

联想控股

LEGEND HOLDINGS

EMPOWERING COMPANIES TOWARD GREATNESS

(A joint stock limited company incorporated in the
People's Republic of China with limited liability)
Stock Code: 03396

2025
ANNUAL REPORT

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Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“AI”	Artificial Intelligence
“associate(s)”	for the purpose of this report, all entities over which the Group has significant influence. Significant influence represents the power to participate in the financial and operational policy decision of the investees, but without control or joint control rights over these policies
“Audit Committee”	Audit Committee under the Board
“BIL”	Banque Internationale à Luxembourg S.A., a credit institution in the form of a Luxembourg limited liability company (société anonyme) and our subsidiary
“Board”	board of directors of the Company
“Bountifresh”	Shenzhen Bountifresh Modern Agriculture Co., Ltd. (深圳市鑫果佳源現代農業有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Joyvio Group
“Bybo Dental”	Taikang Dental Group Co., Ltd. (泰康口腔集團有限公司) (formerly known as Taikang Bybo Dental Group Co., Ltd.), a limited liability company incorporated under the laws of the PRC, and our associate
“CAS Holdings”	Chinese Academy of Sciences Holdings Co., Ltd. (中國科學院控股有限公司), a substantial Shareholder
“China Oceanwide”	China Oceanwide Holdings Group Co., Ltd. (中國泛海控股集團有限公司), a substantial Shareholder
“China Starfish”	China Starfish Co., Ltd. (青島國星食品股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and a subsidiary of Joyvio Food
“Company”, “our Company” or “Legend Holdings”	Legend Holdings Corporation (聯想控股股份有限公司), a joint stock limited liability company incorporated under the laws of PRC and its overseas listed shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 03396)
“Director(s)”	the director(s) of the Company
“Domestic Shares”	domestic share(s) in the ordinary share capital of the Company with the nominal value of RMB1.00 each
“EAL”	Eastern Air Logistics Co., Ltd. (東方航空物流股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on the Shanghai Stock Exchange (Stock Code: 601156.SH), and our associate

“EO”	ethylene oxide
“ESG Committee”	Environmental, Social and Governance Committee under the Board
“EVA”	ethylene-vinylacetate copolymer
“Fullhan Microelectronics”	Shanghai Fullhan Microelectronics Co., Ltd. (上海富瀚微電子股份有限公司), a joint stock limited company incorporated under the laws of the PRC and listed on the ChiNext Board on the SZSE (Stock Code: 300613.SZ)
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, listed on the main board of the Hong Kong Stock Exchange and trade in HKD
“Hankou Bank”	Hankou Bank Co., Ltd. (漢口銀行股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and our associate
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hony Capital” or “Hony”	a series of private equity investment funds, together with their respective management companies/general partners
“IPO”	Initial Public Offering
“IT”	information technology
“JC Finance & Leasing”	JC International Finance & Leasing Company Limited (君創國際融資租賃有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“Joy Wing Mau”	Joy Wing Mau Fruit Technologies Corporation Limited (鑫榮懋果業科技集團股份有限公司), a large fruit supply chain enterprise in China. It is a joint stock limited liability company incorporated under the laws of the PRC, and a subsidiary of Joyvio Group
“Joyvio Food”	Joyvio Food Co., Ltd. (佳沃食品股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, listed on the ChiNext board of Shenzhen Stock Exchange (Stock Code: 300268.SZ), and a subsidiary of Joyvio Group
“Joyvio Group”	Joyvio Group Co., Ltd. (佳沃集團有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary

Definitions

“KB Food”	KB Food International Holding (Pte.) Limited, a limited liability company established under the laws of Singapore, and a subsidiary of Joyvio Group
“Lakala”	Lakala Payment Corporation (拉卡拉支付股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and our associate, listed on the ChiNext Board of the Shenzhen Stock Exchange (Stock Code: 300773.SZ)
“Legend Capital”	a series of venture capital funds, together with their respective management companies/partners
“Legend Star”	a series of angel investment funds, together with their respective management companies/partners
“Lenovo”	Lenovo Group Limited (聯想集團有限公司), a limited liability company incorporated under the laws of Hong Kong and listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 992), and our subsidiary
“Levima Advanced Materials”	Levima Advanced Materials Corporation (聯泓新材料科技股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 003022.SZ), and a subsidiary of the Company
“Levima Chemicals”	Levima (Shandong) Chemicals Co., Ltd. (聯泓(山東)化學有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of Levima Advanced Materials
“Levima Group”	Levima Group Limited (聯泓集團有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MSME(s)”	micro small and medium sized enterprise(s)
“N/A”	not applicable
“NEEQ”	National Equities Exchange and Quotations (全國中小企業股份轉讓系統), a platform established for the sale of existing shares or private placing of new shares by SMEs
“neurology” or “neurology specialty”	the collective term of the clinical discipline studying organic and functional diseases of central nervous system (brain, spinal cord). Clinically, the correspondent branch is neurosurgery and neurology depending on the types of disease and treatment methods
“Nomination Committee”	Nomination Committee under the Board

