



2025

INTERIM REPORT

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CORPORATE INFORMATION

as of 3 September 2025

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr ZONG Jianxin (*Deputy Chairman and Chief Executive*)
Mr LAU Wai Man (*Deputy Chief Executive*)
Mr JIN Lin (*Deputy Chief Executive*)

NON-EXECUTIVE DIRECTORS

Mr LI Feng (*Chairman*)
Mr LIN Zhaoyuan
Ms CHEN Jing

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr CHENG Yuk Wo
Mr LEE Ka Lun
Mr YU Lup Fat Joseph

BOARD COMMITTEES

AUDIT COMMITTEE

Mr CHENG Yuk Wo (*Chairman*)
Mr LI Feng
Ms CHEN Jing
Mr LEE Ka Lun
Mr YU Lup Fat Joseph

CONNECTED PARTY TRANSACTIONS COMMITTEE

Mr CHENG Yuk Wo (*Chairman*)
Mr JIN Lin
Mr YEE Wing Chi
Mr YOUNG Chi Ho

DIGITALIZATION STRATEGY COMMITTEE

Mr LEE Ka Lun (*Chairman*)
Mr LI Feng
Mr ZONG Jianxin
Mr LAU Wai Man

NOMINATION AND REMUNERATION COMMITTEE

Mr YU Lup Fat Joseph (*Chairman*)
Mr LI Feng
Mr LIN Zhaoyuan
Mr CHENG Yuk Wo
Mr LEE Ka Lun

RISK COMMITTEE

Mr LEE Ka Lun (*Chairman*)
Mr LI Feng
Mr CHENG Yuk Wo
Mr YU Lup Fat Joseph

STRATEGIC AND SUSTAINABLE DEVELOPMENT COMMITTEE

Mr LIN Zhaoyuan (*Chairman*)
Mr LI Feng
Mr YU Lup Fat Joseph
Mr ZONG Jianxin
Mr LAU Wai Man

SENIOR MANAGEMENT

Mr YEE Wing Chi (*Chief Financial Officer*)
Mr YOUNG Chi Ho (*Chief Risk Officer and
Alternate Chief Executive*)
Ms CHUNG Sau Lai Cindy (*Chief Operating Officer*)
Mr WONG Kwok Pun (*Head of Treasury and Markets and
Alternate Chief Executive*)
Ms LAM Pik Ha Eliza (*Head of Financial Institutions Division*)
Ms NG Sau Wai Sylvia (*Head of Personal Banking Division*)
Ms YU Haibing (*Head of Human Resources Division*)
Ms CHEUNG Hoi Lam (*Company Secretary*)

CORPORATE INFORMATION

as of 3 September 2025

REGISTERED OFFICE

Address : Ground Floor, Chong Hing Bank Centre
24 Des Voeux Road Central, Hong Kong

Telephone : (852) 3768 6888

Facsimile : (852) 3768 1888

SWIFT BIC : LCHB HK HH

Website : www.chbank.com

E-mail : customerservice@chbank.com



Chong Hing Bank's website access code

PRINCIPAL LEGAL ADVISERS

Baker & McKenzie
Mayer Brown

AUDITOR

Ernst & Young
Certified Public Accountants

STOCK CODES FOR LISTED DEBT SECURITIES

Debt Securities	Listing	Stock Codes
RMB1,500,000,000 4.20% tier 2 capital bonds due 2033	Shanghai Clearing House	232380063.IB
RMB2,500,000,000 2.93% tier 2 capital bonds due 2034	Shanghai Clearing House	292480005.IB

CHAIRMAN'S STATEMENT

The global economic environment remained complex and volatile, and the banking industry continued to face operational challenges in the first half of 2025. Bearing the business philosophy of pursuing development with a solid foundation and robust risk management, and focusing on lean management, Chong Hing Bank Limited ("Chong Hing Bank") continued to reinforce its core business and demonstrated robust operational strength. In the list of the Top 1000 World Banks 2025 released by the British magazine The Banker, the Bank was ranked 339th, maintaining its ranking among the top 400 banks for the seventh consecutive year, which demonstrated its well-recognised overall strength.

For the six months ended 30 June 2025, the profit attributable to equity owners of Chong Hing Bank amounted to HK\$722 million. The Board of Directors of Chong Hing Bank (the "Board") has declared payment of an interim cash dividend of HK\$115,000,000 for the six months ended 30 June 2025 in accordance with the Bank's dividend distribution policy. The dividend payout for the period as a percentage of the adjusted profit attributable to equity owners, less the distribution paid on additional equity instruments, will be 16.71%.

The major financial ratios for the first half of 2025 are as follows:

- Return on shareholders' equity: 3.52%
- Average liquidity maintenance ratio: 67.77%
- Total capital ratio as of 30 June 2025: 22.25%
- Tier 1 capital ratio as of 30 June 2025: 18.41%
- Loan to deposit ratio as of 30 June 2025: 66.34%

CHAIRMAN'S STATEMENT

On a macro level, the U.S. tariff policies and geopolitical tensions aggravated turbulence in the global economic and financial markets during the first half of 2025, bringing the global economy into a more complex and challenging operating environment. Under the impetus of proactive macro policies, China's economic operation demonstrated strong resilience and vitality, and maintained a stable and improving momentum on the whole. Despite the challenges posed by external uncertainties and insufficient domestic demand, China has managed to promote its sound, stable and sustainable economic growth through high-quality development. Meanwhile, the Hong Kong SAR Government, by actively integrating itself into the grand blueprint for development of China, has grasped the underlying opportunities to constantly enhance its value and competitiveness, pursue reforms, innovations and creations, and drive the overall development of Hong Kong.

Leveraging on the substantial resources and diversified ecosystem of its shareholder Yuexiu Group, Chong Hing Bank continued to promote cross-border financial innovation, create synergies and accelerate its digital transformation. The Mainland branches, in cooperation with Yuexiu Group's financial companies, have been harnessing the advantages of financial synergies through collaborative marketing and cross-selling. In the future, the Bank will consistently strengthen its communication and engagement with Yuexiu Group and its subsidiaries to improve the value of synergies and the level of services comprehensively, so as to provide customers with better financial services and develop itself into an integrated commercial bank based in Guangzhou and Hong Kong with an in-depth layout in the Greater Bay Area and a nationwide network.

2025 marks the final year of the 14th Five-Year Plan and the 28th anniversary of Hong Kong's return to the Motherland. So far, the solid support from the Motherland has become an important safeguard for the steady development of Hong Kong's economy. The Bank continues to capitalise on the opportunities brought by the financial innovation policies of China and Hong Kong, and promote product innovation and digital upgrading, so as to diversify profit sources and enhance revenue levels. Meanwhile, we will deepen lean management and the group-wide synergy to improve operating efficiency all around and actively respond to market challenges, and strive for sustained and steady growth on the path of high-quality development.

Last but not least, on behalf of the Board of Directors, I would like to express my heartfelt gratitude to our customers and business partners for their trust, and to the management team and all staff members for their diligence and dedication. In the future, we will continue to uphold the enterprise spirit of Beyond Excellence, and jointly unveil a new chapter of high-quality development.

LI Feng
Chairman

Hong Kong, 3 September 2025

CHIEF EXECUTIVE'S STATEMENT

Stepping into 2025, the global economy continues to grow steadily. However, rising trade protectionism in the United States and ongoing geopolitical tensions have cast a shadow over the global economic recovery. The economy of Mainland China maintains a stable and positive momentum that made progress and improvement, achieving steady economic growth in the first half of the year. Hong Kong's economy has also performed robustly, with real GDP growing by 3.1% year-on-year in the second quarter, supported by strong export performance and improved domestic demand. Amid a complex and ever-changing external environment, Chong Hing Bank Limited (the "Bank" or "Chong Hing Bank") remains committed to the principle of steady operation, actively expanding its customer base and business scope, promoting lean management, accelerating digital transformation, optimising resource allocation, and enhancing operational efficiency, thus ensuring the steady development of its core business.

FINANCIAL REVIEW

In the first half of 2025, the banking industry navigated a complex operating environment. Following U.S. tariff measures, the global financial market experienced severe turbulence, leading to significant volatility in the U.S. dollar exchange rate. As funds flow into Hong Kong dollar, triggering the "Strong-side convertibility undertaking" under the linked Exchange rate system, Hong Kong dollar interbank rates dropped rapidly and the Hong Kong dollar exchange rate in turn weakened. Profit attributable to equity owners of the Bank amounted to HK\$722 million, representing a drop of 31.85%, compared to the same period in 2024, mainly due to the decrease in net interest income and net income from trading and investments, and was partly offset by increased net fee and commission income. Despite the challenges arose from interest rate adjustment and market volatility, the Bank proactively strengthen its risk management, preserve sound asset quality, demonstrate business resilience and striving forward in an ever-changing environment.

Net interest income of the Bank decreased by 16.62% to HK\$1,982 million, and net interest margin narrowed from 1.65% to 1.33%.

Net fee and commission income rose by 19.05% to HK\$195 million, mainly supported by a growing contribution of commission income from securities dealings and agency services, which demonstrates the Bank's effort in the agency business. Net income from trading and investments decreased by 15.02% to HK\$357 million.

The operating expenses was flat at HK\$966 million, as compared to the same period in 2024, despite the Bank's higher spend and investment in technology with the aim to drive digital transformation. This reflects the Bank's stringent cost discipline, while adhering the underlying principle of seeking progression in a stable manner and lean management.

Net impairment losses on financial assets decreased by 7.73% to HK\$833 million for the first half of 2025. The non-performing loan ratio dropped to 2.67% by the end of June 2025, reflecting improved asset quality and the Bank's continuous commitment to prudent credit risk management practices.

Total assets of the Bank stood at HK\$307.7 billion, decreased by 4.39%, as compared to the end of 2024, while the average daily total assets increased by HK\$11.4 billion year-on-year. Deposits from customers amounted to HK\$237.8 billion, while gross loans and advances to customers amounted to HK\$161.7 billion. The Bank continued to adopt prudent credit risk management, the loan to deposit ratio was 66.34%.

CHIEF EXECUTIVE'S STATEMENT

At the end of the first half of 2025, the return on shareholders' equity of the Bank was 3.52%. The Bank's capital and liquidity position remained strong and steady, with total capital ratio, Tier 1 capital ratio and Common Equity Tier 1 capital ratio of 22.25%, 18.41% and 17.26%, respectively, whereas the average liquidity maintenance ratio for the period was 67.77%. The capital adequacy ratio and liquidity maintenance ratio were above the relevant statutory requirements.

BUSINESS REVIEW

CORPORATE BANKING

In the first half of 2025, Chong Hing Bank continued to fully leverage its advantages of regional ties and provided various products and services with cross-border characteristics to key customers such as central state-owned enterprises, local blue-chip companies, and Hong Kong listed companies, thereby achieving a further optimised customer mix and more balanced exposure to diversified industries. During the period, the corporate banking business developed soundly:

- In terms of transaction banking, the Bank focused on launching bank-enterprise direct connection services to provide customers with efficient settlement solutions. Additionally, the Bank actively collaborated with licensed virtual asset exchanges and licensed securities dealers to build a new business ecosystem. At the same time, it expanded dividend distribution and receiving bank services for listed companies, offering them comprehensive financial solutions.
- In terms of trade finance, the Bank expanded its corporate customers' commodity trading business through multiple funding channels and further enhanced cross-border collaboration with Mainland banking partners in business areas such as interbank forfaiting.
- In terms of corporate loan, the Bank served key enterprises with cross-border loans, structured financing and other products, while actively engaging in structured financing with new types of customers such as data centres and technology companies, achieving balanced distribution of the loan industry and enriching the loan portfolio.
- In terms of green finance, responding to the opportunities presented by the global green and low-carbon transition, the Bank continued to deepen its cooperation with the central state-owned enterprises, the Hong Kong listed companies and other entities, supporting its green and sustainable industrial development through sustainable loan and financing, while also offering green deposits to assist customers in participating in green development projects.

PERSONAL BANKING

Chong Hing Bank's personal banking business is committed to providing quality wealth management services to help customers achieve their financial goals efficiently. During the period, the Bank continuously launched a number of new digital services, including online insurance purchase, conversion between credit card points and Yuexiu Club (悦秀會) membership points, credit card e-statements, online lifestyle offer zone, and extended online service hours for time deposits and foreign currency exchange, which have comprehensively enhanced the digital banking experience.

Apart from persistently expanding the brand of Exceed Banking for high-end customers, the Bank also attracted affluent young customers through the Go Banking brand, which focuses on digital self-service wealth management, offering a series of digital wealth management services and exclusive offers.

CHIEF EXECUTIVE'S STATEMENT

In the first half of 2025, deposit and lending rates remained at low levels, while personal residential mortgage business showed steady growth. As the securities market was exceptionally active during the period, a large amount of capital flowed into Hong Kong, causing interbank offered rates to fall significantly and time deposit rates to fluctuate sharply, against which the Bank's flexible high-yield savings promotions were well received by customers. Persistently low interest rates continued to benefit life insurance business and premium financing sales, driving up non-interest income; revenue from personal banking insurance business increased by 23% compared with the same period last year. Benefiting from the gradual local economic recovery and improving consumer confidence, the credit card business recorded solid growth in revenue.

TREASURY AND MARKETS BUSINESS

The Bank has been actively developing its treasury and markets business, with significant growth registered in treasury activities and customer trading transactions and income during the period. In recent years, the Bank has continued to expand its proprietary trading business, enhance its customer investment and risk hedging services, thereby increasing the market share of its sales business and driving additional revenue for the Bank.

MAINLAND OPERATIONS

During the period, Mainland China's real estate market ceased falling and stabilised, but still faced numerous challenges. Competitive pressures within certain industries intensified, resulting in deteriorating corporate profits, continuous decline in interest rates, and insufficient effective demand in the credit market, as a result of which banks were facing increased pressure on business development and risk control. The Bank's Mainland branches maintained a steady-progress approach, fully leveraging the synergies with Yuexiu Group, the Bank's shareholder, as well as the cross-border linkage advantages while actively promoting the transformation of the lending business, facing the challenges bravely and advancing resolutely. The overall business and risk control measures continued to develop steadily, with credit asset quality remaining stable.

The cross-border business continued to achieve breakthroughs in innovation as we successfully executed the Bank's first USD outbound remittance which was accounted in KRW, as well as multiple cross-border transfers of leased financing assets, and launched overseas direct foreign-exchange purchase services. The collaborative business developed steadily, with collaborative deposit balances maintaining healthy growth, and our marketing efforts on the Yue Finance (越金融) seed customers continuing to make breakthroughs. The transformation of the corporate lending business advanced aggressively, with increased support for advanced manufacturing, technology-innovation enterprises, and the green industry. The Bank's Shenzhen Branch has even become one of the partners in the Hundred Billion Financing Plan to support technology-based enterprises in Nanshan District, Shenzhen.

