credit enhancements

		As at 30 June 2025				
	Note	Stage 1	Stage 2	Stage 3	Not Applicable	Total
Assets						
Balances with the central bank		34,211,904	–	–	–	34,211,904
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions		19,657,838	–	–	–	19,657,838
Derivative financial assets		–	–	–	479,713	479,713
Loans and advances to customers		364,029,061	9,845,117	943,400	6,551,736	381,369,314
Financial investments						
– Financial investments at fair value through profit or loss		–	–	–	47,841,557	47,841,557
– Financial investments at amortised cost		136,856,530	–	–	–	136,856,530
– Financial investments at fair value through other comprehensive income		124,472,251	–	64,617	1,176,178	125,713,046
Other financial assets	(i)	367,324	55,446	66,258	–	489,028
Sub-total		679,594,908	9,900,563	1,074,275	56,049,184	746,618,930
Off-balance sheet items						
Bank acceptances		10,992,590	–	11,891	–	11,004,481
Letters of credit		1,399,804	–	–	–	1,399,804
Guarantees		2,932,502	8,001	60,000	–	3,000,503
Unused limit of credit cards		7,128,458	–	–	–	7,128,458
Sub-total		22,453,354	8,001	71,891	–	22,533,246
Total		702,048,262	9,908,564	1,146,166	56,049,184	769,152,176

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (continued)

43.1 Credit risk (continued)

43.1.5 Maximum exposures to credit risk before considering collateral held or other credit enhancements (continued)

		As at 31 December 2024				
	Note	Stage 1	Stage 2	Stage 3	Not Applicable	Total
Assets						
Balances with the central bank		33,767,407	–	–	–	33,767,407
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions		16,818,580	–	–	–	16,818,580
Derivative financial assets		–	–	–	601,062	601,062
Loans and advances to customers		349,702,401	10,000,542	905,646	6,755,902	367,364,491
Financial investments						
– Financial investments at fair value through profit or loss		–	–	–	43,268,319	43,268,319
– Financial investments at amortised cost		140,564,544	–	–	–	140,564,544
– Financial investments at fair value through other comprehensive income		128,489,755	82,590	62,913	1,173,395	129,808,653
Other financial assets	(i)	276,733	66,424	62,870	–	406,027
Sub-total		669,619,420	10,149,556	1,031,429	51,798,678	732,599,083
Off-balance sheet items						
Bank acceptances		10,339,944	–	–	–	10,339,944
Letters of credit		1,156,542	–	–	–	1,156,542
Guarantees		2,726,278	8,001	60,000	–	2,794,279
Unused limit of credit cards		7,568,439	–	–	–	7,568,439
Sub-total		21,791,203	8,001	60,000	–	21,859,204
Total		691,410,623	10,157,557	1,091,429	51,798,678	754,458,287

(i) Other financial assets include interest receivable and other receivables.

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(All amounts expressed in thousands of RMB unless otherwise stated)*

43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.6 Loans and advances to customers

(a) Industry analysis

	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage	Amount	Percentage
Corporate loans and advances				
Manufacturing	76,874,792	19.45%	68,282,390	17.89%
Leasing and commercial services	52,033,101	13.15%	45,980,235	12.04%
Wholesale and retail	33,622,586	8.51%	34,705,044	9.09%
Construction	22,042,503	5.57%	22,025,959	5.77%
Real estate	19,512,575	4.94%	19,943,590	5.22%
Transportation, logistics and postal services	6,971,269	1.76%	6,797,399	1.78%
Production and supply of power, gas and water	6,358,086	1.61%	6,059,792	1.59%
Scientific research and technical services and geological prospecting	4,072,742	1.03%	3,522,077	0.92%
Finance	3,026,129	0.77%	3,113,725	0.82%
Education	3,009,243	0.76%	3,260,091	0.85%
Water, environment and public utilities management	2,998,035	0.76%	2,926,510	0.77%
Hotels and catering industries	2,629,088	0.67%	2,585,371	0.68%
Agriculture, forestry, animal husbandry and fishery	2,124,330	0.54%	2,041,277	0.53%
Health, social security and welfare	1,722,200	0.44%	1,590,038	0.42%
Information transmission, software and IT services	1,133,452	0.29%	1,211,983	0.32%
Residential services and other services	496,864	0.13%	315,877	0.08%
Culture, sports and entertainment	154,201	0.04%	153,787	0.04%
Mining	40,119	0.01%	32,900	0.01%
Sub-total	238,821,315	60.43%	224,548,045	58.82%