“Oceanwide Group”	Oceanwide Group Co., Ltd. (泛海集團有限公司), a substantial Shareholder
“ordinary shares” or “shares”	ordinary shares issued by the Company
“our”, “we” or “us”	our Company and all of its subsidiaries, or any one of them as the context may require
“PLA”	polylactic acid
“POE”	polyolefin elastomer
“PP”	polypropylene
“PPC”	poly propylene carbonate
“Raycom Property”	Raycom Property Investment Co., Ltd. (融科物業投資有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“Raycom Technology”	Raycom Technology Co., Ltd. (融科智地科技股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC, and our subsidiary
“Remuneration Committee”	Remuneration Committee under the Board
“Reporting Period”	for the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shanghai Neuromedical Center”	Shanghai Neuromedical Center Co., Ltd. (上海德濟醫院有限公司), a limited liability company incorporated under the laws of the PRC, and our subsidiary
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Shareholder(s)”	holder(s) of the shares of the Company
“Shenzhen Stock Exchange” or “SZSE”	Shenzhen Stock Exchange
“SME(s)”	small and medium-sized enterprise(s)
“Strategy Committee”	Strategy Committee under the Board
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company

Definitions

“TMT”	technology, media and telecom
“Tohigh”	Tohigh Holdings Co., Ltd. (通海控股有限公司), a substantial Shareholder
“UHMWPE”	ultra-high molecular weight polyethylene
“VA”	vinyl acetate
“XDI”	a special type of isocyanates
“ZQET Group”	Zhengqi Energy Technology Group Corporation (正奇能源科技集團股份有限公司) (formerly known as Zhengqi Holdings Corporation), a joint stock limited liability company incorporated under the laws of the PRC, and our subsidiary
“ZQi Solar”	ZQi Solar Technology Co., Ltd. (正奇光能科技有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of ZQET Group

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. NING Min (*Chairman*)

Non-executive Directors

Mr. ZHU Linan

Mr. ZHAO John Huan

Ms. CHEN Jing

Ms. YANG Hongmei

Independent Non-executive Directors

Ms. HAO Quan

Mr. YIN Jian'an

Mr. YUAN Li

BOARD OF SUPERVISORS

Supervisors

Mr. GAO Qiang (*Chairman*)

Mr. LUO Cheng

Ms. PEI Xiaofeng

NOMINATION COMMITTEE

Mr. NING Min (*Chairman*)

Ms. CHEN Jing

Ms. HAO Quan

Mr. YIN Jian'an

Mr. YUAN Li

AUDIT COMMITTEE

Ms. HAO Quan (*Chairperson*)

Ms. YANG Hongmei

Mr. YIN Jian'an

REMUNERATION COMMITTEE

Mr. YIN Jian'an (*Chairman*)

Ms. CHEN Jing

Mr. YUAN Li

SECRETARY OF THE BOARD

Mr. WANG Wei

H SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre,

16 Harcourt Road, Hong Kong

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

COMPLIANCE ADVISOR

Somerley Capital Limited

REGISTERED OFFICE

Room 1701, 17/F, Block 1

Court No. 2, Ke Xue Yuan Nanlu

Haidian District, Beijing, PRC

HEAD OFFICE IN THE PRC

Room 1701, 17/F, Block 1

Court No. 2, Ke Xue Yuan Nanlu

Haidian District, Beijing, PRC

PRINCIPAL BANKS

China Construction Bank, Beijing Zhongguancun Branch

Bank of China, Beijing Branch

Agricultural Bank of China, Head Office

Industrial and Commercial Bank of China, Beijing Branch

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 06, 70/F Two International Finance Centre,

No. 8 Finance Street, Central, Hong Kong

COMPANY'S WEBSITE

www.legendholdings.com.cn

STOCK CODE

03396

Chairman's Statement



Dear Shareholders:

The year 2025 marked the conclusion of the 14th Five-Year Plan (2021–2025) amid global transformations unseen in a century. Geopolitical risks escalated, the global economic landscape shifted profoundly, and industrial and supply chains faced mounting security threats, leading to greater cyclical volatility. Yet as these headwinds intensified, the surging wave of AI-driven technological revolution and industrial transformation kindled a beacon of hope. Against this backdrop, China's economy demonstrated strong resilience and sustained growth. With its GDP exceeding RMB140 trillion, growing by 5% year-on-year, China cemented its role as a key stabilizer and major growth driver for the global economy. We have made remarkable strides in pursuing innovation-driven, quality-focused development, with groundbreaking innovations emerging one after another. New achievements keep rolling in across cutting-edge fields across AI, embodied intelligence, biomedicine, commercial aerospace, controlled nuclear fusion, and quantum technologies, enabling China to lead the tide of the global technological revolution. Against this complex and evolving market landscape, Legend Holdings remained steadfast in its commitment: revitalizing the country through business. Guided

by the mission to serve the social and economic development agenda, we have aligned closely with national strategic directions, focused on the real economy, and vigorously advanced the development of the new quality productive forces. We have ventured into the deep waters of scientific and technological innovation, built new systems before dismantling the old and pursued progress while maintaining stability, contributing our strength to the nation's high-quality development.