With the opening of the Guangzhou Development Zone Sub-Branch in May 2025, the Bank has established a new development network of "5 branches + 12 sub-branches" in the Mainland, further strengthening its presence in the Guangdong-Hong Kong-Macao Greater Bay Area.

DIGITAL BANKING

The digital banking business continued to make remarkable progress. In terms of personal retail services, following the comprehensive upgrade of the new generation of personal digital platform in 2024, both product services and customer experience kept elevating. In 2025, the Bank continued to upgrade its theme of "friendlier, easier and smarter" by adding multiple new features, including asset views, Lunar New Year red packet distribution, online referral for life insurance purchase, etc. Meanwhile, the Bank's Payment Connect service was officially launched in July 2025, providing a comprehensive one-stop online wealth management service experience.

CHIEF EXECUTIVE'S STATEMENT

The remote account opening service significantly increased the number of accounts opened and expanded existing customers to open additional accounts, thereby enhancing service accessibility. By focusing on customers' cross-border consumption needs in various scenarios, the Bank launched a series of leisure and shopping offers in Hong Kong and Mainland China, aimed at building a new development model for remote customer acquisition by combining online and offline scenario-based marketing.

In terms of corporate financial services, leveraging the advantages of corporate online banking and bank-enterprise direct connection, the Bank has gradually completed the development of characteristic products, including agreed foreign exchange, account tiering, and electronic notices. In addition, the Bank has begun offering specialised bank-enterprise direct connection services to brokers, trading platforms and other institutions to meet their customised needs, aimed at comprehensively building an integrated cross-border corporate settlement platform.

CORPORATE GOVERNANCE

The Bank strictly abides by the relevant regulations and regulatory requirements and proactively adopts and implements corresponding measures while striving to improve its corporate governance standards, so as to support the sustainable development of the Bank.

LOOKING AHEAD

Amidst the severe challenges in the external economic environment, our shareholder Yuexiu Group has consistently provided strong support to the Bank, enabling us to continue moving forward steadily. I would like to thank the Board of Directors, the management team and entire staff members for their outstanding professionalism and tireless efforts, and appreciate our partners and customers for their trust and support, which have laid a solid foundation for Chong Hing Bank's sound development. It is precisely their cohesion and perseverance that allows us to keep advancing through difficulties and to embrace future challenges and opportunities.

Looking ahead to the second half of the year, in the face of adverse factors such as uncertainty in global trade policies and heightened geopolitical tensions, Chong Hing Bank will continue to uphold its "customer-centric" business philosophy and persist in pursuing lean management and prudent operations. While determinedly holding the risk thresholds and continuously strengthening comprehensive risk management, the Bank will actively seize business opportunities arising from the nation's development trends in emerging industries such as high-end manufacturing, information and communication, digital economy, and new energy, as well as from the Hong Kong SAR Government's financial innovation policies, such as stablecoins, to continuously promote the transformation and upgrading of its business structure. The Bank will remain committed to developing three distinctive areas: cross-border, collaborative, and digital businesses. We will accelerate new product development and enhance our technological support capabilities to optimise customer experience and improve overall operational efficiency, so as to achieve sustainable high-quality development.

ZONG Jianxin

Chief Executive

Hong Kong, 3 September 2025

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Bank is an authorized institution supervised by the Hong Kong Monetary Authority (the “HKMA”) under the Hong Kong Banking Ordinance. The Bank is committed to maintaining high standards of corporate governance, with a view to safeguarding the interests of shareholders, customers, employees and other stakeholders.

The Bank has applied the principles in the module on “Corporate Governance of Locally Incorporated Authorized Institutions” under the Supervisory Policy Manual issued by the HKMA to its corporate governance structure and practices.

REVIEW OF CONDENSED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements of the Bank and its subsidiaries for the six months ended 30 June 2025 have been reviewed by the Audit Committee and by the Bank’s auditor in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board has declared an interim cash dividend for 2025 of HK\$115,000,000 (2024: interim cash dividend of HK\$160,000,000).

PUBLICATION OF 2025 INTERIM REPORT

The Bank’s 2025 Interim Report in both English and Chinese is now available in printed form and on the website of the Bank (www.chbank.com).

INDEPENDENT REVIEW REPORT



To the board of directors of Chong Hing Bank Limited

(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 12 to 56, which comprises the condensed consolidated statement of financial position of Chong Hing Bank Limited (the “Bank”) and its subsidiaries (the “Group”) as at 30 June 2025 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong 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 information is not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

Without qualifying our review conclusion, we draw attention to the fact that the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2024, and the relevant explanatory notes included in the interim financial information have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

Ernst & Young

Certified Public Accountants

Hong Kong
3 September 2025

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest income		5,275,580	6,399,775
Interest expense		(3,293,984)	(4,023,285)
Net interest income	6	1,981,596	2,376,490
Fee and commission income		239,439	213,470
Fee and commission expense		(44,774)	(49,953)
Net fee and commission income	7	194,665	163,517
Net income from trading and investments	8	357,335	420,479
Other operating income	9	66,395	79,754
Operating expenses	10	(966,366)	(959,912)
Operating profit before impairment allowances		1,633,625	2,080,328
Net impairment losses on financial assets	11	(833,482)	(903,291)
Operating profit after impairment allowances		800,143	1,177,037
Net losses on disposal of equipment		(21)	(49)
Net losses on fair value adjustments on investment properties	19	(14,016)	(8,909)
Share of profits of associates		25,437	18,382
Profit before taxation		811,543	1,186,461
Taxation	12	(89,121)	(126,347)
Profit for the period		722,422	1,060,114
– Attributable to equity owners of the Bank		722,422	1,060,114

The notes on pages 19 to 56 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit for the period	722,422	1,060,114
Other comprehensive income		
Items that may not be reclassified subsequently to profit or loss:		
Net losses on investments in equity instruments measured at fair value through other comprehensive income ("FVOCI")	(69,641)	(18,119)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	289,307	(188,813)
Net (losses) gains on investments in debt instruments measured at FVOCI	(103,331)	202,658
Amount reclassified to profit or loss upon disposal of FVOCI debt securities	(53,195)	(18,932)
Income tax effect relating to disposal of financial assets measured at FVOCI	11,312	3,124
Income tax effect relating to fair value change of financial assets measured at FVOCI	41,864	(46,016)
Share of other comprehensive income of associates	1,592	2,237
Other comprehensive income for the period (net of tax)	117,908	(63,861)
Total comprehensive income for the period	840,330	996,253
Total comprehensive income for the period attributable to:		
Equity owners of the Bank	840,330	996,253

The notes on pages 19 to 56 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
Assets			
Cash and balances and placements with banks	14	63,608,545	92,849,713
Derivative financial instruments	15	1,687,833	2,132,987
Investments in securities	16	71,712,981	57,595,849
Advances and other accounts	18	168,340,150	166,867,449
Tax recoverable		29,720	13,872
Interests in associates		421,300	406,871
Investment properties	19	385,193	411,624
Property and equipment	20	876,104	893,404
Deferred tax assets	27	28,918	5,028
Intangible assets	21	658,828	687,335
Total assets		307,749,572	321,864,132
Liabilities			
Deposits and balances with banks and other financial institutions	22	13,684,697	17,444,171
Deposits from customers	23	237,816,325	247,144,076
Derivative financial instruments	15	2,072,777	1,232,261
Other accounts and accruals	24	4,652,717	5,620,305
Current tax liabilities		180,504	79,430
Certificates of deposit	25	3,411,764	5,094,471
Loan capital	26	6,132,628	5,958,446
Deferred tax liabilities	27	38,012	96,886
Total liabilities		267,989,424	282,670,046
Equity attributable to owners of the Bank			
Share capital	28	21,030,884	21,030,884
Additional equity instruments	29	2,316,681	2,316,681
Reserves		16,412,583	15,846,521
Total equity		39,760,148	39,194,086
Total liabilities and equity		307,749,572	321,864,132

The notes on pages 19 to 56 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025

	(unaudited)									
	Land and building									
	Share capital	Additional equity instruments	Goodwill	Investment revaluation reserve	revaluation reserve	General reserve	Translation reserve	Regulatory reserve	Retained profits	Total
Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025	21,030,884	2,316,681	(182)	1,099,523	312,884	1,388,500	(762,707)	555,000	13,253,503	39,194,086
Profit for the period	-	-	-	-	-	-	-	-	722,422	722,422
Other comprehensive income (net of tax)	-	-	-	(171,399)	-	-	289,307	-	-	117,908
Total comprehensive income for the period	-	-	-	(171,399)	-	-	289,307	-	722,422	840,330
Distribution payment for additional equity instruments	-	(64,268)	-	-	-	-	-	-	-	(64,268)
Transfer from retained profits	-	64,268	-	-	-	-	-	-	(64,268)	-
Final dividend paid	-	-	-	-	-	-	-	-	(210,000)	(210,000)
Earmark of retained profits as regulatory reserve	-	-	-	-	-	-	-	(95,000)	95,000	-
At 30 June 2025	21,030,884	2,316,681	(182)	928,124	312,884	1,388,500	(473,400)	460,000	13,796,657	39,760,148

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025

	Note	(unaudited)								
		Share capital	Additional equity instruments	Goodwill	Investment revaluation reserve	Land and building revaluation reserve	General reserve	Translation reserve	Regulatory reserve	Retained profits
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024		20,030,884	5,427,996	(182)	867,493	197,136	1,388,500	(482,205)	538,000	12,305,801
Profit for the period		-	-	-	-	-	-	-	-	1,060,114
Other comprehensive income (net of tax)		-	-	-	124,952	-	-	(188,813)	-	(63,861)
Total comprehensive income for the period		-	-	-	124,952	-	-	(188,813)	-	996,253
Issue of share capital		1,000,000	-	-	-	-	-	-	-	1,000,000
Distribution payment for additional equity instruments		-	(153,695)	-	-	-	-	-	-	(153,695)
Transfer from retained profits		-	153,695	-	-	-	-	-	-	(153,695)
Final dividend paid	13	-	-	-	-	-	-	-	-	(150,000)
Earmark of retained profits as regulatory reserve		-	-	-	-	-	-	-	118,000	(118,000)
At 30 June 2024		<u>21,030,884</u>	<u>5,427,996</u>	<u>(182)</u>	<u>992,445</u>	<u>197,136</u>	<u>1,388,500</u>	<u>(671,018)</u>	<u>656,000</u>	<u>12,944,220</u>

The retained profits of the Group included retained profits of HK\$216,628,000 (30 June 2024: retained profits of HK\$190,405,000) retained by the associates of the Group.

The regulatory reserve is set up in compliance with the requirements of the Hong Kong Monetary Authority (the "HKMA") and is distributable to the shareholders of the Bank subject to consultation with the HKMA.

The general reserve comprises transfers from previous years' retained profits.

The notes on pages 19 to 56 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
OPERATING ACTIVITIES		
Profit before taxation	811,543	1,186,461
Adjustments for:		
Net interest income	(1,981,596)	(2,376,490)
Net impairment losses on financial assets	833,482	903,291
Net losses on disposal of equipment	21	49
Net gains on disposal of debt securities measured at FVOCI	(53,195)	(18,932)
Net losses on fair value adjustments on investment properties	14,016	8,909
Net gains on financial instruments at fair value through profit or loss	(83,460)	(202,940)
Share of profits of associates	(25,437)	(18,382)
Net losses (gains) on fair value hedge	3,446	(5,347)
Dividend received from investments	(2,132)	(3,324)
Depreciation and amortisation	148,961	146,780
Exchange adjustments	(421,976)	(158,477)
Operating cash flows before movements in operating assets and liabilities	(756,327)	(538,402)
Decrease (increase) in operating assets:		
Placements with banks	1,100,130	(1,835,174)
Financial assets at fair value through profit or loss	168,785	(1,023,063)
Advances to customers	(1,215,185)	(3,251,372)
Advances to other financial institutions	(548,644)	944,032
Other accounts	(1,087,066)	(1,689,129)
(Decrease) increase in operating liabilities:		
Deposits with banks	(1,225,608)	(2,570,889)
Balances with bank and other financial institutions	(2,533,866)	(2,566,105)
Deposits from customers	(9,327,751)	(13,286,560)
Certificates of deposit	(1,682,707)	1,852,164
Derivative financial instruments	1,127,322	77,431
Other accounts and accruals	(705,193)	(154,892)
Cash used in operations	(16,686,110)	(24,041,959)
Hong Kong profits tax (paid) refunded	(2,660)	155,750
Overseas tax paid	(28,963)	(17,683)
Interest received	4,474,799	5,240,184
Interest paid	(3,391,454)	(3,832,909)
NET CASH USED IN OPERATING ACTIVITIES	(15,634,388)	(22,496,617)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
INVESTING ACTIVITIES		
Interest received from investments in securities	1,020,133	1,273,223
Dividends received from investments in securities	2,132	3,324
Dividends received from associates	12,600	–
Purchase of financial assets measured at amortised cost	(1,274,531)	(1,072,470)
Purchase of financial assets measured at FVOCI	(125,303,092)	(104,591,105)
Purchase of property and equipment	(26,851)	(8,824)
Proceeds from redemption of financial assets measured at amortised cost	1,365,456	2,761,097
Proceeds from sale and redemption of financial assets measured at FVOCI	112,142,337	111,751,576
Proceeds from disposal of equipment	–	408
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES	(12,061,816)	10,117,229
FINANCING ACTIVITIES		
Net proceeds from issue of share capital	–	1,000,000
Net proceeds from issue of loan capital	–	2,691,500
Interest paid on loan capital	(120,878)	(44,509)
Payment of lease liabilities	(84,781)	(91,323)
Dividends paid to ordinary shareholders	(210,000)	(150,000)
Distribution paid on additional equity instruments	(64,268)	(153,695)
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	(479,927)	3,251,973
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,176,131)	(9,127,415)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	88,241,993	64,290,694
CASH AND CASH EQUIVALENTS AT 30 JUNE	60,065,862	55,163,279
Represented by:		
Cash and balances with central bank and banks	23,810,548	15,580,413
Placements with banks – with original maturity within three months	36,255,314	39,582,866
	60,065,862	55,163,279

The notes on pages 19 to 56 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

1. GENERAL INFORMATION

Chong Hing Bank Limited (the “Bank”) is a limited company incorporated in Hong Kong.

The Bank is engaged in the provision of banking and related financial services. The address of the registered office of the Bank is Ground Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong.

The condensed consolidated interim financial information is presented in Hong Kong dollars, which is the same as the functional currency of the Bank.