Notes to the Consolidated Interim Financial Report (Continued)

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(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (continued)

43.1 Credit risk (continued)

43.1.6 Loans and advances to customers (continued)

(a) Industry analysis (continued)

	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage	Amount	Percentage
Personal loans and advances				
Business loans	45,263,185	11.45%	46,616,324	12.21%
Property mortgages	41,593,706	10.52%	40,688,088	10.66%
Personal consumption loans	36,115,586	9.14%	36,434,537	9.54%
Credit cards	3,879,367	0.98%	4,481,750	1.17%
Sub-total	126,851,844	32.09%	128,220,699	33.58%
Discounted bills	28,742,017	7.27%	28,276,149	7.41%
Accrued interest	847,435	0.21%	734,502	0.19%
Total loans and advances to customers	395,262,611	100.00%	381,779,395	100.00%

(b) Type of collateral analysis

	As at 30 June 2025	As at 31 December 2024
Collateralised loans	189,305,748	188,641,114
Guaranteed loans	107,066,671	102,829,362
Unsecured loans	61,162,754	52,601,681
Pledged loans	36,880,003	36,972,736
Sub-total	394,415,176	381,044,893
Accrued interest	847,435	734,502
Total	395,262,611	381,779,395

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited
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43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.6 Loans and advances to customers *(continued)*

(c) Concentration analysis by geographical regions

	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage	Amount	Percentage
Dongguan	326,098,970	82.50%	312,745,357	81.92%
Zhanjiang	19,627,882	4.97%	19,080,088	5.00%
Others	48,688,324	12.32%	49,219,448	12.89%
Accrued interest	847,435	0.21%	734,502	0.19%
Total	395,262,611	100.00%	381,779,395	100.00%

Concentration analysis of overdue loans and advances to customers by geographical regions

	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage	Amount	Percentage
Dongguan	6,142,415	64.83%	6,221,906	68.71%
Zhanjiang	694,068	7.32%	726,778	8.03%
Others	2,639,354	27.85%	2,105,887	23.26%
Total	9,475,837	100.00%	9,054,571	100.00%

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (continued)

43.1 Credit risk (continued)

43.1.6 Loans and advances to customers (continued)

(d) Analysis by overdue days and impairment evaluation

- (1) The maximum credit risk exposures of loans and advances are analysed by overdue days as follows:

Loans and advances	As at 30 June 2025			
	Stage 1	Stage 2	Stage 3	Total
Overdue days				
Not overdue	367,518,354	11,257,059	459,625	379,235,038
Between 0 and 30 days	311,603	975,932	19,003	1,306,538
Between 30 and 60 days	–	628,597	10,551	639,148
Between 60 and 90 days	–	559,384	34,308	593,692
More than 90 days/Default	–	–	6,936,459	6,936,459
Total	367,829,957	13,420,972	7,459,946	388,710,875
Provision for ECL	(3,800,896)	(3,575,855)	(6,516,546)	(13,893,297)
Net amount	364,029,061	9,845,117	943,400	374,817,578