REVIEWING THE 14TH FIVE-YEAR PLAN: PLAN THE START, SECURE THE END, AND FORGE NEW GROUND AMID CHANGE

The 14th Five-Year Plan period unfolded during a once-in-a-century global transformation. Shifts in the balance of power between China and the U.S. reshaped the international landscape, representing a period of economic restructuring and adjustment. For one thing, trade protectionism and unilateralism reemerged, provoking a backlash against globalization and exerting dual pressures on global industrial and supply chains, both constraining existing networks and driving their structural reconfiguration. For the other, the AI-led technological revolution and industrial transformation have accelerated across both China and the U.S., sweeping the globe. Technology has become the primary battleground for strategic competition among major powers. Our core businesses faced their own industry-specific challenges during this period. The PC and photovoltaic industries experienced sharp volatility, the venture capital sector continued to contract, capital markets fluctuated, and consumer demand remained subdued. For Legend Holdings, given our extensive global footprint and supply chains spanning multiple sectors, these factors compounded our management and operational challenges. Despite these headwinds, we have remained committed to our original aspiration: revitalizing the country through business and serving national development priorities. Leveraging the strengths of our diversified business portfolio, we implemented our innovation-driven development strategy and built a technology innovation system with distinctive characteristics. By grounding innovation in the real economy and reinforcing our industrial foundation, we advanced high-quality development and delivered tangible results:

Scaling up core business R&D investment has secured global leadership across fields: We aligned with China's innovation-driven development strategy, seized the era's opportunities, and invested decisively to meet industry expectations by expanding R&D investments. Our R&D expenses exceeded RMB75 billion, an increase of over 60% compared to the 13th Five-Year Plan period, setting a record high. R&D investment surpassed the net profit for the period. The resolve to sacrifice short-term profit metrics and ramp up long-term R&D investment has forged our core competitive edge in this era of technological explosion. During the period, we launched the world's first AI PC, capturing a record market share of over 25%, which reinforced our industry leadership and widened our lead over the closest competitor. Our AI servers and Neptune liquid cooling system gained strong global recognition and sustained rapid growth, propelling our server business to a top-three position in the global market. Our SSG services business claimed the top rankings in China's IT services sector and launched a series of generative AI solutions, empowering multiple industries by facilitating their transition from traditional IT services to AI-driven services.

Increasing investment and presence in China's science and technology ecosystem has yielded tangible results: We capitalized on our first-mover advantage as a leading sci-tech innovation enterprise in China. Positioning ourselves as both participant and enabler of the Chinese technology ecosystem, we significantly scaled up our investments in frontier technologies in the nation. We focused on China's emerging pillar industries and future industries, and have maintained an industry-leading investment pace of over 100 new and follow-on investments each year in Chinese tech enterprises across cutting-edge sectors, including AI, embodied intelligence, commercial aerospace, the low-altitude economy, new energy and advanced materials, controllable nuclear fusion, semiconductors, quantum computing, and biopharmaceuticals. In AI alone, we have invested in over 300 enterprises, making us the institution with the longest investment history and the broadest reach in China's AI field. During the 14th Five-Year Plan period, we helped a total of 76 portfolio companies go public, with our annual IPO count ranking top three in the direct investment segment of the venture capital industry and we have claimed the championship for recent two years.

Our accumulated expertise in commercializing early-stage technologies has created a clear and effective investment pathway for the sector: We scaled up investments in commercializing early-stage technologies by establishing the Legend Holdings Forward-Looking Technology Research Institute (聯想控股前瞻技術研究院). We invited Dr. YU Hao, a seasoned expert with extensive experience across industry, academia, and research institutes, to join and serve as Dean, who later took on the role of Legend Holdings' CEO. The institute systematically screened early-stage technologies across the world and identified promising candidates for commercialization. Under Dr. YU Hao's leadership, the Forward-Looking Technology Research Institute has formed relationships with over 60 enterprises and research institutions, launched collaborations with two universities and seven domestic and international enterprises, and identified 39 high-potential early-stage technologies. The established Peking University-Legend Holdings Advanced Photonic Integration Technology Joint Laboratory (北京大學-聯想控股先進光子集成技術聯合實驗室), co-founded by us and the State Key Laboratory of Photonics and Communications at Peking University (北京大學光子傳輸與通信全國重點實驗室), represents a first step in Legend Holdings' commercialization of early-stage technologies. In addition, Lenovo Research Institute, under Lenovo, has been driving innovation in the AI domain, launching world-leading Level 3 AI super agents, such as Lenovo Tianxi (天禧) and Lenovo Qira, and developing the X-Engine on-device inference engine to significantly enhance the AI PC experience. Meanwhile, Levima Research Institute, under Levima Advanced Materials, has focused on advanced materials, pursuing proprietary and collaborative R&D to fill domestic gaps in areas such as solid-state and semi-solid-state battery materials and PEEK materials. Two research projects jointly developed with the Chinese Academy of Sciences have both been designated national key R&D programs by the Ministry of Science and Technology.