The financial information relating to the year ended 31 December 2024 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2025 as comparative information does not constitute the Bank’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Bank has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622). The Bank’s auditors have reported on the financial statements for the year ended 31 December 2024. The auditor’s report was unqualified and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the Bank’s annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

Certain comparative figures have been adjusted to conform with the presentation and disclosures in the current period.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Bank’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

There were no new standards or amendments to standards that had a material effect on the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

3. SEGMENT INFORMATION

The Group's operating segments, which are also the reportable segments, based on information regularly reviewed by the chief operating decision maker (Executive Committee of the Group) for the purposes of allocating resources to segments and assessing their performance on business divisions of the Group, are as follows:

1. Corporate and personal banking
2. Financial markets activities
3. Securities business
4. Others, comprising investment holding, insurance and futures broking, insurance underwriting, other investment advisory services, property investments and central management unit.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

3. SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's revenue and results by reportable and operating segment for the periods under review:

OPERATING SEGMENT REVENUE AND RESULTS

Six months ended 30 June 2025

	Corporate and personal banking HK\$'000	Financial markets activities HK\$'000	Securities business HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Interest income from external customers	3,660,044	1,609,972	1,783	3,781	-	5,275,580
Interest expense to external customers	(3,020,243)	(146,137)	(2)	(127,602)	-	(3,293,984)
Inter-segment interest income <i>(Note)</i>	987,664	-	8,277	608,793	(1,604,734)	-
Inter-segment interest expense <i>(Note)</i>	-	(1,604,734)	-	-	1,604,734	-
Net interest income	1,627,465	(140,899)	10,058	484,972	-	1,981,596
Fee and commission income	163,431	-	62,623	13,385	-	239,439
Fee and commission expenses	(44,594)	-	(180)	-	-	(44,774)
Net income from trading and investments	119,856	175,811	-	61,668	-	357,335
Other operating income	41,431	-	1,235	23,729	-	66,395
Total operating income						
Segment revenue	1,907,589	34,912	73,736	583,754	-	2,599,991
Comprising:						
- Segment revenue from external customers	919,925	1,639,646	65,459	(25,039)		
- Inter-segment transactions	987,664	(1,604,734)	8,277	608,793		
Operating expenses	(800,414)	(63,300)	(37,830)	(64,822)	-	(966,366)
Net impairment (losses) reversal on financial assets	(822,888)	(10,596)	2	-	-	(833,482)
Segment profit	284,287	(38,984)	35,908	518,932	-	800,143
Unallocated corporate expenses						(14,037)
Share of profits of associates						25,437
Profit before taxation						811,543
Taxation						(89,121)
Profit for the period						722,422

Note: Inter-segment pricing for funding transactions is charged with reference to prevailing market interest rates.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

3. SEGMENT INFORMATION *(Continued)*

OPERATING SEGMENT ASSETS AND LIABILITIES

At 30 June 2025

	Corporate and personal banking HK\$'000	Financial markets activities HK\$'000	Securities business HK\$'000	Others HK\$'000	Consolidated HK\$'000
Assets					
Segment assets	195,306,448	109,804,813	322,826	458,752	305,892,839
Interests in associates					421,300
Unallocated corporate assets					1,435,433
Consolidated total assets					307,749,572
Liabilities					
Segment liabilities	246,711,204	19,876,274	281,761	89,916	266,959,155
Unallocated corporate liabilities					1,030,269
Consolidated total liabilities					267,989,424

OTHER INFORMATION – AMOUNTS INCLUDED IN THE MEASURE OF SEGMENT RESULTS AND SEGMENT ASSETS

Six months ended 30 June 2025

	Corporate and personal banking HK\$'000	Financial markets activities HK\$'000	Securities business HK\$'000	Others HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Capital expenditure during the period	12,879	20	199	359	13,394	26,851
Depreciation and amortisation	138,662	9,153	746	400	–	148,961

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

3. SEGMENT INFORMATION *(Continued)*

OPERATING SEGMENT REVENUE AND RESULTS

Six months ended 30 June 2024

	Corporate and personal banking HK\$'000	Financial markets activities HK\$'000	Securities business HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Interest income from external customers	4,569,132	1,824,085	1,944	4,614	-	6,399,775
Interest expense to external customers	(3,821,188)	(111,607)	(4)	(90,486)	-	(4,023,285)
Inter-segment interest income <i>(Note)</i>	1,064,398	-	12,789	700,661	(1,777,848)	-
Inter-segment interest expense <i>(Note)</i>	-	(1,777,848)	-	-	1,777,848	-
Net interest income	1,812,342	(65,370)	14,729	614,789	-	2,376,490
Fee and commission income	166,769	132	37,547	9,022	-	213,470
Fee and commission expenses	(49,827)	(55)	(71)	-	-	(49,953)
Net income from trading and investments	192,265	219,083	-	9,131	-	420,479
Other operating income	56,485	-	653	22,616	-	79,754
Total operating income						
Segment revenue	2,178,034	153,790	52,858	655,558	-	3,040,240
Comprising:						
- Segment revenue from external customers	1,113,636	1,931,638	40,069	(45,103)		
- Inter-segment transactions	1,064,398	(1,777,848)	12,789	700,661		
Operating expenses	(796,837)	(53,406)	(34,256)	(75,413)	-	(959,912)
Net impairment (losses) reversal on financial assets	(920,463)	17,164	1	7	-	(903,291)
Segment profit	460,734	117,548	18,603	580,152	-	1,177,037
Unallocated corporate expenses						(8,958)
Share of profits of associates						18,382
Profit before taxation						1,186,461
Taxation						(126,347)
Profit for the period						1,060,114

Note: Inter-segment pricing for funding transactions is charged with reference to prevailing market interest rates.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

3. SEGMENT INFORMATION *(Continued)*

OPERATING SEGMENT ASSETS AND LIABILITIES

At 31 December 2024

	Corporate and personal banking HK\$'000	Financial markets activities HK\$'000	Securities business HK\$'000	Others HK\$'000	Consolidated HK\$'000
Assets					
Segment assets	186,774,732	132,707,494	278,003	487,216	320,247,445
Interests in associates					406,871
Unallocated corporate assets					1,209,816
Consolidated total assets					321,864,132
Liabilities					
Segment liabilities	255,382,900	25,003,475	214,677	105,118	280,706,170
Unallocated corporate liabilities					1,963,876
Consolidated total liabilities					282,670,046

OTHER INFORMATION – AMOUNTS INCLUDED IN THE MEASURE OF SEGMENT RESULTS AND SEGMENT ASSETS

Six months ended 30 June 2024

	Corporate and personal banking HK\$'000	Financial markets activities HK\$'000	Securities business HK\$'000	Others HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Capital expenditure during the period	6,248	56	–	3,140	1,918	11,362
Depreciation and amortisation	139,874	6,022	765	119	–	146,780

All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs are allocated to various segments and products based on effort and time spent while segments' other operating income is allocated depending on the nature of costs incurred. Indirect costs and support functions' costs and income related to corporate activities that cannot be reasonably allocated to segments or products are grouped as unallocated corporate expenses and unallocated corporate income respectively. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of performance.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

3. SEGMENT INFORMATION *(Continued)*

OTHER INFORMATION *(Continued)*

There is no operating income with a single external customer amounting to or exceeding 10% of the Group's and the Bank's total operating income.

Assets and liabilities related to corporate activities that cannot be reasonably allocated to segments, products and support functions are grouped as unallocated corporate assets and liabilities. All direct segment assets and liabilities are grouped under respective segments.

GEOGRAPHICAL INFORMATION

Geographical information (including geographical analysis of total segment revenue) is analysed by the Group based on the locations of the principal operations of the branches and subsidiaries which are responsible for reporting the results or booking the assets. Non-current assets presented below are based on the location of the entities' country of domicile which is the same as the location of the non-current assets.

	Six months ended 30 June 2025			At 30 June 2025			
	Total	Profit	Capital	Total	Total	Total	Non-
	operating	before	expenditure				
	income	taxation	during the		liabilities	contingent	current
	HK\$'000	HK\$'000	period	assets	HK\$'000	liabilities and	assets
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	commitments	HK\$'000
Hong Kong	2,200,993	683,391	15,814	205,252,916	174,087,876	56,617,853	2,064,570
Mainland China	392,650	127,181	11,037	95,870,265	87,500,003	21,058,377	298,160
Macau and others	6,348	971	-	6,626,391	6,401,545	624,446	7,613
Total	<u>2,599,991</u>	<u>811,543</u>	<u>26,851</u>	<u>307,749,572</u>	<u>267,989,424</u>	<u>78,300,676</u>	<u>2,370,343</u>

	Six months ended 30 June 2024			At 31 December 2024			
	Total	Profit (loss)	Capital	Total	Total	Total	Non-
	operating	before	expenditure				
	income	taxation	during the		liabilities	contingent	current
	HK\$'000	HK\$'000	period	assets	HK\$'000	liabilities and	assets
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	commitments	HK\$'000
Hong Kong	2,484,117	915,992	3,511	222,637,141	191,733,370	49,903,622	2,112,670
Mainland China	547,449	292,586	7,851	95,651,151	87,584,855	23,619,411	282,206
Macau and others	8,674	(22,117)	-	3,575,840	3,351,821	512,478	9,386
Total	<u>3,040,240</u>	<u>1,186,461</u>	<u>11,362</u>	<u>321,864,132</u>	<u>282,670,046</u>	<u>74,035,511</u>	<u>2,404,262</u>

Note:

Total operating income consists of net interest income, net fee and commission income, net income from trading and investments and other operating income.

Non-current assets consist of interests in associates, investment properties, property and equipment, deferred tax assets and intangible assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

4. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

4.1 FAIR VALUE ESTIMATION

All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table presents the fair value hierarchy of the Group's financial assets and liabilities as at 30 June 2025.

	Fair value hierarchy			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
At 30 June 2025				
Financial assets measured at fair value through profit or loss				
Equity securities	28,980	–	–	28,980
Debt securities	1,156,138	51,348	–	1,207,486
Other securities	–	2,752,646	–	2,752,646
Financial assets measured at FVOCI				
Equity securities	20,028	–	805,275	825,303
Debt securities	60,978,893	4,414,147	–	65,393,040
Trade bills	–	1,140,263	–	1,140,263
Deposits with banks measured at fair value through profit or loss	–	(1,106,724)	–	(1,106,724)
Derivative financial assets not used for hedging	–	1,557,025	–	1,557,025
Derivative financial assets used for hedging	–	130,808	–	130,808
Derivative financial liabilities not used for hedging	(314)	(1,945,773)	–	(1,946,087)
Derivative financial liabilities used for hedging	–	(126,690)	–	(126,690)
Total	62,183,725	6,867,050	805,275	69,856,050

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

4. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*4.1 FAIR VALUE ESTIMATION *(Continued)*

The following table presents the fair value hierarchy of the Group's financial assets and liabilities as at 31 December 2024.

	Level 1 HK\$'000	Fair value hierarchy		Total HK\$'000
		Level 2 HK\$'000	Level 3 HK\$'000	
At 31 December 2024				
Financial assets measured at				
fair value through profit or loss				
Debt securities	1,278,428	–	–	1,278,428
Other securities	–	2,762,451	–	2,762,451
Financial assets measured at FVOCI				
Equity securities	22,469	–	875,614	898,083
Debt securities	48,384,176	2,675,536	–	51,059,712
Trade bills	–	430,993	–	430,993
Deposits with banks measured at				
fair value through profit or loss	–	(1,029,876)	–	(1,029,876)
Derivative financial assets not used				
for hedging	–	1,901,446	–	1,901,446
Derivative financial assets used for hedging	–	231,541	–	231,541
Derivative financial liabilities not used				
for hedging	–	(1,210,279)	–	(1,210,279)
Derivative financial liabilities used for hedging	–	(21,982)	–	(21,982)
Total	49,685,073	5,739,830	875,614	56,300,517

There was no transfer between Levels 1, 2 and 3 during the current and prior reporting period.

Except as detailed in the following table, the directors of the Group consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial information approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

4. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

4.1 FAIR VALUE ESTIMATION *(Continued)*

	Carrying amount		Fair value	
	30 June 2025 HK\$'000	31 December 2024 HK\$'000	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Financial assets				
Investment in securities	1,505,526	1,597,175	1,513,328	1,612,620
Financial liabilities				
Loan capital	<u>6,132,628</u>	<u>5,958,446</u>	<u>6,272,099</u>	<u>6,116,646</u>

4.2 VALUATION TECHNIQUES

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchanges.

The fair values of unlisted equity securities have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the management to determine comparable listed companies and to calculate appropriate price multiples. These multiples include i) the average of enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple, ii) the average price to earnings ("P/E") multiple and iii) the average price to book ("P/B") multiple. The multiples are calculated by dividing the enterprise value of the comparable company by the relevant measures. The multiples are then discounted for considerations such as illiquidity based on company-specific facts and circumstances. The discounted multiples are applied to the corresponding measures of the unlisted equity investments to measure their fair values.

The fair values of other securities are measured with reference to quoted market prices of the underlying fund investments, which are observable at the end of the reporting period.

The fair values of debt securities and loan capital are determined based on prices obtained from pricing service providers. In addition, the Group makes comparison with the prices from other pricing service or indicative prices provided by dealers or brokers and with the values calculated using valuation models such as discounted cash flows method to the indicative prices of the debt securities. The key inputs used in the valuation models are the interest rate data, which are observable at the end of the reporting period. The objective of valuation models is to arrive at a fair value estimation that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

4. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

4.2 VALUATION TECHNIQUES *(Continued)*

The fair values of trade bills classified as FVOCI are measured by the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates, which are observable at the end of the reporting period.

The fair values of foreign currency forward contracts are measured by comparing the contracted forward rates and the quoted forward exchange rates, which are observable at the end of the reporting period.

The fair values of interest rate swaps and cross-currency interest rate swaps are measured by the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates, which are observable at the end of the reporting period.

The fair values of foreign currency option contracts are measured by option pricing model with reference to the contractual exercise rates, the quoted forward exchange rates and the market volatilities, which are observable at the end of the reporting period.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. There were no changes in the Group's valuation techniques during the period.

4.3 RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

	Financial assets measured at FVOCI HK\$'000
Balance at 1 January 2024	790,578
Net fair value gain recognised in other comprehensive income	111,383
Exchange difference	(26,347)
Balance at 31 December 2024 and 1 January 2025	875,614
Net fair value loss recognised in other comprehensive income	(100,847)
Exchange difference	30,508
Balance at 30 June 2025	805,275

The majority of the Group's investments are valued based on quoted market information or observable market data. Whilst such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not have a material impact on the Group's financial positions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

5. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group has financial assets and financial liabilities that:

- are offset in the Group's condensed consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the condensed consolidated statement of financial position.