Loans and advances	As at 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Overdue days				
Not overdue	353,885,566	11,874,366	208,990	365,968,922
Between 0 and 30 days	157,507	820,939	26,499	1,004,945
Between 30 and 60 days	–	547,407	93,807	641,214
Between 60 and 90 days	–	556,900	114,798	671,698
More than 90 days/Default	–	–	6,736,714	6,736,714
Total	354,043,073	13,799,612	7,180,808	375,023,493
Provision for ECL	(4,340,672)	(3,799,070)	(6,275,162)	(14,414,904)
Net amount	349,702,401	10,000,542	905,646	360,608,589

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(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.6 Loans and advances to customers *(continued)*

(d) Analysis by overdue days and impairment evaluation

- (2) Overdue loans and advances to customers are set out by collateral type and overdue days as follows:

	As at 30 June 2025				Total
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and 1 year (inclusive)	Overdue between 1 and 3 years (inclusive)	Overdue for more than 3 years	
Collateralised loans	1,212,693	1,380,250	1,453,399	86,779	4,133,121
Guaranteed loans	774,683	2,026,198	204,885	49,049	3,054,815
Unsecured loans	548,111	937,470	653,684	118,972	2,258,237
Pledged loans	3,891	3,257	21,178	1,338	29,664
Total	<u>2,539,378</u>	<u>4,347,175</u>	<u>2,333,146</u>	<u>256,138</u>	<u>9,475,837</u>

	As at 31 December 2024				Total
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and 1 year (inclusive)	Overdue between 1 and 3 years (inclusive)	Overdue for more than 3 years	
Collateralised loans	1,346,775	1,182,662	1,952,086	52,483	4,534,006
Guaranteed loans	472,308	1,710,266	512,426	48,316	2,743,316
Unsecured loans	491,842	801,656	349,971	84,072	1,727,541
Pledged loans	6,932	21,924	–	20,852	49,708
Total	<u>2,317,857</u>	<u>3,716,508</u>	<u>2,814,483</u>	<u>205,723</u>	<u>9,054,571</u>

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(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (continued)

43.1 Credit risk (continued)

43.1.6 Loans and advances to customers (continued)

(e) Loans and advances to customers impaired/at Stage 3

The total amounts of loans and advances to customers impaired/at Stage 3 are set out as follows:

	As at 30 June 2025	As at 31 December 2024
Corporate loans and advances	3,771,123	4,169,456
Personal loans and advances	3,688,823	3,011,352
Total	7,459,946	7,180,808
Fair value of collateral		
– Corporate loans and advances	3,095,730	3,378,276
– Personal loans and advances	1,621,047	1,442,159
Total	4,716,777	4,820,435

The fair value of collateral is determined based on the latest available external valuation prices, adjusted for the current experiences of collateral realisation and market conditions.

Concentration of loans and advances to customers impaired/at Stage 3 by geographical regions

	As at 30 June 2025		As at 31 December 2024	
	Amount	Percentage	Amount	Percentage
Dongguan	5,921,958	79.39%	5,807,481	80.88%
Zhanjiang	284,495	3.81%	295,929	4.12%
Others	1,253,493	16.80%	1,077,398	15.00%
Total	7,459,946	100.00%	7,180,808	100.00%

Notes to the Consolidated Interim Financial Report *(Continued)*

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43 Financial risk management *(continued)*

43.1 Credit risk *(continued)*

43.1.7 Foreclosed assets

Foreclosed assets are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. Usually the Group does not use recovered foreclosed assets for business activities. As at the end of the reporting period, foreclosed assets were listed under other assets.

43.1.8 Debt instrument investments

The credit risks of debt instrument investments are classified mainly based on their external credit ratings.