Chairman's Statement

Focusing on the real economy and investing in China's dynamic market: We have remained focused on scientific and technological innovation, and rooted ourselves in the real economy across China's dynamic market. With advanced manufacturing as our backbone, we have added over RMB20 billion in new investments, expecting output value exceeding RMB100 billion. Notably, Lenovo completed the Shenzhen southern base (Lenovo South Smart Campus, or LSSC), its "global mother factory" of intelligent manufacturing. The base earned the highest certification under China's Intelligent Manufacturing Capability Maturity Model (智能製造能力成熟度模型). Lenovo Tianjin Industrial Park, the ICT sector's first zero-carbon factory globally, also earned "Eco-level Carbon Neutral Factory" certification, a top-tier designation globally, and was elected as the Global Lighthouse Factory (全球燈塔工廠). By establishing four major manufacturing bases across China (East, West, South, and North), Lenovo has ensured the stability and security of China's IT-related industrial and supply chains while driving local economic progress. For example, Levima Advanced Materials established its New Energy Materials and Biodegradable Materials Integration Project in Levima Green (Shandong) Advanced Materials Co., with an annual capacity of 200,000 tons of EVA and 300,000 tons of PO. In Jiangsu, Levima Advanced Materials established a 100,000-ton-per-year POE (polyolefin elastomer) project. Furthermore, it has developed various facilities for biodegradable PLA, ultra-high-molecular-weight polyethylene (UHMWPE), lithium-ion battery additives VC, and high-purity electronic specialty gases across various regions. Many of these projects have filled critical gaps in China's relevant industries.

Achieving leapfrog development through organic growth coupled with optimization of investment portfolio: We significantly adjusted our business development models in line with the principle of high-quality development. This transformation is fueled by a sharper focus on self-reliant innovation, continuous product iteration, enhanced operational and management efficiencies, stronger risk controls, as well as robust internal drivers of growth. These efforts enabled us to weather historic industry turbulence affecting our core businesses. The results are clear: we achieved a series of successes in the pursuit of high-quality development. Notably, our average annual revenue soared from RMB355.3 billion during the 13th Five-Year Plan period to RMB505.7 billion during the 14th Five-Year Plan period, representing robust growth of over 40%. Meanwhile, our debt ratio remained stable with modest decline. Operating cash flow increased by over 100% compared with the 13th Five-Year Plan period. Amid a highly volatile external environment, we optimized our investment portfolio and strengthened cash flow by realizing dividends, reducing shareholdings, and executing exits. Specifically, we fully or partially exited projects including CAR Inc. (神州租車), PIC (英國養老保險公司), and Suzhou Trust (蘇州信託). As a result, we recovered over RMB45 billion in capital through dividends and exits, providing strong support for our large-scale investments in technological innovation and the real economy.

Fulfilling corporate social responsibility to align us with China's high-quality development strategy: Corporate social responsibility has long been a core commitment for Legend Holdings. During the 14th Five-Year Plan period, we remained dedicated to serving China's high-quality development agenda by pursuing the harmonious integration and advancement of economic, social, and environmental value. We remained steadfast in pursuing a path of green development. Lenovo, a Legend Holdings subsidiary, has received the highest AAA rating in the MSCI ESG Ratings for four consecutive years, standing as the sole enterprise in China's non-green industries to achieve this accolade. Lenovo has pledged net-zero greenhouse gas emissions across its entire value chain by the end of 2050, and obtained the Science Based Targets initiative's (SBTi) net-zero target validation, becoming China's first high-tech manufacturing enterprise to secure this certification. Levima Advanced Materials, a Legend Holdings subsidiary, has built a portfolio of green products centered on green industries. Levima has reinforced its leadership in the photovoltaic adhesive film materials industry while expanding into biodegradable materials and new energy battery materials. Levima Advanced Materials was designated a National Green Factory through emissions reductions via process upgrades and enhanced resource recycling. We owe our growth to society, and so we see it as our duty to give back. We have consistently offered free entrepreneurship training for technology founders in China, including our flagship Legend Star CEO Training Program. During the 14th Five-Year Plan period, we trained over 300 entrepreneurs in cutting-edge fields including chips, AI, biopharmaceuticals, new energy, and advanced materials. Enterprises founded by Legend Star trainees have generated a combined market capitalization exceeding RMB1,600 billion and created over 400,000 jobs. We have also achieved strong results in advancing rural revitalization, common prosperity, technology inclusion, as well as in nurturing specialized and innovative enterprises and supporting the growth of SMEs.