The Group entered into International Swaps and Derivatives Association ("ISDA") Master Agreements and Global Master Repurchase Agreements ("GMRA") for derivatives and sale and repurchase agreements. In addition, the Group receives and pledges collateral in the form of cash in respect of its derivative transactions and sale and repurchase agreements. Such collateral is subject to the standard industry terms of ISDA Credit Support Annex or GMRA. Collateral received or pledged must be returned on maturity of the transactions.

Under the agreement of Continuous Net Settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC"), money obligations receivable and payable with HKSCC on the same settlement date are settled on net basis.

The Group has a legally enforceable right to set off the trades receivable and payable with brokerage clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

6. NET INTEREST INCOME

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Interest income		
Balances and placements with banks and advances to other financial institutions	1,203,579	1,204,145
Investments in securities	873,179	1,037,259
Loans and advances	3,198,822	4,158,371
	<u>5,275,580</u>	<u>6,399,775</u>
Interest expense		
Deposits and balances with banks and other financial institutions	(155,089)	(174,499)
Deposits from customers	(2,960,848)	(3,748,104)
Certificates of deposit	(47,847)	(7,041)
Loan capital	(116,962)	(81,669)
Others	(13,238)	(11,972)
	<u>(3,293,984)</u>	<u>(4,023,285)</u>
Net interest income	<u>1,981,596</u>	<u>2,376,490</u>

Included within interest income and interest expense are HK\$5,275,580,000 (2024: HK\$6,399,775,000) and HK\$3,293,984,000 (2024: HK\$4,023,285,000) earned and incurred from financial assets and financial liabilities that are not recognised at fair value through profit or loss, respectively.

Included within interest income is HK\$873,179,000 (2024: HK\$1,037,259,000) earned from investments in debt securities that are measured at amortised cost or at fair value through other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

7. NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Fee and commission income		
Securities dealings and futures broking	63,089	37,925
Loans, overdrafts and guarantees	42,390	46,795
Trade finance	6,006	5,182
Credit card services	43,318	48,886
Agency services	73,343	58,691
Others	11,293	15,991
Total fee and commission income	239,439	213,470
Less: Fee and commission expense	(44,774)	(49,953)
Net fee and commission income	194,665	163,517
of which:		
Net fee and commission income (other than amounts included in determining the effective interest rate) arising from financial assets and financial liabilities that are not at fair value through profit or loss		
– Fee income	52,006	57,390
– Fee expense	(2,763)	(1,575)
	49,243	55,815

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

8. NET INCOME FROM TRADING AND INVESTMENTS

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Foreign exchange gains, net	223,922	247,726
Net gains on financial instruments mandatory classified at fair value through profit or loss	77,828	148,474
Net gains on financial instruments designated at fair value through profit or loss	5,836	–
Net gains (losses) on fair value hedge:		
– Net gains on hedged items attributable to the hedged risk	154,902	7,450
– Net losses on hedging instruments	(158,348)	(2,103)
Net gains on disposal of FVOCI debt securities	53,195	18,932
	357,335	420,479

“Foreign exchange gains, net” includes net gains and losses from translation of foreign currency monetary assets and liabilities amounting to gains of HK\$802,977,000 (2024: losses of HK\$856,422,000).

The Group entered into foreign exchange swaps for its liquidity management and funding activities. It involves swapping a currency (“original currency”) into another currency (“swap currency”) at the spot exchange rate for short-term placement and simultaneously entering into a forward contract to convert the funds back to the original currency on maturity of the placement. The exchange difference between the spot and forward contracts as well as the corresponding interest differential between the funds in the original currency and swap currency are recognised as “Foreign exchange gains, net”.

Net gains on disposal of the FVOCI debt securities were included in the net income from trading and investments of the Group which form part of the business operation.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

9. OTHER OPERATING INCOME

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Dividend income		
– Listed investments	1,982	1,522
– Unlisted investments	150	1,802
	2,132	3,324
Gross rents from investment properties	3,731	3,568
Less: Outgoings	(383)	(110)
Net rental income	3,348	3,458
Safe deposit box rentals	27,562	27,118
Insurance service result <i>(Note)</i>	2,549	9,657
Other banking services income	30,329	29,472
Others	475	6,725
	<u>66,395</u>	<u>79,754</u>

Note: Details of insurance service result are as follows:

	2025 HK\$'000	2024 HK\$'000
Insurance revenue	16,788	20,662
Insurance service expenses	(10,982)	(7,102)
Net expenses from reinsurance contracts held	(3,257)	(3,903)
Insurance service result	<u>2,549</u>	<u>9,657</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

10. OPERATING EXPENSES

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration		
– Audit services	4,292	2,495
– Non-audit services	178	750
Total auditor's remuneration	4,470	3,245
Staff costs (including directors' emoluments)		
– Salaries and other costs	588,431	592,024
– Retirement benefits scheme contributions	41,839	37,529
Total staff costs	630,270	629,553
Depreciation		
– Property and equipment	42,071	39,921
– Right-of-use assets	77,156	77,445
	119,227	117,366
Amortisation of intangible assets	29,734	29,414
Premises and equipment expenses, excluding depreciation		
– Government rent and rates for premises	3,249	1,399
– Expenses relating to short-term leases	25	25
– Expenses relating to leases of low-value assets	37	32
– Others	5,214	3,562
	8,525	5,018
Other operating expenses	174,140	175,316
	<u>966,366</u>	<u>959,912</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

11. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Loans and advances to customers	831,597	911,797
Investments in securities	21,438	(14,699)
Loan commitments and financial guarantee contracts	(11,193)	7,669
Other financial assets	(8,360)	(1,476)
	<u>833,482</u>	<u>903,291</u>

Other financial assets include balances and placements with banks and other receivables.

12. TAXATION

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
The tax charge comprises:		
Hong Kong profits tax	105,622	80,546
Overseas tax	11,228	34,567
Deferred tax	(27,729)	11,234
	<u>89,121</u>	<u>126,347</u>

Hong Kong profits tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profit for the period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

13. DIVIDENDS

On 20 June 2025, a dividend of HK\$210,000,000 was paid to shareholders as the final dividend for 2024.

On 12 June 2024, a dividend of HK\$150,000,000 was paid to shareholders as the final dividend for 2023.

Subsequent to the end of the interim reporting period, the Board has declared a total amount of interim dividend in respect of the financial year ending 31 December 2025 of HK\$115,000,000 (2024: HK\$160,000,000).

14. CASH AND BALANCES AND PLACEMENTS WITH BANKS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Cash and balances with central bank and banks	23,821,548	17,012,425
Placements with banks		
– With original maturity within three months	36,272,064	71,265,666
– With original maturity over three months	3,544,318	4,609,605
	39,816,382	75,875,271
Less: Impairment allowances under stage 1	(29,385)	(37,983)
	63,608,545	92,849,713

Included in the "Cash and balances with central bank and banks" are surplus reserve deposits placed with the People's Bank of China by the Mainland branches of HK\$968,563,000 (31 December 2024: HK\$461,572,000).

Placements with banks as of 30 June 2025 and 31 December 2024 are maturing between one and twelve months.

As of 30 June 2025, the gross carrying amount, including accrued interest, of placements with banks amounted to HK\$39,988,264,000 (31 December 2024: HK\$76,098,492,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

15. DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2025			
	Notional amount HK\$'000	Fair value Assets HK\$'000	Liabilities HK\$'000
Derivatives held for trading			
– Foreign currency forward contracts and swaps	466,132,524	1,041,183	1,433,498
– Foreign currency options	194,034,975	201,484	204,967
– Interest rate swaps	131,053,223	314,358	307,308
– Futures	784,990	–	314
Derivatives designated as hedging instruments			
– Interest rate swaps	14,999,709	130,808	126,690
		<u>1,687,833</u>	<u>2,072,777</u>

31 December 2024			
	Notional amount HK\$'000	Fair value Assets HK\$'000	Liabilities HK\$'000
Derivatives held for trading			
– Foreign currency forward contracts and swaps	413,744,727	1,757,637	1,069,191
– Foreign currency options	244,381,363	18,893	10,693
– Interest rate swaps	152,692,507	123,938	130,386
– Futures	1,087,562	978	9
Derivatives designated as hedging instruments			
– Interest rate swaps	8,917,623	231,541	21,982
		<u>2,132,987</u>	<u>1,232,261</u>

As at 30 June 2025, all foreign currency forward contracts and swaps have settlement dates within 3 years (31 December 2024: 4 years) from the end of the reporting period.

The remaining maturity of foreign currency options have settlement dates within 1 year (2024: 2 years) from the end of the reporting period.

The remaining maturity of interest rate swaps held for trading is within 10 years (31 December 2024: within 7 years).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

16. INVESTMENTS IN SECURITIES

	Financial assets mandatorily measured at fair value through profit or loss HK\$'000	Financial assets measured at FVOCI HK\$'000	Financial assets measured at amortised cost HK\$'000	Total HK\$'000
30 June 2025				
Equity securities	28,980	825,303	–	854,283
Debt securities	1,207,486	65,393,040	1,505,526	68,106,052
Other securities	2,752,646	–	–	2,752,646
Total	<u>3,989,112</u>	<u>66,218,343</u>	<u>1,505,526</u>	<u>71,712,981</u>
31 December 2024				
Equity securities	–	898,083	–	898,083
Debt securities	1,278,428	51,059,712	1,597,175	53,935,315
Other securities	2,762,451	–	–	2,762,451
Total	<u>4,040,879</u>	<u>51,957,795</u>	<u>1,597,175</u>	<u>57,595,849</u>

As of 30 June 2025, the gross carrying amount, including accrued interest, of investment in securities measured at amortised cost amounted to HK\$1,519,806,000 (31 December 2024: HK\$1,604,769,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

17. TRANSFER OF FINANCIAL ASSETS

The following were the Group's financial assets classified as FVOCI as of 30 June 2025 and 31 December 2024 that were transferred to entities with terms to repurchase these financial assets at agreed dates and prices. As the Group has retained substantially all the risks and rewards relating to these financial assets, the full carrying amount of these financial assets continued to be recognised. The cash received on the transfer was reported as liabilities under "Deposits and balances with banks and other financial institutions" (see Note 22). The transferred financial assets serve as collateral to secure these liabilities. During the covered period, the legal titles of financial assets are transferred to the counterparty entity and there is no restriction for the counterparty entity to sell or repledge the collateral. These financial assets are measured at fair value in the condensed consolidated statement of financial position.

	30 June 2025		31 December 2024	
	Carrying amount of transferred assets measured at FVOCI HK\$'000	Carrying amount of associated liabilities HK\$'000	Carrying amount of transferred assets measured at FVOCI HK\$'000	Carrying amount of associated liabilities HK\$'000
Repurchase agreements	<u>4,029,884</u>	<u>3,929,854</u>	<u>3,189,045</u>	<u>3,028,730</u>

Other than amounts stated in above, balances with banks and other financial institutions amounted to HK\$156,998,000 (2024: HK\$3,591,988,000) are pledged by securities of HK\$169,145,000 (2024: HK\$3,882,702,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

18. ADVANCES AND OTHER ACCOUNTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Advances to customers	160,032,142	160,308,817
Trade bills measured at		
– amortised cost	500,969	510,580
– FVOCI	1,140,263	430,993
	1,641,232	941,573
	161,673,374	161,250,390
Advances to other financial institutions	2,151,662	1,603,018
Interest receivable	2,019,726	2,330,944
Impairment allowances		
– Stage 1	(623,501)	(538,403)
– Stage 2	(210,040)	(200,033)
– Stage 3	(1,884,597)	(1,889,043)
	(2,718,138)	(2,627,479)
	163,126,624	162,556,873
Other accounts		
– Deposit placed as mandatory reserve fund (Note 1)	3,437,196	3,089,527
– Initial and variation margin (Note 2)	1,054,459	630,591
– Others (Note 3)	721,871	590,458
	5,213,526	4,310,576
	168,340,150	166,867,449

Note 1: Balance mainly represented mandatory reserve deposits placed by Mainland Branches with the People's Bank of China which is not available for the Group's daily operation.

Note 2: Balance mainly represented deposits placed in banks as initial and variation margin for certain interest margin, foreign currency forward contracts and repurchase agreements.

Note 3: As of 30 June 2025, balance included reinsurance contract assets of HK\$10,003,000 (31 December 2024: HK\$9,652,000).

As of 30 June 2025, the gross carrying amount, including accrued interest, of advances to customers and advances to other financial institutions amounted to HK\$162,393,810,000 and HK\$2,152,121,000 (31 December 2024: HK\$161,995,921,000 and HK\$1,603,574,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

18. ADVANCES AND OTHER ACCOUNTS *(Continued)*

Details of the impaired loans are as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Gross impaired loans	4,468,157	5,119,072
Less: Impairment allowances	(1,884,597)	(1,889,043)
Net impaired loans	2,583,560	3,230,029
Gross impaired loans as a percentage of gross advances	2.73%	3.14%
Market value of collateral pledged	2,080,760	2,016,686

Details of the non-performing loans are as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Gross non-performing loans <i>(Note)</i>	4,366,173	4,625,841
Less: Impairment allowances	(1,884,597)	(1,789,072)
Net non-performing loans	2,481,576	2,836,769
Gross non-performing loans as a percentage of gross advances	2.67%	2.84%
Market value of collateral pledged	1,771,589	1,372,063

Note: Non-performing loans represent advances which are either classified as "substandard", "doubtful" or "loss" under the Group's classification of loan quality.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

19. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
At 1 January	411,624	312,436
Transfer from land and buildings	–	134,410
Transfer to land and buildings	(14,440)	–
Net losses on fair value recognised in the profit or loss	(14,016)	(33,148)
Exchange adjustments	2,025	(2,074)
At 30 June/31 December	385,193	411,624

All of the Group's property interests held under operating leases to earn rentals and/or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Investment properties owned by the Group were revalued as at 30 June 2025 and 31 December 2024 by Vigers Appraisal and Consulting Limited, an independent professional qualified valuer. The fair value of investment properties is determined by adopting the direct comparison approach and income approach. Under direct comparison approach, the fair value is determined by reference to actual sales transactions of comparable properties with similar character and location. Under income approach, the fair value is determined by reference to the value of income, cash flow or cost savings generated by the assets.

The fair value of investment properties is estimated based on assumptions that there would be no forced sale situation in any manner for these investment properties and the structure of these investment properties were in a reasonable condition at the end of the reporting period.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Investment properties are classified as Level 3 under fair value hierarchy as at 30 June 2025 and 31 December 2024. There was no transfer into or out of Level 3 during the periods.

The significant unobservable inputs and their range used for the fair value measurement of the Group's investment properties classified as Level 3 are market yield of 3.6%-4.2% (31 December 2024: 3.3%-4.0%) and property unit selling rate of HK\$2,961-HK\$45,833 per square feet (31 December 2024: HK\$2,901-HK\$47,290 per square feet). The higher the property unit selling rate and the lower the market yield, the higher the fair value.