(a) Debt instrument investments classified by borrower credit ratings

The exposures of financial investments at amortised cost are analysed as follows:

		As at 30 June 2025			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		10,405,452	–	–	10,405,452
Unrated	(i)	126,654,371	–	–	126,654,371
Total		137,059,823	–	–	137,059,823
Provision for ECL		(203,293)	–	–	(203,293)
Net book value		136,856,530	–	–	136,856,530

		As at 31 December 2024			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		12,334,551	–	–	12,334,551
Unrated	(i)	128,406,963	–	–	128,406,963
Total		140,741,514	–	–	140,741,514
Provision for ECL		(176,970)	–	–	(176,970)
Net book value		140,564,544	–	–	140,564,544

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (continued)

43.1 Credit risk (continued)

43.1.8 Debt instrument investments (continued)

(b) The exposures of financial investments at fair value through other comprehensive income are analysed as follows:

	Note	As at 30 June 2025			
		Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		32,395,285	–	–	32,395,285
CCC+ to AA-		–	–	–	–
Default		–	–	64,617	64,617
Unrated	(i)	92,076,966	–	–	92,076,966
Net book value		124,472,251	–	64,617	124,536,868

	Note	As at 31 December 2024			
		Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		14,993,225	74,121	–	15,067,346
CCC+ to AA-		–	8,469	–	8,469
Default		–	–	62,913	62,913
Unrated	(i)	113,496,530	–	–	113,496,530
Net book value		128,489,755	82,590	62,913	128,635,258

(i) The Group's unrated debt instrument investments comprise mainly of treasury bonds, local government bonds, financial bonds issued by policy banks, non-bank financial institutions bonds and trust beneficiary rights.

43.2 Fair value of financial assets and liabilities

(a) Fair value hierarchy

The Group classifies financial assets and financial liabilities into the following three levels based on the extent to which inputs to valuation techniques used to measure fair value of the financial assets and financial liabilities are observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: fair value measurements are not based on observable market data.

Notes to the Consolidated Interim Financial Report *(Continued)*

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43 Financial risk management *(Continued)*

43.2 Fair value of financial assets and liabilities *(Continued)*

(b) Financial instruments not measured at fair value

The tables below summarise the carrying amount and fair values of financial assets and liabilities not measured at fair value. Financial assets and liabilities with similar carrying amount and fair values, such as balances with the central bank, financial assets held under resale agreements and deposits and placements with banks and other financial institutions, loans and advances to customers, borrowings from the central bank, due to customers, financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions, and certificates of interbank deposit, are not included.

	As at 30 June 2025				
	Carrying amount	Fair value	Including:		
			Level 1	Level 2	Level 3
Financial asset					
Financial investments at amortised cost	<u>136,856,530</u>	<u>143,391,132</u>	<u>–</u>	<u>142,815,558</u>	<u>575,574</u>
Financial liability					
Debt securities issued	<u>104,846,683</u>	<u>105,266,725</u>	<u>–</u>	<u>105,266,725</u>	<u>–</u>
	As at 31 December 2024				
	Carrying amount	Fair value	Including:		
			Level 1	Level 2	Level 3
Financial asset					
Financial investments at amortised cost	<u>140,564,544</u>	<u>148,022,241</u>	<u>–</u>	<u>147,575,243</u>	<u>446,998</u>
Financial liability					
Debt securities issued	<u>83,544,009</u>	<u>84,082,792</u>	<u>–</u>	<u>84,082,792</u>	<u>–</u>

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value

	As at 30 June 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	–	479,713	–	479,713
Loans and advances to customers at fair value through other comprehensive income	–	–	24,813,155	24,813,155
Loans and advances to customers at fair value through profit or loss	–	–	6,551,736	6,551,736
Financial investments at fair value through profit or loss				
– Debt securities	–	19,857,690	–	19,857,690
– Fund investments	–	26,413,595	–	26,413,595
– Trust beneficiary rights	–	–	1,570,272	1,570,272
Financial investments at fair value through other comprehensive income				
– Debt securities	–	124,472,251	64,617	124,536,868
– Listed equity investment	226	–	–	226
– Unlisted equity investment	–	58,715	1,117,237	1,175,952
Total	226	171,281,964	34,117,017	205,399,207
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	410,325	1,640,378	2,050,703
Derivative financial liabilities	–	432,188	–	432,188
Total	–	842,513	1,640,378	2,482,891