In the final year of the 14th Five-Year Plan, Legend Holdings' businesses delivered steady growth with continued progress. Total revenue surged past RMB600 billion, up 18% year-on-year, hitting a new record high. This was coupled with a substantial year-on-year rebound in net profit. Our innovation-driven growth strategy continued to yield outstanding results: R&D expenses exceeded RMB17 billion, up 10% year-on-year, reaching a new historic high. We made investments in nearly 150 Chinese tech firms across cutting-edge innovation sectors, including AI, embodied intelligence, biopharmaceuticals, brain-computer interface, new energy, and advanced materials. We successfully facilitated 15 of these investee companies in going public, maintaining our leading position in China's direct investment sector of the venture capital industry. We also achieved initial breakthroughs in the commercialization of early-stage technologies and established a joint laboratory with Peking University to explore advanced photonic integration technologies. Our businesses have deepened AI integration, unlocking stronger growth momentum: our AI PC business attained triple-digit growth, achieving a 31% market share in the Windows AI PC segment and securing the No. 1 position globally in terms of sales volume. We launched our proprietary Super AI Agent matrix across individual, enterprise, and urban scenarios. In collaboration with NVIDIA, we launched new AI inferencing servers and the Lenovo AI Cloud Gigafactory, with our AI server business recording triple-digit growth and a project pipeline exceeding RMB100 billion. We also rolled out a new suite of AI-native delivery platforms designed to simplify, accelerate, and operationalize AI across the enterprise. To date, AI-driven revenue accounts for more than 25% of Legend Holdings' total revenue. We cultivate a vibrant AI-plus ecosystem, investing in more than 300 AI companies, most creating close strategic synergies with our core businesses. In parallel, we have achieved remarkable progress in green development. Lenovo has maintained its highest AAA MSCI ESG Rating for the fourth consecutive year; Levima Advanced Materials completed and commenced operations in its new green industry projects, including EVA, POE, UHMWPE, PLA, VC, and PPG facilities, entering production ramp-up phase. The company is also advancing the development of key materials for solid-state and semi-solid-state batteries.

EMBARKING ON THE 15TH FIVE-YEAR PLAN: PURSUE OUR LONG-TERM AMBITION WITH CONVICTION AND RESOLVE

Looking ahead to the 15th Five-Year Plan period, we find ourselves in an increasingly complex global political and economic landscape. International trade order and supply chain security face mounting challenges, while global growth remains subdued amid rising uncertainties. Yet AI-led technological and industrial transformation gains rapid momentum, reshaping industries and everyday life, while creating unprecedented opportunities for growth and development. Under the leadership of the CPC Central Committee with President Xi Jinping at its core, China has navigated this evolving global landscape by maintaining its strategic resolve and demonstrating resilience in adapting to changes. Supported by solid economic fundamentals, diverse structural advantages, and tremendous long-term potential, the nation remains on a steady footing, sustaining solid economic growth and social stability, while advancing its modernization agenda.

Chairman's Statement

Legend Holdings was founded during China's reform and opening up. We have grown alongside the nation with the support of the Party and the state. We have stayed true to our original aspiration of revitalizing the country through industry. Standing at this critical juncture, we recognize both the trust placed in us and the opportunities ahead for high-quality development. In navigating core themes such as the global AI wave, technological self-reliance, and the green transition, we see not challenges, but a strong alignment with our strategy, a close fit with our capabilities, and tremendous opportunities arising from China's unique strengths. Amid transformation lie opportunities and challenges, a source of even greater resolve. We will stay true to our original aspirations and founding mission, drawing on the entrepreneurial mindset and Legend Holdings' deeply rooted corporate culture. In integrating ourselves into China's broader agenda of high-quality development, we will reinforce innovation-driven leadership, focus on the real economy, and advance along the path of intelligent, green, and integrated development. With a long-term approach and strategic resolve, we will leverage our unique, diversified portfolio to foster new quality productive forces and support China's pursuit of self-reliance and strength in science and technology. Specifically, we will increase R&D investment in national strategic fields such as AI and advanced materials, sustain systematic support for China's innovation ecosystem and entrepreneurial ventures, and further optimize asset portfolios to build an industrial structure that keeps pace with the needs of our era. Meanwhile, we will drive synergistic innovation across our businesses to cultivate a distinctive Legend Holdings ecosystem. We will establish replicable, Legend Holdings-featured business models for commercializing the world's frontier technologies, models that deliver solid results and enable us to take the helm of future technologies. Our industrial portfolio bridges hardware and software, manufacturing and services, supply and demand, and domestic and global markets. This provides us with an open and win-win mindset to leverage the unique strengths of our diversified ecosystem, solidify our industrial foundation and sharpen our core competitiveness. With our industrial leadership, we will drive domestic demand, expand our global footprint, foster collaborative innovation, and bolster supply chain security and resilience. These efforts enable us to fortify the domestic economic cycle and facilitate the unimpeded flow of both domestic and international dual circulation. Beyond business, we uphold a people-centered philosophy. We actively fulfill social responsibilities and advance the "Beautiful China" initiative, striving to make even greater contributions to China's modernization and the cause of Socialism with Chinese Characteristics.