During the period, the Group transferred investment properties amounting HK\$14,440,000 to land and buildings.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

20. PROPERTY AND EQUIPMENT

	Leasehold land HK\$'000	Buildings HK\$'000	Right-of- use assets HK\$'000	Equipment HK\$'000	Total HK\$'000
COST					
At 1 January 2025	320,092	124,573	1,198,718	1,030,467	2,673,850
Additions	–	–	51,927	26,851	78,778
Disposals	–	–	(26,319)	(1,442)	(27,761)
Transfer from investment properties	9,640	4,800	–	–	14,440
Exchange adjustments	–	1,117	11,032	10,661	22,810
At 30 June 2025	329,732	130,490	1,235,358	1,066,537	2,762,117
ACCUMULATED DEPRECIATION					
At 1 January 2025	128,003	49,723	750,542	852,178	1,780,446
Depreciation	3,716	1,542	77,156	36,813	119,227
Eliminated on disposals	–	–	(26,319)	(1,421)	(27,740)
Exchange adjustments	–	194	5,753	8,133	14,080
At 30 June 2025	131,719	51,459	807,132	895,703	1,886,013
CARRYING AMOUNTS					
At 30 June 2025	198,013	79,031	428,226	170,834	876,104
At 1 January 2025	192,089	74,850	448,176	178,289	893,404

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

20. PROPERTY AND EQUIPMENT *(Continued)*

	Leasehold land HK\$'000	Buildings HK\$'000	Right-of- use assets HK\$'000	Equipment HK\$'000	Total HK\$'000
COST					
At 1 January 2024	345,020	133,140	1,207,519	1,001,261	2,686,940
Additions	–	–	66,439	47,146	113,585
Disposals	–	–	(64,365)	(7,706)	(72,071)
Transfer to investment properties	(24,928)	(7,499)	–	–	(32,427)
Exchange adjustments	–	(1,068)	(10,875)	(10,234)	(22,177)
At 31 December 2024	320,092	124,573	1,198,718	1,030,467	2,673,850
ACCUMULATED DEPRECIATION					
At 1 January 2024	130,162	50,254	665,637	796,093	1,642,146
Depreciation	7,832	3,412	152,881	70,687	234,812
Eliminated on disposals	–	–	(63,060)	(7,198)	(70,258)
Transfer to investment properties	(9,991)	(3,774)	–	–	(13,765)
Exchange adjustments	–	(169)	(4,916)	(7,404)	(12,489)
At 31 December 2024	128,003	49,723	750,542	852,178	1,780,446
CARRYING AMOUNTS					
At 31 December 2024	192,089	74,850	448,176	178,289	893,404
At 1 January 2024	214,858	82,886	541,882	205,168	1,044,794

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

21. INTANGIBLE ASSETS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Internally developed software and computer software	605,132	633,639
Club Membership	14,090	14,090
Goodwill	39,606	39,606
	<u>658,828</u>	<u>687,335</u>

22. DEPOSITS AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025 Measured at			31 December 2024 Measured at		
	Measured at amortised cost HK\$'000	fair value through profit or loss HK\$'000	Total HK\$'000	Measured at amortised cost HK\$'000	fair value through profit or loss HK\$'000	Total HK\$'000
Deposits with banks (note 1)	8,491,121	1,106,724	9,597,845	9,793,577	1,029,876	10,823,453
Balances with banks and other financial institutions	156,998	-	156,998	3,591,988	-	3,591,988
Repurchase agreements (note 2)	3,929,854	-	3,929,854	3,028,730	-	3,028,730
	4,086,852	-	4,086,852	6,620,718	-	6,620,718
	<u>12,577,973</u>	<u>1,106,724</u>	<u>13,684,697</u>	<u>16,414,295</u>	<u>1,029,876</u>	<u>17,444,171</u>

As of 30 June 2025, the gross carrying amount, including accrued interest, of deposits with banks, balances with banks and other financial institutions and repurchase agreements amounted to HK\$8,529,958,000 and HK\$4,117,581,000 respectively (31 December 2024: HK\$9,840,960,000 and HK\$6,639,525,000 respectively).

Note 1: Included in deposits with banks are financial liabilities designated at fair value through profit or loss of HK\$1,106,724,000 (2024: HK\$1,029,876,000) in order to eliminate or significantly reduce an accounting mismatch. As of 30 June 2025 and 31 December 2024, the difference between the carrying amount of financial liabilities designated at fair value through profit or loss and the amount that the Group would be contractually required to pay at maturity to the holders was not significant.

Note 2: For details of assets transferred, please refer to note 17.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

23. DEPOSITS FROM CUSTOMERS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Deposits from customers		
– Demand deposits and current accounts	15,506,856	16,241,621
– Savings deposits	59,361,274	42,987,622
– Time, call and notice deposits	162,948,195	187,914,833
	<u>237,816,325</u>	<u>247,144,076</u>

As of 30 June 2025, the gross carrying amount, including accrued interest, of deposits from customers amounted to HK\$239,583,037,000 (31 December 2024: HK\$248,777,612,000).

24. OTHER ACCOUNTS AND ACCRUALS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Accrued interest	2,514,546	2,660,522
Lease liabilities	438,614	461,592
Others	1,699,557	2,498,191
	<u>4,652,717</u>	<u>5,620,305</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

25. CERTIFICATES OF DEPOSIT

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Certificates of deposit, measured at amortised cost	3,411,764	5,094,471

As of 30 June 2025, the gross carrying amount, including accrued interest, of certificates of deposit amounted to HK\$3,423,361,000 (31 December 2024: HK\$5,102,285,000).

26. LOAN CAPITAL

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Subordinated notes, at amortised cost		
US\$224 million fixed rate subordinated note due 2032 (<i>Notes (a) & (d)</i>)	1,756,875	1,738,237
Subordinated notes, at amortised cost		
RMB1.5 billion fixed rate subordinated note due 2033 (<i>Notes (b) & (d)</i>)	1,639,958	1,581,369
Subordinated notes, at amortised cost		
RMB2.5 billion fixed rate subordinated note due 2034 (<i>Notes (c) & (d)</i>)	2,735,795	2,638,840
	6,132,628	5,958,446

As of 30 June 2025, the gross carrying amount, including accrued interest, of loan capital amounted to HK\$6,225,681,000 (31 December 2024: HK\$5,994,964,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

26. LOAN CAPITAL *(Continued)*

Notes:

- (a) This represented the subordinated notes qualifying as Tier 2 capital under Basel III accord with face value of US\$224,000,000 issued on 27 July 2022. The notes are 10-year non-call 5-year fixed rate, with a fixed coupon rate of 4.900% per annum, payable semi-annually for the first five years; the interest rate will be reset on 27 July 2027.
- (b) This represented the subordinated notes qualifying as Tier 2 capital under Basel III accord with face value of RMB1,500,000,000 issued on 28 September 2023. The notes are 10-year non-call 5-year fixed rate, with a fixed coupon rate of 4.20% per annum, payable annually.
- (c) This represented the subordinated notes qualifying as Tier 2 capital under Basel III accord with face value of RMB2,500,000,000 issued on 11 June 2024. The notes are 10-year non-call 5-year fixed rate, with a fixed coupon rate of 2.93% per annum, payable annually.
- (d) The subordinated notes issued are not secured by any collateral.

Analysis of changes in financing cash flows of loan capital are as follows:

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
At 1 January	5,958,446	3,384,753
Changes from financing cash flows:		
Net proceeds from issue of loan capital	–	2,691,500
Interest paid on loan capital	(120,878)	(44,509)
	5,837,568	6,031,744
Exchange adjustments	174,182	(56,564)
Other changes		
Interest expense	116,962	81,669
Other non-cash movements	3,916	(36,128)
Total other changes	120,878	45,541
At 30 June	6,132,628	6,020,721

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

27. DEFERRED TAXATION

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

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Deferred tax assets	28,918	5,028
Deferred tax liabilities	(38,012)	(96,886)
	<u>(9,094)</u>	<u>(91,858)</u>

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation HK\$'000	Impairment allowances HK\$'000	Investment properties HK\$'000	Revaluation of FVOCI securities HK\$'000	Remeasurement of retirement benefits HK\$'000	Total HK\$'000
At 1 January 2025	(79,457)	106,130	(23,485)	(88,556)	(6,490)	(91,858)
Credit (charge) to the income statement for the period (<i>Note 12</i>)	9,856	18,836	(963)	-	-	27,729
Credit to other comprehensive income for the period	-	5,114	-	48,062	-	53,176
Exchange adjustments	-	-	1,859	-	-	1,859
At 30 June 2025	<u>(69,601)</u>	<u>130,080</u>	<u>(22,589)</u>	<u>(40,494)</u>	<u>(6,490)</u>	<u>(9,094)</u>
At 1 January 2024	(125,295)	112,200	(24,481)	(30,499)	(6,490)	(74,565)
Credit to income statement for the year	45,838	273	141	-	-	46,252
Charge to other comprehensive income for the year	-	(6,343)	-	(58,057)	-	(64,400)
Exchange adjustments	-	-	855	-	-	855
At 31 December 2024	<u>(79,457)</u>	<u>106,130</u>	<u>(23,485)</u>	<u>(88,556)</u>	<u>(6,490)</u>	<u>(91,858)</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

28. SHARE CAPITAL

	2025		2024	
	Number of shares	Share capital HK\$'000	Number of shares	Share capital HK\$'000
Ordinary shares, issued and fully paid:				
At 1 January	972,862,226	21,030,884	972,862,225	20,030,884
Shares issued as a result of capital injection (<i>Note</i>)	—	—	1	1,000,000
At 30 June/31 December	<u>972,862,226</u>	<u>21,030,884</u>	<u>972,862,226</u>	<u>21,030,884</u>

Note: The Bank issued 1 ordinary share on 26 June 2024 to the immediate holding company of the Bank at the subscription price of HK\$1,000,000,000, as a result of capital injection. Such share is fully paid.

29. ADDITIONAL EQUITY INSTRUMENTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Additional Tier 1 Capital Securities		
US\$300 million undated non-cumulative subordinated capital securities (<i>Note</i>)	<u>2,316,681</u>	<u>2,316,681</u>

Note: On 3 August 2020, the Bank issued undated non-cumulative subordinated Additional Tier 1 Capital Securities with a face value of US\$300 million (equivalent to HK\$2,316,681,000 net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.500% coupon until the first call date on 3 August 2025. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 5.237% per annum.

The coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has completed the redemption of the Additional Tier 1 Capital Securities in full on 4 August 2025. Upon completion of the redemption, the Additional Tier 1 Capital Securities have been cancelled.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

30. MATURITY PROFILES

The maturity analysis of financial assets and liabilities shown on the condensed consolidated statement of financial position are presented based on the Group's remaining contractual maturity information provided to and reviewed by management, is shown below:

	Repayable on demand HK\$'000	Repayable within 1 month HK\$'000	Repayable after 1 month but within 3 months HK\$'000	Repayable after 3 months but within 1 year HK\$'000	Repayable after 1 year but within 5 years HK\$'000	Repayable after 5 years HK\$'000	Undated HK\$'000	Total HK\$'000
At 30 June 2025								
Assets								
Cash and balances and placements with banks	23,816,894	31,396,686	7,505,067	889,898	-	-	-	63,608,545
Derivative financial instruments	-	447,823	539,787	422,222	260,414	17,587	-	1,687,833
Financial assets at fair value through profit or loss	-	2,523,893	330,947	1,007,003	23,424	60,952	42,893	3,989,112
Financial assets measured at FVOCI	-	11,569,827	8,849,379	9,820,739	30,047,503	5,105,592	825,303	66,218,343
Financial assets measured at amortised cost	-	240,902	723,165	352,757	186,702	2,000	-	1,505,526
Advances and other accounts	5,003,905	12,730,120	23,594,129	46,271,764	51,475,124	25,506,674	3,693,163	168,274,879
Total financial assets	28,820,799	58,909,251	41,542,474	58,764,383	81,993,167	30,692,805	4,561,359	305,284,238
Non-financial assets	-	-	-	-	-	-	2,465,334	2,465,334
Total assets	28,820,799	58,909,251	41,542,474	58,764,383	81,993,167	30,692,805	7,026,693	307,749,572
Liabilities								
Deposits and balances of banks and other financial institutions	189,390	10,085,807	2,266,401	1,143,099	-	-	-	13,684,697
Deposits from customers	79,851,940	47,303,717	57,037,298	32,260,911	21,362,459	-	-	237,816,325
Certificates of deposit	-	1,831,482	1,282,978	297,304	-	-	-	3,411,764
Derivative financial instruments	-	681,294	620,730	494,830	190,735	85,188	-	2,072,777
Loan capital	-	-	-	-	-	6,132,628	-	6,132,628
Lease liabilities	-	16,390	25,889	108,570	281,089	6,676	-	438,614
Other financial liabilities	779,923	818,250	687,510	651,018	711,350	-	374,078	4,022,129
Total financial liabilities	80,821,253	60,736,940	61,920,806	34,955,732	22,545,633	6,224,492	374,078	267,578,934
Non-financial liabilities	-	-	-	-	-	-	410,490	410,490
Total liabilities	80,821,253	60,736,940	61,920,806	34,955,732	22,545,633	6,224,492	784,568	267,989,424
Net position – total financial assets and liabilities	(52,000,454)	(1,827,689)	(20,378,332)	23,808,651	59,447,534	24,468,313	4,187,281	37,705,304
Of which debt securities included in:								
FVOCI	-	11,569,827	8,849,379	9,820,739	30,047,503	5,105,592	-	65,393,040
Amortised cost	-	240,902	723,165	352,757	186,702	2,000	-	1,505,526
	-	11,810,729	9,572,544	10,173,496	30,234,205	5,107,592	-	66,898,566