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43 Financial risk management *(Continued)*

43.2 Fair value of financial assets and liabilities *(Continued)*

(c) *Financial instruments measured at fair value (Continued)*

	As at 31 December 2024			Total
	Level 1	Level 2	Level 3	
Financial assets				
Derivative financial assets	–	601,062	–	601,062
Loans and advances to customers at fair value through other comprehensive income	–	–	23,320,169	23,320,169
Loans and advances to customers at fair value through profit or loss	–	–	6,755,902	6,755,902
Financial investments at fair value through profit or loss				
– Debt securities	–	16,613,017	–	16,613,017
– Fund investments	–	25,097,285	–	25,097,285
– Trust beneficiary rights	–	–	1,558,017	1,558,017
Financial investments at fair value through other comprehensive income				
– Debt securities	–	128,572,345	62,913	128,635,258
– Unlisted equity investment	–	58,561	1,114,834	1,173,395
Total	–	170,942,270	32,811,835	203,754,105
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	151,527	1,524,546	1,676,073
Derivative financial liabilities	–	530,460	–	530,460
Total	–	681,987	1,524,546	2,206,533

Notes to the Consolidated Interim Financial Report *(Continued)*

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(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management *(Continued)*

43.2 Fair value of financial assets and liabilities *(Continued)*

(c) Financial instruments measured at fair value (Continued)

The fair values of financial assets and liabilities are determined as follows:

- If traded in active markets, fair values of financial assets and financial liabilities with standard terms and conditions are determined with reference to quoted market bid prices and ask prices, respectively;
- If not traded in active markets, fair values of financial assets and financial liabilities are determined by using valuation techniques. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models.

The Group has established an independent valuation process for financial assets and liabilities. Financial Market Department and Asset Management Department are responsible for carrying out the valuation of financial assets and financial liabilities. Valuation methods, parameters, assumptions and results are independently verified by the Department of Comprehensive Risk Management and Compliance; valuation results are obtained following the valuation process and accounted for in accordance with the accounting rules by the Operation Management Department; information on financial assets and liabilities for disclosure purposes is prepared by Planning and Finance Department based on the independently reviewed valuation results. Valuation policies and procedures for various kinds of financial instruments are approved by the Group's Risk Management Committee. Any changes in valuation policies and procedures are required to be submitted to the Risk Management Committee for approval before being put into practice. For the period ended 30 June 2025 and the year ended 31 December 2024, there were no significant transfers between the fair value levels.

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43 Financial risk management *(Continued)*43.2 Fair value of financial assets and liabilities *(Continued)**(c) Financial instruments measured at fair value (Continued)*

Information about the Level 3 fair value measurement using material unobservable inputs is as follows:

	As at 30 June 2025		
	Fair value	Valuation technique	Unobservable inputs Item
Loans and advances to customers at fair value through other comprehensive income	24,813,155	Discounted cash flow	Risk-adjusted discount rate/ Cash flow
Loans and advances to customers at fair value through profit or loss	6,551,736	Discounted cash flow	Risk-adjusted discount rate/ Cash flow
Financial investments at fair value through profit or loss			
– Trust beneficiary rights	1,570,272	Discounted cash flow	Risk-adjusted discount rate/ Cash flow
Financial investments at fair value through other comprehensive income			
– Debt securities	64,617	Discounted cash flow	Risk-adjusted discount rate/ Cash flow
– Unlisted equity investments	1,117,237	Market approach/ Net assets method	Price to book ratio (P/B)/ Haircuts for low liquidity
Financial liabilities at fair value through profit or loss	1,640,378	Discounted cash flow	Risk-adjusted discount rate/ Cash flow