The blueprint is established. The journey is underway. Legend Holdings stands ready to march forward with the times and the nation. Beyond delivering strong operating performance and rewarding our shareholders, we are also committed to contributing to China's high-quality development through tangible industrial progress, technological breakthroughs, and measurable green achievements. With renewed determination and insight, we will write the next chapter of Legend Holdings' development in the era of the great rejuvenation of the Chinese nation.

I would like to express my sincere gratitude to our shareholders for their unwavering support and to our management team and staff for their hard work and dedication.

Legend Holdings Corporation

NING Min

Chairman of the Board

Management Discussion and Analysis

Revenue contributions from the Company and its subsidiaries' businesses

Unit: RMB million

	2025	2024	Change in amount	Change %
Diversified-industries Operation	601,037	508,201	92,836	18%
Lenovo	560,408	468,886	91,522	20%
Levima Group	7,024	6,441	583	9%
Joyvio Group	27,709	27,199	510	2%
BIL	5,896	5,675	221	4%
Industrial Incubations and Investments	4,914	4,645	269	6%
Elimination	(6)	(40)	34	N/A
Total	605,945	512,806	93,139	18%

Net profit contributions attributable to equity holders of the Company from the Company and its subsidiaries' businesses

Unit: RMB million

	2025	2024	Change in amount	Change %
Diversified-industries Operation	3,958	3,963	(5)	0%
Lenovo	3,271	3,440	(169)	(5%)
Levima Group	67	70	(3)	(4%)
Joyvio Group	(863)	(648)	(215)	N/A
BIL	1,483	1,101	382	35%
Industrial Incubations and Investments	(1,477)	(2,216)	739	N/A
Unallocated	(1,420)	(1,614)	194	N/A
Total	1,061	133	928	698%

Asset allocation of the Company and its subsidiaries' businesses

Unit: RMB million

	As of December 31, 2025	As of December 31, 2024	Change in amount	Change %
Diversified-industries Operation	654,991	574,363	80,628	14%
Lenovo	346,065	296,994	49,071	17%
Levima Group	27,070	21,802	5,268	24%
Joyvio Group	21,915	22,082	(167)	(1%)
BIL	259,941	233,485	26,456	11%
Industrial Incubations and Investments	94,556	97,845	(3,289)	(3%)
Unallocated	35,482	32,534	2,948	9%
Elimination	(10,505)	(8,774)	(1,731)	N/A
Total	774,524	695,968	78,556	11%

BUSINESS REVIEW

During the Reporting Period, Legend Holdings posted revenue of RMB605,945 million, representing an 18% year-on-year increase, primarily driven by the significant year-on-year revenue increase contributed by Lenovo, a subsidiary within the Company's diversified-industries operation segment. And achieved a total net profit of RMB9,799 million, representing a 28% year-on-year increase. Net profit attributable to equity holders of Legend Holdings was RMB1,061 million, an impressive 698% increase year-on-year, primarily attributable to a significant year-on-year reduction in losses within the Company's industrial incubations and investments segment as capital markets recovered.

Diversified-industries Operation

Overview

Legend Holdings regards revitalizing the country through business as its mission. As a controlling shareholder, we pursue long-term growth and a strategic layout in the fields we operate in, leveraging substantive investments, refined post-investment operation, and management to foster leading enterprises with scale advantages and excellent profitability. Our diversified-industries operation segment includes:

- Lenovo (Stock Code: 0992.HK), our subsidiary, which mainly provides innovative intelligent devices and infrastructure, and offers intelligent solutions, services, and software;
- Levima Group, our subsidiary, which mainly focuses on advanced materials research, development, production and sales;
- BIL, our subsidiary, which mainly provides comprehensive banking services, such as those regarding corporate, institutional, retail and private banking, and capital markets; and
- Joyvio Group, our subsidiary, which mainly operates in the fields of modern agriculture and food.