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

30. MATURITY PROFILES *(Continued)*

	Repayable on demand HK\$'000	Repayable within 1 month HK\$'000	Repayable after 1 month but within 3 months HK\$'000	Repayable after 3 months but within 1 year HK\$'000	Repayable after 1 year but within 5 years HK\$'000	Repayable after 5 years HK\$'000	Undated HK\$'000	Total HK\$'000
At 31 December 2024								
Assets								
Cash and balances and placements with banks	14,339,077	64,130,640	12,730,132	1,649,864	-	-	-	92,849,713
Derivative financial instruments	-	794,539	428,022	628,133	271,326	10,967	-	2,132,987
Financial assets at fair value through profit or loss	-	2,299,671	317,442	1,012,289	393,733	17,166	578	4,040,879
Financial assets measured at FVOCI	-	9,528,187	3,727,117	15,198,904	21,071,812	1,533,692	898,083	51,957,795
Financial assets measured at amortised cost	-	62,989	285,653	1,000,891	245,642	2,000	-	1,597,175
Advances and other accounts	4,723,772	14,075,398	15,733,166	52,428,720	51,615,366	25,089,255	3,162,538	166,828,215
Total financial assets	19,062,849	90,891,424	33,221,532	71,918,801	73,597,879	26,653,080	4,061,199	319,406,764
Non-financial assets	-	-	-	-	-	-	2,457,368	2,457,368
Total assets	19,062,849	90,891,424	33,221,532	71,918,801	73,597,879	26,653,080	6,518,567	321,864,132
Liabilities								
Deposits and balances with banks and other financial institutions	23,818	14,082,557	2,809,096	528,700	-	-	-	17,444,171
Deposits from customers	65,501,963	53,355,931	80,717,147	26,876,744	20,692,291	-	-	247,144,076
Certificates of deposit	-	931,564	1,655,220	2,507,687	-	-	-	5,094,471
Derivative financial instruments	-	344,564	251,000	524,595	102,178	9,924	-	1,232,261
Loan capital	-	-	-	-	-	5,958,446	-	5,958,446
Lease liabilities	-	13,092	24,998	102,334	304,366	16,802	-	461,592
Other financial liabilities	1,596,544	469,719	929,286	829,164	639,023	500	425,366	4,889,602
Total financial liabilities	67,122,325	69,197,427	86,386,747	31,369,224	21,737,858	5,985,672	425,366	282,224,619
Non-financial liabilities	-	-	-	-	-	-	445,427	445,427
Total liabilities	67,122,325	69,197,427	86,386,747	31,369,224	21,737,858	5,985,672	870,793	282,670,046
Net position – total financial assets and liabilities	(48,059,476)	21,693,997	(53,165,215)	40,549,577	51,860,021	20,667,408	3,635,833	37,182,145
of which debt securities included in:								
FVOCI	-	9,528,187	3,727,117	15,198,904	21,071,812	1,533,692	-	51,059,712
Amortised cost	-	62,989	285,653	1,000,891	245,642	2,000	-	1,597,175
	-	9,591,176	4,012,770	16,199,795	21,317,454	1,535,692	-	52,656,887

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

31. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following material transactions with related parties:

	Interest and commission income Six months ended 30 June		Interest, rental and other operating expenses Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Ultimate holding company	–	14	15,897	15,867
Intermediate holding company	1,002	2,719	30,431	32,291
Fellow subsidiaries	145,936	59,474	77,735	87,282
Associates	18,942	16,380	14,707	13,229
Key management personnel (<i>Note 1</i>)	217	223	2,738	1,790

During the period, the Group had net trading loss with intermediate holding company and fellow subsidiary of HK\$4,584,000 (2024: Net trading loss HK\$3,881,000).

At the end of the reporting period, the Group had the following material outstanding balances with related parties:

	Amounts due from related parties		Amounts due to related parties	
	30 June 2025 HK\$'000	31 December 2024 HK\$'000	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Ultimate holding company	–	–	1,653,748	1,592,881
Intermediate holding company	60,000	410,000	2,490,012	3,127,015
Fellow subsidiaries	2,833,139	6,960,562	9,678,370	6,234,838
Associates	–	–	288,499	145,989
Key management personnel (<i>Note 1</i>)	247,077	354,211	359,996	317,968

Note 1: Includes key management personnel, close family members of key management personnel and entities that are controlled or jointly controlled, directly or indirectly, by key management personnel.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

31. RELATED PARTY TRANSACTIONS *(Continued)*

The above outstanding balances bear interest at rates similar to those made available to non-related parties. A portion of the loans to related parties are secured with properties, securities and fixed deposits.

As of 30 June 2025, the Group held financial assets at FVOCI issued by fellow subsidiaries of HK\$616,072,000 (31 December 2024: HK\$1,098,125,000).

Amounts due from related parties are included under advances and other accounts in the condensed consolidated statement of financial position.

Amounts due to related parties are included under deposits from customers in the condensed consolidated statement of financial position.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other members of the key management during the period was as follows:

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Short-term benefits	107,952	113,576
Post-employment benefits	8,864	8,956
	<u>116,816</u>	<u>122,532</u>

The remuneration of directors and key management is reviewed by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends.

32. ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024 except the measurement of expected credit loss allowance, which resulted in changes in critical accounting judgement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2025

32. ESTIMATES *(Continued)*

CRITICAL JUDGEMENTS IN KEY ASSUMPTIONS USED IN THE EXPECTED CREDIT LOSS (“ECL”) CALCULATION

Uncertainty of economic environment

According to the HKFRS 9, expected credit loss is expected to be assessed over a range of economic scenarios, being an unbiased and probability weighted amount. The uncertainties in the trade policies of the United States persist, and its monetary policy trajectory going forward is still complicated.

The probability weightings kept at 10%, 80% and 10% to the Good, Base and Bad scenarios respectively in Hong Kong portfolio as well as Mainland China portfolio.

The key assumptions used for ECL estimates are set out below:

		Scenario	June 2025	December 2024
Hong Kong Forecast Factors				
GDP YoY Change %	Base		0.07%	2.42%
	Good		2.85%	5.29%
	Bad		-5.32%	-3.16%
Mainland China Forecast Factors				
GDP QoQ Change %	Base		0.62%	1.25%
	Good		1.64%	2.26%
	Bad		-1.47%	-0.86%

The Group will review the critical assumptions from time to time to reflect the outlook of the economy. Details of net impairment losses on financial assets are disclosed in note 11.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

1. ADVANCES TO CUSTOMERS – BY INDUSTRY SECTORS

The Group's gross advances to customers (including advances booked in branches outside Hong Kong and subsidiaries) are analysed and reported by industry sectors according to the usage of the loans or business activities of the borrowers as follows:

	30 June 2025				
	Gross loans and advances HK\$'000	Stage 1 & 2 impairment allowances HK\$'000	Stage 3 impairment allowances HK\$'000	Loans and advances secured by collateral HK\$'000 (Note 1)	Gross impaired advances HK\$'000
Loans for use in Hong Kong					
Industrial, commercial and financial					
– Property development	3,688,760	62,054	280,635	1,416,884	784,135
– Property investment	5,806,298	40,021	91	4,422,338	2,037
– Financial concerns	17,398,630	3,637	–	394,745	–
– Stockbrokers	2,477,282	588	–	–	–
– Wholesale and retail trade	5,974,244	26,000	6,513	3,033,495	8,146
– Manufacturing	1,636,365	8,829	–	376,538	–
– Transport and transport equipment	2,137,050	6,349	3,874	266,484	6,406
– Information technology	3,526,026	21,687	–	10,522	–
– Others (Note 2)	13,299,463	67,473	181,610	7,717,979	594,302
Individuals					
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	235,021	127	249	232,988	3,027
– Loans for the purchase of other residential properties	11,200,437	4,126	1,072	11,072,303	39,982
– Credit card advances	55,279	53	1,369	–	1,321
– Others (Note 3)	4,766,407	8,311	2,176	4,258,028	76,712
	72,201,262	249,255	477,589	33,202,304	1,516,068
Trade finance	2,988,710	12,111	31,495	176,186	40,186
Loans for use outside Hong Kong	86,483,402	580,032	1,375,513	22,189,422	2,911,903
	<u>161,673,374</u>	<u>841,398</u>	<u>1,884,597</u>	<u>55,567,912</u>	<u>4,468,157</u>

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

1. ADVANCES TO CUSTOMERS – BY INDUSTRY SECTORS *(Continued)*

	31 December 2024				
	Gross loans and advances HK\$'000	Stage 1 & 2 impairment allowances HK\$'000	Stage 3 impairment allowances HK\$'000	Loans and advances secured by collateral HK\$'000 <i>(Note 1)</i>	Gross impaired advances HK\$'000
Loans for use in Hong Kong					
Industrial, commercial and financial					
– Property development	4,540,240	25,999	176,570	1,387,845	795,023
– Property investment	5,252,736	14,130	44	4,290,719	3,197
– Financial concerns	16,187,126	2,973	–	101,671	–
– Stockbrokers	2,255,203	607	–	9,229	–
– Wholesale and retail trade	5,748,205	21,332	6,466	2,831,720	8,144
– Manufacturing	1,728,521	7,634	–	393,517	–
– Transport and transport equipment	3,611,383	8,056	15	270,456	71
– Information technology	2,789,394	10,527	–	–	–
– Others <i>(Note 2)</i>	14,360,855	80,606	200,563	7,778,783	595,731
Individuals					
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	252,865	190	109	250,557	5,049
– Loans for the purchase of other residential properties	10,488,944	7,070	1,586	10,386,760	38,139
– Credit card advances	59,073	77	348	–	369
– Others <i>(Note 3)</i>	5,233,580	12,254	2,499	4,481,467	79,187
	72,508,125	191,455	388,200	32,182,724	1,524,910
Trade finance	2,505,549	9,092	25,521	183,583	31,687
Loans for use outside Hong Kong	86,236,716	540,445	1,475,322	24,380,633	3,562,475
	<u>161,250,390</u>	<u>740,992</u>	<u>1,889,043</u>	<u>56,746,940</u>	<u>5,119,072</u>

Notes:

- (1) Loans and advances secured by collateral are determined as the lower of the market value of collateral or outstanding loan principal.
- (2) Major items mainly included loans to business in electricity and gas, hotels, catering, margin lending and other business purposes.
- (3) Major items mainly included loans to professionals and other individuals for various private purposes.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

1. ADVANCES TO CUSTOMERS – BY INDUSTRY SECTORS *(Continued)*

The Group's advances to customers overdue for over three months as at 30 June 2025 and 31 December 2024, and new impairment allowances and advances written-off during the six months ended 30 June 2025 and 2024 in respect of industry sectors which constitute not less than 10% of gross advances are analysed as follows:

	2025		
	Advances overdue for over three months as at 30 June HK\$'000	New impairment allowances during the six months ended 30 June HK\$'000	Advances written-off during six months ended 30 June HK\$'000
Loans for use in Hong Kong – Financial concerns	–	1,853	–
Loans for use outside Hong Kong	<u>2,836,615</u>	<u>234,917</u>	<u>683,774</u>
	2024		
	Advances overdue for over three months as at 31 December HK\$'000	New impairment allowances during the six months ended 30 June HK\$'000	Advances written-off during six months ended 30 June HK\$'000
Loans for use outside Hong Kong	<u>3,482,419</u>	<u>560,490</u>	<u>1,400,763</u>

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

2. ADVANCES TO CUSTOMERS – BY GEOGRAPHICAL AREAS

The Group's gross advances to customers by countries or geographical areas after taking into account any risk transfers are as follows:

	30 June 2025				
	Total advances HK\$'000	Advances overdue for over three months HK\$'000	Impaired advances HK\$'000	Stage 3 impairment allowances HK\$'000	Stage 1 & stage 2 impairment allowances HK\$'000
Hong Kong	98,737,068	2,690,803	2,710,384	1,125,167	445,339
Mainland China	58,319,859	1,685,256	1,757,044	759,416	394,368
Macau	4,081,167	729	729	14	1,608
Others	535,280	–	–	–	83
	<u>161,673,374</u>	<u>4,376,788</u>	<u>4,468,157</u>	<u>1,884,597</u>	<u>841,398</u>

	31 December 2024				
	Total advances HK\$'000	Advances overdue for over three months HK\$'000	Impaired advances HK\$'000	Stage 3 impairment allowances HK\$'000	Stage 1 & stage 2 impairment allowances HK\$'000
Hong Kong	96,870,086	3,219,802	3,379,434	1,335,562	307,270
Mainland China	58,691,070	1,664,034	1,739,638	553,481	420,892
Macau	4,022,982	–	–	–	5,498
Others	1,666,252	–	–	–	7,332
	<u>161,250,390</u>	<u>4,883,836</u>	<u>5,119,072</u>	<u>1,889,043</u>	<u>740,992</u>

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

3. INTERNATIONAL CLAIMS

The Group's international claims by countries or geographical areas which constitute 10% or more of the relevant disclosure items after taking into account any risk transfers are as follows:

	At 30 June 2025				
	Non-bank private sector				Total HK\$'000
	Banks HK\$'000	Official sector HK\$'000	Non-bank financial institutions HK\$'000	Non- financial private sector HK\$'000	
Offshore centres	7,663,451	19,232	13,058,183	22,949,111	43,689,977
of which:					
Hong Kong	4,551,034	19,027	6,903,458	18,556,690	30,030,209
Developing Asia Pacific	28,068,792	347,918	2,096,435	12,123,095	42,636,240
of which:					
Mainland China	13,204,432	347,818	1,634,595	11,220,516	26,407,361
Taiwan	12,976,173	100	–	2,008	12,978,281
Developed countries	<u>12,552,242</u>	<u>3,882,841</u>	<u>1,592,506</u>	<u>295,945</u>	<u>18,323,534</u>

	At 31 December 2024				
	Non-bank private sector				Total HK\$'000
	Banks HK\$'000	Official sector HK\$'000	Non-bank financial institutions HK\$'000	Non- financial private sector HK\$'000	
Offshore centres	8,954,164	2,110	14,354,169	19,037,095	42,347,538
of which:					
Hong Kong	4,596,841	1,927	6,985,177	13,549,451	25,133,396
Developing Asia Pacific	38,767,125	481,344	684,013	12,496,734	52,429,216
of which:					
Mainland China	8,145,225	481,272	654,597	12,121,956	21,403,050
Taiwan	23,839,931	72	–	2,016	23,842,019
Developed countries	<u>27,331,506</u>	<u>1,757,946</u>	<u>1,501,270</u>	<u>10,422</u>	<u>30,601,144</u>

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

4. OVERDUE AND RESCHEDULED ASSETS

	30 June 2025		31 December 2024	
	Gross amount of advances HK\$'000	Percentage to total advances %	Gross amount of advances HK\$'000	Percentage to total advances %
Advances overdue for				
– 6 months or less but over 3 months	245,827	0.2	1,284,215	0.8
– 1 year or less but over 6 months	1,266,017	0.8	1,452,340	0.9
– Over 1 year	2,864,944	1.7	2,147,281	1.3
Advances overdue for over 3 months	<u>4,376,788</u>	<u>2.7</u>	<u>4,883,836</u>	<u>3.0</u>
Rescheduled advances, net of amounts included in “Advances overdue for over 3 months”	<u>72,697</u>	<u>0.0</u>	<u>75,665</u>	<u>0.0</u>
Impairment allowances under stage 3 made in respect of overdue loans and advances	<u>1,839,508</u>		<u>1,846,395</u>	
Covered portion of overdue loans and advances	1,688,208		1,638,564	
Uncovered portion of overdue loans and advances	<u>2,688,580</u>		<u>3,245,272</u>	
	<u>4,376,788</u>		<u>4,883,836</u>	
Market value of collateral held against covered portion of overdue loans and advances	<u>2,059,633</u>		<u>1,990,173</u>	

There were no advances to banks and other assets which were overdue for over three months as at 30 June 2025 and 31 December 2024, nor were there any rescheduled advances to banks and other financial institutions.