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

	As at 31 December 2024		
	Fair value	Valuation technique	Unobservable inputs Item
Loans and advances to customers at fair value through other comprehensive income	23,320,169	Discounted cash flow	Risk-adjusted discount rate/ Cash flow
Loans and advances to customers at fair value through profit or loss	<u>6,755,902</u>	<u>Discounted cash flow</u>	<u>Risk-adjusted discount rate/ Cash flow</u>
Financial investments at fair value through profit or loss			
– Trust beneficiary rights	<u>1,558,017</u>	<u>Discounted cash flow</u>	<u>Risk-adjusted discount rate/ Cash flow</u>
Financial investments at fair value through other comprehensive income			
– Debt securities	62,913	Discounted cash flow	Risk-adjusted discount rate/ Cash flow
– Unlisted equity investments	<u>1,114,834</u>	<u>Market approach/ Net assets method</u>	<u>Price to book ratio (P/B)/ Haircuts for low liquidity</u>
Financial liabilities at fair value through profit or loss	<u>1,524,546</u>	<u>Discounted cash flow</u>	<u>Risk-adjusted discount rate/ Cash flow</u>

The sensitivity of the fair value on changes in unobservable inputs for Level 3 financial instruments is measured at fair value on an ongoing basis.

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

The fair value of financial instruments is, in certain circumstances, measured using valuation models which incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The following table shows the sensitivity of fair value due to parallel movement of plus or minus 1 percent of change in fair value to reasonably possible alternative assumptions.

	As at 30 June 2025			
	Effect on net profit		Effect on revaluation reserve	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Loans and advances to customers at fair value through other comprehensive income	-	-	66,302	(65,667)
Loans and advances to customers at fair value through profit or loss	16,502	(16,369)	-	-
Financial investments at fair value through profit or loss - Trust beneficiary rights	12,102	(23,010)	-	-
Financial investments at fair value through other comprehensive income - Debt securities	-	-	882	(858)
- Unlisted equity investments	-	-	6,530	(6,530)
Financial liabilities at fair value through profit or loss	91,574	(96,048)	-	-

	As at 31 December 2024			
	Effect on net profit		Effect on revaluation reserve	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Loans and advances to customers at fair value through other comprehensive income	-	-	60,421	(59,837)
Loans and advances to customers at fair value through profit or loss	9,717	(9,661)	-	-
Financial investments at fair value through profit or loss - Trust beneficiary rights	20,154	(15,203)	-	-
Financial investments at fair value through other comprehensive income - Debt securities	-	-	883	(859)
- Unlisted equity investments	-	-	6,482	(6,482)
Financial liabilities at fair value through profit or loss	103,526	(109,013)	-	-

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(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

The movement of Level 3 fair value measurements is as follows:

	1 January 2025	Transfer into Level 3	Purchases, sales and settlements		Total gains or losses		30 June 2025	Unrealised gains or losses included in profit or loss for assets and liabilities held at the end of the period
			Purchases	Decrease	Recorded in profit or loss	Recorded in other comprehensive income		
Assets								
Loans and advances to customers at fair value through other comprehensive income	23,320,169	-	21,655,020	(20,134,756)	(16,107)	(11,171)	24,813,155	-
Loans and advances to customers at fair value through profit or loss	6,755,902	-	6,549,508	(6,724,420)	(29,254)	-	6,551,736	1,983
Financial investments at fair value through profit or loss								
- Trust beneficiary rights	1,558,017	-	-	-	12,255	-	1,570,272	12,255
Financial investments at fair value through other comprehensive income								
- Debt securities	62,913	-	-	(1,612)	3,316	-	64,617	-
- Unlisted equity investments	1,114,834	-	-	-	-	2,403	1,117,237	-
Sub-total	32,811,835	-	28,204,528	(26,860,788)	(29,790)	(8,768)	34,117,017	14,238
Liabilities								
Financial liabilities at fair value through profit or loss	(1,524,546)	-	-	20,891	(136,723)	-	(1,640,378)	(136,723)
Total	31,287,289	-	28,204,528	(26,839,897)	(166,513)	(8,768)	32,476,639	(122,485)