Highlights

- During the Reporting Period, Lenovo capitalized on the surge in hybrid AI and achieved double-digit revenue growth across all core business segments. The PC business remained a standout performer, achieving a market share of 25.3% in the fourth quarter, making Lenovo the first PC manufacturer on record to surpass the 25% threshold, and widening its lead over the second-place peer to five percentage points. As adoption accelerated, AI PCs recorded triple-digit growth in the fourth quarter and contributed over 30% of Lenovo's total PC shipments, ranking No. 1 globally in the Windows AI PC category. At the same time, Lenovo's diversified growth engines remained robust, with non-PC revenue share rising to 47%. Among them, the Moto brand achieved record highs in both shipments and activations. The Infrastructure Solutions Group (ISG) delivered over 37% year-over-year revenue growth. The AI server business achieved a triple-digit year-on-year growth, with its project pipeline surpassing RMB100 billion in the fourth quarter. A milestone that has driven the restructuring of ISG's business architecture. Meanwhile, the Solutions and Services Group (SSG) recorded 19% year-on-year revenue growth and sustained a robust operating margin of over 20%. Overall, AI has become Lenovo's most important growth engine, with AI-driven revenue increasing by more than 140% year-on-year and accounting for nearly 30% of Lenovo's total revenue.
- Several major projects of Levima Advanced Materials were successfully completed and commissioned. The 200,000-ton-per-year Ethylene-Vinyl Acetate (EVA) facility commenced operations in December 2025, followed by the completion and handover of the 50,000-ton-per-year Polypropylene Carbonate (PPC) project and the 100,000-ton-per-year Polyolefin Elastomer (POE) project in January and February 2026, respectively. These newly commissioned facilities are gradually ramping up production capacity. Meanwhile, new product development progressed steadily with smooth market introductions. The Ultra-High Molecular Weight Polyethylene (UHMWPE) device developed multiple product grades, for materials including lithium-ion battery separator materials and high-end fiber materials, achieving 100% sell-through. Electronic-grade hydrogen chloride and chlorine products continued to progress through validation with several key customers. The Polylactic Acid (PLA) device launched a full range of high-, medium- and low-gloss products and onboarded more than 300 customers, establishing a stable customer base. Newly commissioned products, including Vinylene Carbonate (VC), Polypropylene Glycol (PPG), and Propylene Oxide (PO), achieved commercial-scale sales, while pre-sales for POE and PPC products are progressing as planned. Commercialization of new technological achievements continued to progress. Construction of the m-Xylylene Diisocyanate (XDI) project is progressing steadily, while the Polyetheretherketone (PEEK) project entered the planning stage. Both projects are expected to be completed and commence operations in 2027. R&D delivered solid results during the year, with 47 additional patents granted. In new energy materials, development is underway on key functional materials for solid-state and semi-solid-state batteries. In biomaterials, development was initiated for products such as bio-based dyes, biosurfactants, and non-grain bio-based materials. In electronic materials, the small-scale pilot experimental verification platform for separation process was upgraded to enhance advanced process development capabilities. Additional progress was made in specialty materials research, including the development of several new polyolefin catalysts, completion of laboratory research for 21 new products or processes, the advancement of 18 new products through process development, and commercialization of 15 new products.
- During the Reporting Period, BIL navigated European economic volatility by proactively optimizing the structure of its commercial banking business and focusing on key markets and customer segments to improve resource allocation efficiency. These efforts enabled the bank to achieve solid business growth despite market headwinds. In 2025, BIL closed Belair House and BIL Manage Invest to concentrate resources into its high value-added wealth management business. In June 2025, the Paris branch commenced operations, strengthening BIL's European network and cross-border business growth. BIL also remained committed to sustainable development, and as of year-end 2025, Green, Social, and Sustainable (GSS) bonds represented 33.04% of its portfolio, surpassing its target of allocating 30% of investments to sustainable assets by the end of 2025.

Management Discussion and Analysis

- During the Reporting Period, Joyvio Group's fruit business maintained steady growth. Joy Wing Mau further reinforced its leading position across four core products: blueberries, cherries, durians, and kiwifruits, recording a substantial improvement in gross profit while maintaining a competitive market share. Bountifresh achieved record-breaking yields and delivered double-digit growth in both yields and sales through iterative upgrades to its blueberry varieties, with all newly introduced varieties becoming profitable in their first year of planting. Cost-reduction and efficiency-enhancement measures in the animal protein business began to deliver results, narrowing losses and improving operating conditions.

During the Reporting Period, the diversified-industries operation segment's revenue and net profit were set out as follows:

Unit: RMB million

	2025	2024
Revenue	601,037	508,201
Net profit	12,683	11,570
Net profit attributable to equity holders of Legend Holdings	3,958	3,963

During the Reporting Period, the diversified-industries operation segment generated revenue of RMB601,037 million, representing an 18% year-on-year increase, primarily driven by Lenovo's year-on-year revenue growth within the segment. The net profit attributable to equity holders of Legend Holdings was RMB3,958 million, which is broadly stable compared with the previous year.

Lenovo

Lenovo, a Fortune 500 company, develops, manufactures and sells high-end technology products and provides related services to companies and individual customers. As of December 31, 2025, Legend Holdings directly and indirectly held 32.95% equity interest in Lenovo.