There are no overdue debt securities and trade bills as at 30 June 2025 and 31 December 2024.

Reposessed assets held by the Group as at 30 June 2025 was HK\$8,400,000 (31 December 2024: HK\$3,700,000).

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

5. MAINLAND ACTIVITIES EXPOSURES

The table below summaries the non-bank Mainland China exposures of the Bank's Hong Kong banking operations and the Bank's Mainland branches and sub-branches categorized by types of counterparties:

	30 June 2025		
	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
Type by counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	43,546,839	1,035,949	44,582,788
2. Local government, local government-owned entities and their subsidiaries and JVs	22,529,829	1,206,259	23,736,088
3. Mainland China nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	34,731,167	2,788,703	37,519,870
4. Other entities of central government not reported in item 1 above	4,156,589	10,543	4,167,132
5. Other entities of local government not reported in item 2 above	710,459	–	710,459
6. Mainland China nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	10,401,606	722,400	11,124,006
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	957,219	9,316	966,535
Total	117,033,708	5,773,170	122,806,878
Total assets after provision (Note)	306,103,219		
On-balance sheet exposures as percentage of total assets (Note)	38.23%		

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

5. MAINLAND ACTIVITIES EXPOSURES *(Continued)*

	31 December 2024		
	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
Type by counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	40,818,609	809,380	41,627,989
2. Local government, local government-owned entities and their subsidiaries and JVs	20,343,150	1,057,330	21,400,480
3. Mainland China nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	35,719,326	2,320,161	38,039,487
4. Other entities of central government not reported in item 1 above	3,999,374	514,485	4,513,859
5. Other entities of local government not reported in item 2 above	671,883	–	671,883
6. Mainland China nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	13,268,480	755,116	14,023,596
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,109,869	702,330	1,812,199
Total	115,930,691	6,158,802	122,089,493
Total assets after provision (Note)	319,890,714		
On-balance sheet exposures as percentage of total assets (Note)	36.24%		

The categories of non-bank counterparties and type of direct exposures are disclosed in accordance with Banking (Disclosure) Rules with reference to the Return of Mainland Activities of the HKMA.

Note: Include total assets after provisions of the Bank's Hong Kong banking operations and the Bank's Mainland branches and sub-branches.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

6. CURRENCY RISK

The Group's foreign currency exposures arising from non-structural position which constitute 10% or more of the total net non-structural position in all foreign currencies are as follows:

	30 June 2025	
	USD HK\$'000	RMB HK\$'000
Spot assets	50,305,076	107,611,811
Spot liabilities	(57,612,977)	(107,527,020)
Forward purchases	236,458,986	27,353,291
Forward sales	(219,407,993)	(23,455,994)
Net options position	(47,365)	36,388
Net long position	<u>9,695,727</u>	<u>4,018,476</u>

	31 December 2024	
	USD HK\$'000	RMB HK\$'000
Spot assets	65,871,167	108,348,395
Spot liabilities	(48,850,934)	(111,129,079)
Forward purchases	198,795,208	46,189,367
Forward sales	(207,406,247)	(40,295,099)
Net options position	<u>823,639</u>	<u>(176,542)</u>
Net long position	<u>9,232,833</u>	<u>2,937,042</u>

The net options position is calculated in the basis of the delta-weighted position of option contracts.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

6. CURRENCY RISK *(Continued)*

The Group's foreign currency exposures arising from structural position which constitute 10% or more of the total net structural position in all foreign currencies are as follows:

	30 June 2025		31 December 2024	
	USD	RMB	USD	RMB
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net structural position	460,113	3,836,000	455,330	3,700,900

7. CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Contingent liabilities and commitments		
– contractual amounts		
Direct credit substitutes	3,046,929	3,034,108
Transaction-related contingencies	954,571	948,905
Trade-related contingencies	1,352,686	790,795
Forward asset purchases	24,175	10,864
Forward forward deposits placed	2,078,240	–
Undrawn formal standby facilities, credit lines and other commitments		
Which are unconditionally cancellable without prior notice	64,347,086	60,666,430
With an original maturity of one year and under	15,323	611,200
With an original maturity of over one year	6,481,567	7,973,033
Lease commitments	99	176
	78,300,676	74,035,511

The credit risk-weighted amount of contingent liabilities and commitments is HK\$10,893,017,000 (31 December 2024: HK\$5,850,397,000).

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

8. CAPITAL ADEQUACY RATIOS, LEVERAGE RATIO AND LIQUIDITY RATIO

	30 June 2025 %	31 December 2024 %
Total capital ratio	22.25	20.40
Tier 1 capital ratio	18.41	16.90
Common Equity Tier 1 ("CET 1") capital ratio	17.26	15.82
	30 June 2025 %	31 December 2024 %
Capital buffers (as a percentage of risk-weighted assets)		
Capital conservation buffer ratio	2.500	2.500
Countercyclical capital buffer ratio	0.315	0.306
	2.815	2.806
	30 June 2025 %	31 December 2024 %
Leverage ratio	11.45	10.86
	Six months ended 30 June 2025 %	Six months ended 30 June 2024 %
Average liquidity maintenance ratio ("LMR") for the period	67.77	66.05

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

8. CAPITAL ADEQUACY RATIOS, LEVERAGE RATIO AND LIQUIDITY RATIO *(Continued)*

The capital adequacy ratios are compiled in accordance with the Banking (Capital) Rules under the Hong Kong Banking Ordinance. In accordance with the Banking (Capital) Rules, the Bank has adopted the “standardised approach” for the calculation of the risk-weighted assets for credit risk, operational risk and market risk and “reduced basic CVA approaches” for the calculation of CVA risk. The capital adequacy ratio is consolidated, under the Banking (Capital) Rules, with reference to the financial information of the Bank, Chong Hing Finance Limited, Gallbraith Limited, Chong Hing Information Technology Limited, Top Benefit Enterprise Limited and Hero Marker Limited.

The leverage ratios are compiled under the requirements specified in Part 1C of the Banking (Capital) Rules under the Hong Kong Banking Ordinance. The leverage ratio is consolidated with reference to the financial information of the Bank, Chong Hing Finance Limited, Gallbraith Limited, Chong Hing Information Technology Limited, Top Benefit Enterprise Limited and Hero Marker Limited.

The liquidity maintenance ratios are compiled in accordance with the Banking (Liquidity) Rules under the Hong Kong Banking Ordinance. The liquidity maintenance ratio is calculated on an unconsolidated basis. The average liquidity maintenance ratio is calculated based on the arithmetic mean of the average value of the liquidity maintenance ratio of the Bank reported in the liquidity position return of the Bank for each month during the reporting period.

9. OTHER FINANCIAL INFORMATION

The Bank has set up a “Regulatory Disclosure” section on its website to house all of the information relating to the disclosure of regulatory capital to comply with the Banking (Disclosure) Rules.

The “Regulatory Disclosure” will be available on the Bank’s website (www.chbank.com/en/personal/footer/about-ch-bank/regulatory-disclosures/index.shtml) in the “Regulatory Disclosure” section in accordance with the Banking (Disclosure) Rules. The Regulatory Disclosure, together with the disclosures in the Group’s Interim Report, contained all the disclosures required by the Rules issued by the HKMA.

10. BASIS OF CONSOLIDATION

This interim financial information covers the condensed consolidated financial information of the Bank and all its subsidiaries and includes the attributable share of interest in the Group’s associates.

In preparing the capital adequacy ratios and liquidity ratio of the Group, they are prepared according to the basis of consolidation determined by the Hong Kong Monetary Authority for regulatory purposes. The main difference between the consolidation basis for accounting and regulatory purposes is that the former includes the Bank, all its subsidiaries and the attributable share of interests in the Group’s associates whereas the latter includes the Bank and only some of the Group’s subsidiaries which mainly conduct banking business or other business incidental to banking business. The LMR is prepared on an unconsolidated basis which includes the Bank only.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

10. BASIS OF CONSOLIDATION *(Continued)*

Subsidiaries that are included within the accounting scope of consolidation but are not included within the regulatory scope of consolidation are as follows:

Name of company	Principal activities	Total assets		Total equity	
		30 June 2025	31 December 2024	30 June 2025	31 December 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Chong Hing (Nominees) Limited	Provision of nominee services	100	100	100	100
Chong Hing Securities Limited	Stockbroking	1,199,207	1,070,794	857,404	815,180
Chong Hing Commodities and Futures Limited	Commodities and futures broking	69,919	68,329	68,909	67,227
Chong Hing Insurance Company Limited	Insurance underwriting	494,651	468,082	392,619	377,885
Chong Hing Insurance Brokers Limited	Insurance broking	27,373	17,931	25,415	17,085

11. RISK MANAGEMENT

The Group has established policies, procedures, and controls for measuring, monitoring and controlling risks arising from the banking and related financial services business. These policies, procedures, and controls are implemented by various committees, divisions and departments of the Group and are regularly reviewed by the Board. The internal auditors also play an important role in the risk management process by performing regular, as well as sporadic compliance audits.

The management of assets and liabilities of the Group is conducted under the guidance of the Asset and Liability Management Committee (the "ALCO"). The ALCO holds meetings every two weeks, and more frequent meetings when required, to review and direct the relevant policies, the business strategies and to monitor the bank-wide positions. The day-to-day management of the credit, operational, liquidity, foreign exchange, interest rate and other market risks, and the compliance with the Bank's policies that are monitored by the Finance & Capital Management, the Treasury and Markets Division, the Credit Risk Management Division, the Legal and Compliance Division, the Operational & IT Risk Management Department, the Financial Crime Compliance Department and the Market Risk Management Department with the assistance of various qualitative and quantitative analysis, and supervised by the ALCO and the Risk Management Committee (the "RMC"). The Board level Risk Committee (RC) exercises further oversight of the Bank's risk management.

Complementing the ALCO in the management of assets and liabilities, the RMC also oversees the implementation of the policies and procedures established for managing the Group's credit, strategic, operational, legal, and reputation risks and compliance requirements.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

11. RISK MANAGEMENT *(Continued)*

(I) CAPITAL MANAGEMENT

The Group has adopted a policy of maintaining a strong capital base to support the development of the Group's business and to ensure compliance with the statutory capital adequacy ratio requirement.

Capital is allocated to the various activities of the Group depending on the risk taken by each business division. The Group's capital adequacy ratio has remained well above the minimum as stipulated in the Banking (Capital) Rules.

(II) CREDIT RISK

Credit risk is the risk that a customer or counterparty may fail to meet a commitment when it falls due.

The Group's lending policy sets out in details the credit approval and monitoring mechanism, the exposure classifications system and provisioning policy, which is established in accordance with the requirements and provisions of the Hong Kong Banking Ordinance, the guidelines issued by the HKMA and other regulatory bodies.

Day-to-day credit management is performed by the Credit Risk Management Division with reference to credit policy information, the creditworthiness of a counterparty, the exposure concentration risk and the collateral pledged by a counterparty. Credit decisions are made by individual approvers with the delegated credit authority.

(III) LIQUIDITY RISK

Liquidity risk is the risk that the Group may not be able to meet obligations as they fall due, without incurring unacceptable losses.

The Group adopts conservative risk appetite in liquidity risk management and maintains adequate liquid assets to meet its normal business obligations as well as to withstand a prolonged period of liquidity stress in accordance with the requirements set out in the Supervisory Policy Manual LM-2 "Sound Systems and Controls for Liquidity Risk Management" ("SPM LM-2") revised by the HKMA in November 2016. The Board has the ultimate responsibility for liquidity risk management. The EXCO is delegated by the Board to oversee liquidity risk management. The ALCO is further delegated by the EXCO to oversee the Group's day-to-day liquidity risk management. The liquidity risk management policy which is reviewed and approved by the Board, specifies a set of liquidity risk metrics and risk control limits for effective liquidity risk management. The key liquidity metrics, e.g. liquidity maintenance ratio, core funding ratio ("CFR"), loan-to-deposit ratio, maturity profile of assets and liabilities, and inter-bank transactions are under ALCO's ongoing and periodic review.

The Group has sufficiently maintained the LMR and CFR well above the minimum as stipulated by the Banking (Liquidity) Rules.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

11. RISK MANAGEMENT *(Continued)***(IV) MARKET RISK**

Market risk is the risk of losses in assets, liabilities and off-balance sheet positions arising from movements in market rates and prices.

Market risk arising from the trading book is at an acceptable level, as the Group maintains controllable positions of financial instruments leading to foreign exchange and interest rate exposures. The market risk positions are managed using risk limits approved by the Group. Daily risk monitoring is carried out independently by Market Risk Management Department, which ensures all dealing activities are conducted in a proper manner and within approved limits. The Group's exposures are periodically reviewed by the Board, RMC and senior management. Besides, structural foreign exchange exposure is to be detailed under (v) foreign exchange risk.

(V) FOREIGN EXCHANGE RISK

The Group has maintained a controllable level of foreign exchange risk for both trading and customer order fulfillment. Structural foreign exchange exposure arising from investments in branches outside Hong Kong and subsidiaries is accounted for in the reserves account. Day-to-day foreign exchange management is managed by the Treasury and Markets Division within approved limits.

(VI) INTEREST RATE RISK

Interest rate risk is referred to the risk to the Bank's financial condition resulting from adverse movements in interest rates. This consists of gap risk, basis risk and option risk. Interest margins may increase as a result of such changes in favour of the Bank but also result negative impacts in the event that unexpected or adverse movement arises. Interest rate risk comprises those originating from both trading and non-trading portfolio, and the Group's interest rate risk exposure is mainly contributed by non-trading portfolio. In non-trading portfolio, the management of Group's interest rate risk in banking book (IRRBB) is governed by the Interest Rate Risk Management Policy which is reviewed and endorsed by ALCO and approved by EXCO. The Group also manages its interest rate risk in banking book ("IRRBB") within the IRRBB limits approved by ALCO and under monitoring of Market Risk Management Department independently, which regularly report to both ALCO and RMC for senior management oversight. In trading portfolio, specific limits are approved by RMC on interest rate sensitivities (also known as DV01) and stop loss are being enforced on daily basis subject to independent monitoring by Market Risk Management Department.

The Group maintains manageable interest rate positions on its trading book, in addition to certain interest rate contracts entered into for the management of the Group's own risk with holding securities that are classified for trading purpose.