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

	1 January 2024	Transfer into Level 3	Purchases, sales and settlements		Total gains or losses		31 December 2024	Unrealised gains or losses included in profit or loss for assets and liabilities held at the end of the year
			Purchases	Decrease	Recorded in profit or loss	Recorded in other comprehensive income		
Assets								
Loans and advances to customers at fair value through other comprehensive income	29,313,748	-	23,392,240	(29,367,891)	(80,120)	62,192	23,320,169	-
Loans and advances to customers at fair value through profit or loss	-	-	6,753,437	(203)	2,668	-	6,755,902	2,466
Financial investments at fair value through profit or loss								
- Trust beneficiary rights	1,739,899	-	-	(231,930)	50,048	-	1,558,017	50,048
Financial investments at fair value through other comprehensive income								
- Debt securities	61,816	-	-	(576)	26,708	(25,035)	62,913	-
- Trust beneficiary rights	29,236	-	-	(56,875)	27,639	-	-	-
- Unlisted equity investments	884,837	-	-	-	-	229,997	1,114,834	-
Sub-total	32,029,536	-	30,145,677	(29,657,475)	26,943	267,154	32,811,835	52,514
Liabilities								
Financial liabilities at fair value through profit or loss	(1,297,742)	-	-	31,581	(258,385)	-	(1,524,546)	(258,385)
Total	30,731,794	-	30,145,677	(29,625,894)	(231,442)	267,154	31,287,289	(205,871)

Notes to the Consolidated Interim Financial Report *(Continued)*

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

43 Financial risk management *(Continued)*

43.3 Capital management

The Group's capital management objectives are as follows:

- maintain an adequate capital base to support the development of its business;
- support the Group's financial stability and profitable growth;
- allocate capital through an efficient and risk based approach to optimize risk-adjusted return to shareholders; and
- safeguard the long-term sustainability of the Group's franchise so that it can continue to provide sufficient owner returns and benefits for other stakeholders.

Capital adequacy ratio and the use of regulatory capital are monitored quarterly by the Bank's management with employing techniques based on the guidelines developed by the Basel Committee, as implemented by the NFRA, for supervisory purposes. The required information is filed with the NFRA on a quarterly basis.

The Bank calculated the capital adequacy ratio based on the Rules for Regulating the Capital Adequacy of Commercial Banks issued by the NFRA in October 2023. According to the approach, the Bank calculated the credit risk-weighted assets measurement by the weighted method, market risk-weighted assets measurement by the simplified standard method, and operation risk-weighted assets measurement by the standard method.

In accordance with "Rules for Regulating the Capital Adequacy of Commercial Banks", for non-systemically important banks, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.50%, 8.50% and 10.50%, respectively. At present, the Bank fully complies with all statutory and regulatory requirements.

Notes to the Consolidated Interim Financial Report *(Continued)*

*For the six months ended 30 June 2025 - unaudited
(All amounts expressed in thousands of RMB unless otherwise stated)*

43 Financial risk management *(Continued)*

43.3 Capital management *(Continued)*

The capital adequacy ratio of 30 June 2025 and 31 December 2024 under the Rules for Regulating the Capital Adequacy of Commercial Banks are as follows:

	As at 30 June 2025	As at 31 December 2024
Core tier 1 capital	60,851,243	60,544,543
Core tier 1 capital deductions	(598,025)	(613,680)
Net core tier 1 capital	60,253,218	59,930,863
Other tier 1 capital	136,562	132,412
Net tier 1 capital	60,389,780	60,063,275
Tier 2 capital	9,294,390	9,077,315
Net capital	69,684,170	69,140,590
Total risk-weighted assets	437,716,842	417,971,094
Core tier 1 capital adequacy ratio	13.77%	14.34%
Tier 1 capital adequacy ratio	13.80%	14.37%
Capital adequacy ratio	15.92%	16.54%

Notes to the Consolidated Interim Financial Report (*Continued*)

For the six months ended 30 June 2025 - unaudited

(All amounts expressed in thousands of RMB unless otherwise stated)

44 Comparative figure

To conform with the presentation of the financial statements, the Group made reclassification adjustments to certain figures for comparative period.

45 Possible impact of amendments, new standards and interpretations issued but not yet effective for the six months ended 30 June 2025

Up to the date of issue of these financial statements, a number of amendments, new standards and interpretations are issued which are not yet effective for the six months ended 30 June 2025, and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to IFRS 9 and IFRS 7, <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Unreviewed Supplementary Information

INFORMATION ON LEVERAGE RATIO

Accounting Items Corresponding to Leverage Regulatory Items and Differences between Regulatory Items and Accounting Items

(Unit: RMB'000)

Item	As at 30 June 2025
Consolidated total assets	761,002,743
Consolidated adjustments	—
Adjustments on client assets	—
Derivatives instruments adjustments	(273,156)
Securities financing transaction adjustments	—
Off-balance sheet item adjustments	20,877,468
Asset securitization transaction adjustments	—
Unsettled financial asset adjustments	—
Cash pool adjustments	—
Deposit reserves adjustments (if applicable)	—
Prudent valuation and impairment allowance adjustments	—
Other adjustments	(598,025)
Adjusted balance of on-balance and off-balance sheet assets	781,009,029

Notes:

- (1) This table is calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).
- (2) Adjusted balance of on-and off-balance sheet assets = consolidated total assets + consolidated adjustments + adjustments on client assets + derivatives adjustments + securities financing transaction adjustments + off-balance sheet item adjustments + other adjustments.

Unreviewed Supplementary Information (Continued)

Leverage Ratio Level, Net Tier 1 Capital, Adjusted On-Balance and Off-Balance Sheet Assets and Related Details

(Unit: RMB'000)

Item	As at 30 June 2025
Balance of on-balance sheet assets	
On-balance sheet assets (except derivatives instruments and securities financing transactions)	772,962,415
Less: Impairment allowance	(14,540,655)
Less: Tier 1 capital deductions	(598,025)
Adjusted balance of on-balance sheet assets (excluding derivatives instruments and securities financing transactions)	757,823,735
Balance of derivative instrument asset	
Replacement cost of various derivatives instruments (net of qualifying margin, considering the impact of the bilateral netting agreement)	88,447
Potential exposures of various derivatives instruments	132,068
Total collateral been deducted from the balance sheet	—
Less: Assets receivable due to provision of qualified margin	—
Less: Derivative instrument asset balance formed from transactions with central counterparties when providing clearing services to clients	—
Notional principal for selling credit derivatives instruments	—
Less: Deductible balance of sold credit derivatives instruments assets	—
Derivative instrument asset balance	220,515
Asset balance of securities financing transactions	
Balance of accounting asset for securities financing transactions	2,087,311
Less: balance of securities financing transaction assets that can be deducted	—
Counterparty credit exposure for securities financing transactions	—
Asset balance of securities financing transactions formed by agency securities financing transactions	—
Asset balance of securities financing transactions	2,087,311
Balance of off-balance sheet assets	
Off-balance sheet item balance	128,083,384
Less: Balance of off-balance sheet items adjusted due to credit conversion	(107,090,508)
Less: Impairment allowance	(115,409)
Adjusted off-balance sheet item balance	20,877,468
Net Tier 1 capital and adjusted balance of on-and off-balance sheet assets	
Net Tier 1 capital	60,389,780
Adjusted balance of on-and off-balance sheet assets	781,009,029
Leverage ratio	
Leverage ratio	7.73%
Leverage ratio a	7.73%
Minimum leverage ratio requirement	4.00%

Notes:

- (1) This table is calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).
- (2) The leverage ratio is calculated by dividing the net Tier 1 capital by the adjusted balance of on-and off-balance sheet assets.