The Group manages its IRRBB exposures using economic value as well as earnings based measures.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

11. RISK MANAGEMENT *(Continued)*

(VI) INTEREST RATE RISK *(Continued)*

The economic value is measured from present values of its expected net cash flows of assets, liabilities and off balance sheet positions held with the Bank, discounted to reflect market rates. Therefore, the Group measures the change in Economic Value of Equity ("ΔEVE") as the maximum decrease of the banking book economic value under the six standard scenarios defined by the HKMA's Supervisory Policy Manual.

Earnings-based measures the impact of changes in interest rates on accruing or reported earnings. Reduced earnings or outright losses can threaten the financial stability by undermining its capital adequacy and by reducing market confidence in it. According to the HKMA's Supervisory Policy Manual, the Group measures the change in net interest income as the maximum reduction in net interest income over a period of 12 months.

(VII) OPERATIONAL AND LEGAL RISK

Operational risk is the risk of unexpected losses attributable to human error, systems failures, frauds, or inadequate internal controls and procedures. Identification, assessment, mitigation, monitoring and reporting of operational risk are to be done the Bank, through its operational risk event handling and reporting mechanism.

Executive directors, division heads, department heads, in-house legal counsels, and internal auditors collaborate to manage operational and legal risks through proper human resources policies, delegation of authorities, segregation of duties, and timely and accurate management information. Senior management and the Audit Committee are accountable to the Board for maintaining a strong and disciplined control environment to provide reasonable assurance that the operational and legal risks are prudently managed.

A comprehensive contingency plan is available to ensure that the Bank's key business functions continue and normal operations are restored effectively and efficiently in the event of business interruption.

Operational Resilience is the ability of a bank to deliver Critical Operations through disruption. It enables the Bank to identify and protect itself from threats and potential failures, respond and adapt to, as well as recover and learn from disruptive events in order to minimise their impact on the delivery of critical operations through disruption. An operational resilience framework has been established and approved by the Board as a milestone of attaining the Bank's operationally resilient.

During the first half of the year, the Group has no significant operational risk loss event that need to disclose in this report.

(VIII) REPUTATION RISK

Reputation risk is the risk that the Group's reputation is damaged by one or more than one reputation events that results in negative publicity about the Group's business practices, conduct or financial condition.

Reputation risk is managed by every member of staff, and proper and adequate communications and public relations efforts are required to foster the reputation of the Group. A reputation risk management policy guided by the Board has been established to manage including, without limitation, media exposure, handling of customers' and other stakeholders' complaints and suggestions, and to ensure that the Group's business activities, and agents and/or bodies acting on the Group's behalf do not jeopardise its reputation.

SUPPLEMENTARY INFORMATION

for the six months ended 30 June 2025

11. RISK MANAGEMENT *(Continued)***(IX) CLIMATE-RELATED RISKS**

Climate risk has gradually become a significant factor impacting the stability of the global financial system and has profoundly influenced the development landscape of the banking sector. With the increasing frequency of extreme weather events caused by climate change, the banking industry is facing challenges such as deteriorating asset quality and heightened credit risks. On one hand, climate risk exacerbates loan and investment risks for banks in areas like environmental protection and energy efficiency, potentially leading to defaults on related loans and investments. On the other hand, climate risk also impacts banks' capital adequacy ratios and liquidity positions, thereby affecting the operational stability of the banking industry.

To build climate resilience and mitigate the potential adverse impacts of climate change, we have established a robust and comprehensive climate risk governance framework supported by strong accountability mechanisms. The Board of Directors oversees the overall management of climate-related risks within the Bank, while the Executive Committee and Risk Committee work in conjunction with the operational levels to ensure effective management of climate-related risks.

The Bank has developed a comprehensive sustainability strategy, detailed in our Sustainable Strategic Statement, which outlines commitments and objectives spanning multiple timelines. This strategy incorporates climate-related risk considerations into both operational and strategic frameworks, with the dual goals of reducing the Bank's environmental footprint and supporting our clients in their transition to a low-carbon economy. In light of escalating climate challenges, the Bank regularly reviews and refines its relevant policies to ensure alignment with the latest regulatory developments, industry standards, and market trends.

Chong Hing Bank has strengthened its risk management framework to effectively identify, assess, and mitigate environmental and climate-related risks, acknowledging the critical interplay between these risks and financial stability. The Bank has established policies such as the Sustainable Lending Policy and the Sustainable Investment Policy to proactively manage climate-related risks within the investment portfolio.

The Bank has established targets for energy conservation and emissions reduction, actively exploring innovative operational and business metrics to enhance our climate-related risk management strategy. In alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD") framework, we have disclosed information across the four key pillars of governance, strategy, risk management, and metrics and targets. We continually work to strengthen the quality of our climate-related risk management disclosures, ensuring greater comprehensiveness and transparency in our reporting to build stakeholder confidence.

For more information on the Bank's climate-related risks management, please refer to our 2024 ESG Report (www.chbank.com/en/personal/footer/about-ch-bank/investor-relations/esg-reports/index.shtml).

HEAD OFFICE, BRANCHES, SUB-BRANCHES, PRINCIPAL SUBSIDIARIES AND ASSOCIATES

as of 3 September 2025

		Telephone
HONG KONG MAIN BRANCH	Chong Hing Bank Centre, 24 Des Voeux Road Central, H.K.	3768 1111
HONG KONG ISLAND BRANCHES		
Aberdeen	166-168 Aberdeen Main Road, Aberdeen, H.K.	3768 6210
Causeway Bay	488 Jaffe Road, Causeway Bay, H.K.	3768 6290
North Point	376 King's Road, North Point, H.K.	3768 6200
Shau Kei Wan	203-205 Shau Kei Wan Road, H.K.	3768 6330
Sheung Wan	163 Wing Lok Street, Sheung Wan, H.K.	3768 6220
Wan Chai	265-267 Hennessy Road, Wanchai, H.K.	3768 6350
Western	347-349 Des Voeux Road West, H.K.	3768 6280
KOWLOON BRANCHES		
Castle Peak Road	285-287 Castle Peak Road, Cheung Sha Wan, Kowloon	3768 6320
Kowloon Bay	Shop Unit 8, G/F, Chevalier Commercial Centre, No. 8 Wang Hoi Road, Kowloon Bay, Kowloon	3768 6740
Kowloon City	31-33 Nga Tsin Wai Road, Kowloon City, Kowloon	3768 6300
Kwun Tong	31-33 Mut Wah Street, Kwun Tong, Kowloon	3768 6410
Lei Yue Mun	Shop 123, 1/F, Domain, 38 Ko Chiu Road, Yau Tong, Kowloon	3768 6530
Mongkok	Shop No. 2 of G/F & Whole of Upper Ground Floor, Ginza Square, No. 567 Nathan Road, Kowloon	3768 0001
San Po Kong	55-57 Yin Hing Street, San Po Kong, Kowloon	3768 6360
Sham Shui Po	144-148 Tai Po Road, Sham Shui Po, Kowloon	3768 6310
Shun Lee Estate	Lee Yat House, Shun Lee Estate, Kowloon	3768 6420
Tak Tin Estate	No. 207, Tak Tin Plaza, Tak Tin Estate, Lam Tin, Kowloon	3768 6470
To Kwa Wan	34-34A Tam Kung Road, To Kwa Wan, Kowloon	3768 6370
Tsim Sha Tsui	16 Granville Road, Tsim Sha Tsui, Kowloon	3768 6240
Tsz Wan Shan	60-64 Sheung Fung Street, Tsz Wan Shan, Kowloon	3768 6390
NEW TERRITORIES BRANCHES		
Cheung Fat Estate	Shop 206A, 2/F, Cheung Fat Plaza, Cheung Fat Estate, Tsing Yi, N.T.	3768 6560
Glorious Garden	Shop No. 82, Glorious Garden, 45 Lung Mun Road, Tuen Mun, N.T.	3768 6520
Ma On Shan	Shop 2701-14, L2, MOSTown, No. 628 Sai Sha Road, Ma On Shan, Shatin, N.T.	3768 6450
Shatin	Shop 1A, Ground Floor, Lucky Plaza, Shatin, N.T.	3768 6400
Sheung Shui	71 San Fung Avenue, Sheung Shui, N.T.	3768 6270
Sheung Tak Estate	Shop No. 237, TKO Spot, Sheung Tak Estate, Tseung Kwan O, N.T.	3768 6510
Tai Wo Plaza	Shop No. 101 I, Level 1, Tai Wo Plaza, No. 12 Tai Wo Road, Tai Po, N.T.	3768 6900
Tin Chak Estate	Shop No. 218, 2/F, Tin Chak Shopping Centre, Tin Chak Estate, Tin Shui Wai, N.T.	3768 6570

HEAD OFFICE, BRANCHES, SUB-BRANCHES, PRINCIPAL SUBSIDIARIES AND ASSOCIATES

as of 3 September 2025

		Telephone
Tsuen Wan	298 Sha Tsui Road, Tsuen Wan, N.T.	3768 6440
Tuen Mun Hong Lai Garden	G/F, Hong Lai Garden, 117 Heung Sze Wui Road, Tuen Mun, N.T.	3768 6580
Yat Tung Estate	Shop Nos. 1 & 2, G/F, Yat Tung Shopping Centre, Yat Tung Estate, Tung Chung, N.T.	3768 6710
Yuen Long	99-109 Castle Peak Road, Yuen Long, N.T.	3768 6230
BEIJING BRANCH		
Beijing	Unit 1001, 1003, 1005, 1007, 1009, 1010, 1011, 1015, 1017 & 1019 of 10th Floor, No. 23 Financial Street, Xicheng District, Beijing, China	(86-10) 6314 5100
GUANGZHOU BRANCH		
Guangzhou	Room 102 with self-edited Unit 01, Room 201, Room 301, Room 5001 & Room 5401 with self-edited Unit 07, Yuexiu Financial Tower, No. 28 Zhujiang East Road, Tianhe District, Guangzhou, Guangdong, China	(86-20) 2213 7988
SHENZHEN BRANCH		
Shenzhen	Unit 01-Unit 08, 22nd Floor, China Resources Tower, No. 2666 Keyuan South Road, Yuehai Sub-District, Nanshan District, Shenzhen, China	(86-755) 3352 9099
SHANGHAI BRANCH		
Shanghai	28th Floor, Yue Xiu Tower, No. 388 Fushan Road, Pudong, Shanghai, China	(86-21) 6085 3000
SHANTOU BRANCH		
Shantou	Room 601, 602, 603, 604, 605, 606 & 607, Tai An Tang Building, No. 18 Songshan Road South, Shantou, Guangdong, China	(86-754) 8890 3224
SHENZHEN NANSHAN SUB-BRANCH		
Shenzhen Nanshan	Unit 17, 18 & 19 of 1st Floor, Unit 39 of 2nd Floor, T2 Tower, Ali Center, No. 3331 Keyuan South Road (Shenzhen Bay), Yuehai Sub-District, Nanshan District, Shenzhen, China	(86-755) 3352 7685
SHENZHEN QIANHAI SUB-BRANCH		
Shenzhen Qianhai	Room 201, 202, 203, 204, 205, 206 & 207, Tower C, Minsheng Internet Building, No. 5073 Menghai Avenue, Guiwan Community, Nanshan District, Shenzhen, China	(86-755) 3327 8900
DONGGUAN SUB-BRANCH		
Dongguan	Unit 105, Nanfeng Center, No. 106 Hongfu Road, Nancheng District, Dongguan, Guangdong, China	(86-769) 8608 5888
GUANGZHOU HAIZHU SUB-BRANCH		
Guangzhou Haizhu	Unit 106, No. 1236 Xingang East Road, Haizhu District, Guangzhou, Guangdong, China	(86-20) 2213 7988
GUANGZHOU PANYU SUB-BRANCH		
Guangzhou Panyu	Room 110 and 111, Block Two, No. 103 Wanhui Second Road, Nancun Town, Panyu District, Guangzhou, Guangdong, China	(86-20) 2868 6520

HEAD OFFICE, BRANCHES, SUB-BRANCHES, PRINCIPAL SUBSIDIARIES AND ASSOCIATES

as of 3 September 2025

		Telephone
NANSHA SUB-BRANCH		
Guangzhou Nansha	Room 801-805, Building No. 1, No. 106 Fengze Road East, Nansha District, Guangzhou, Guangdong, China	(86-20) 3226 0620
GUANGZHOU DEVELOPMENT ZONE SUB-BRANCH		
Guangzhou Development Zone	Room 101 & Room 102, No. 2521 Kaichuang Avenue, Huangpu District, Guangzhou, Guangdong, PRC.	(86-20) 8510 9888
FOSHAN SUB-BRANCH		
Foshan	Unit B107 & B205-2, Level 1 and Level 2, Mall 1, Yuexiu Xing Hui Yun Jin Plaza, No. 84 North Nanhai Da Dao, Guicheng Jie Dao, Nanhai District, Foshan, Guangdong, China	(86-757) 6352 2888
SHUNDE SUB-BRANCH		
Shunde	Unit 105-106, Block 8, Poly Zhongyue Garden Zone A, No. 6 Guotai South Road, Dehe Residents Committee, Daliang Street, Shunde District, Foshan, Guangdong, China	(86-757) 6352 2838
GUANGDONG-MACAO IN-DEPTH COOPERATION ZONE IN HENGQIN SUB-BRANCH		
Zhuhai Hengqin	Shop No. 185, Southern Financial Media Building, Rongzhu Road and Room 2006 & Room 2007, No. 191 Rongzhu Road, Guangdong-Macao In-Depth Cooperation Zone in Hengqin, Guangdong, China	(86-756) 3833 039
ZHONGSHAN SUB-BRANCH		
Zhongshan	Room 4-5, First Floor, Tower 2, Shangfeng Financial Business Center, No. 88 Zhongshan Fourth Road, East District, Zhongshan, Guangdong, China	(86-760) 2385 2388
SHANGHAI HONGQIAO SUB-BRANCH		
Shanghai Hongqiao	Unit 101, No. 6, Lane 988, Shenchang Road, Minhang District, Shanghai, China	(86-21) 6085 3085
MACAU BRANCH		
Macau	No. 693, Avenida da Praia Grande, Edificio Tai Wah, R/C, Macau	(853) 2833 9982

PRINCIPAL SUBSIDIARIES

Chong Hing Commodities and Futures Limited
 Chong Hing Finance Limited
 Chong Hing Information Technology Limited
 Chong Hing Insurance Brokers Limited
 Chong Hing Insurance Company Limited
 Chong Hing (Nominees) Limited
 Chong Hing Securities Limited
 Gallbraith Limited
 Hero Marker Limited
 Top Benefit Enterprise Limited

ASSOCIATES

Bank Consortium Holding Limited
 BC Reinsurance Limited
 Hong Kong Life Insurance Limited