During the Reporting Period, Lenovo navigated challenges including uncertainties around U.S. tariff policies, and component shortages and rising costs driven by supply-demand imbalances, while successfully capitalizing on the surge in hybrid AI. With a forward-looking strategy and disciplined execution, Lenovo drove coordinated progress across all business segments by leveraging innovation to enhance performance, with all major business segments delivering double-digit revenue growth. Notably, the PC business delivered strong performance, with its sales growth rate outpacing the market for ten consecutive quarters and market share reaching successive record highs. With a 25.3% market share in the fourth quarter, Lenovo became the first PC manufacturer on record to surpass the 25% threshold, widening its lead over the second-place peer to five percentage points. As adoption accelerated, AI PCs recorded triple-digit growth throughout the year and contributed over 30% of Lenovo's total PC shipments in the fourth quarter, ranking No. 1 globally in the Windows AI PC category. At the same time, Lenovo's diversified growth engines remained robust, with non-PC revenue share rising to 47%. Among them, the Moto brand achieved record highs in both shipments and activations. The Infrastructure Solutions Group (ISG) delivered over 37% year-over-year revenue growth. The AI server business achieved a triple-digit year-on-year growth, with its project pipeline surpassing RMB100 billion in the fourth quarter. A milestone that has driven the restructuring of ISG's business architecture. Meanwhile, the Solutions and Services Group (SSG) recorded 19% year-on-year revenue growth and sustained a robust operating margin of over 20%. Overall, AI has become Lenovo's most important growth engine, with AI-related revenue increasing by more than 140% year-on-year and accounting for nearly 30% of Lenovo's total revenue.

During the Reporting Period, Lenovo's revenue and net profit were set out as follows:

Unit: RMB million

	2025	2024
Revenue	560,408	468,886
Net profit	11,908	11,295
Net profit attributable to equity holders of Legend Holdings	3,271	3,440

During the Reporting Period, Lenovo focused on hybrid AI, driving a 20% year-on-year increase in revenue to RMB560.4 billion. Revenue growth was mainly attributable to three areas: 1) the Intelligent Devices Group delivered 15% year-on-year growth, supported by global market share gains in the PC business and record highs in both shipments and activations for the Moto brand; 2) the Infrastructure Solutions Group benefited from record Cloud Service Provider (CSP) revenue driven by customer base expansion and the transformation of its Enterprise and ISG businesses, with revenue increasing 37% year-on-year; 3) Solutions and Services Group achieved double-digit year-on-year revenue growth for nineteen consecutive quarters, supported by the acceleration of enterprises' AI deployment from trial to production stage and faster growth in vertical industry services.

Lenovo's net profit attributable to equity holders of Legend Holdings decreased by 5% year-on-year to RMB3,271 million. The decline was primarily driven by one-off, non-operating impacts, including approximately RMB2.0 billion in restructuring charges related to the Infrastructure Solutions Group and a year-on-year decrease of approximately RMB1.7 billion in one-off income tax credits. These factors offset the increase in profit arising from revenue growth.

Intelligent Devices Group (IDG)

The IDG segment comprises the PC, tablet, smartphone, and other smart device businesses. During the Reporting Period, the segment recorded revenue of RMB400.9 billion, representing a 15% year-on-year growth. Within this, the PC business further strengthened its industry leadership. According to third-party data, Lenovo's global PC market share reached 25.3% in the fourth quarter, making it the first PC manufacturer on record to exceed a 25% global market share and leading its closest competitor by five percentage points. AI PC revenue achieved triple-digit growth as adoption continued to accelerate; in the fourth quarter, AI PCs accounted for over 30% of total PC shipments. Lenovo also maintained its position as the global leader in the Windows AI PC category. Meanwhile, IDG continued to deliver industry-leading profitability, with operating profit increasing by 12% year-on-year to RMB28.6 billion, with an operating margin of 7.1%.

Meanwhile, the smartphone business recorded revenue of RMB63.5 billion, up 6% year-on-year, with sales growth outpacing the overall market for ten consecutive quarters. The Moto brand achieved record highs in both smartphone shipments and activations, and revenue from the PC peripherals business also achieved double-digit year-on-year growth.

At Tech World during CES in January 2026, Lenovo introduced Qira, a personal ambient intelligence designed to work seamlessly across devices. As the entry point for large language models (LLMs) to engage directly with end users, Qira also serves as the intelligent layer across the Lenovo ecosystem. It can understand context, execute tasks by coordinating on-device and cloud AI workflows, and learn continuously from user context while adhering to privacy-by-design principles, enabling users to switch seamlessly across devices. By delivering "One Personal AI, Multiple Devices" through Qira, Lenovo has played a leading role in the AI industry's development.

Management Discussion and Analysis

Infrastructure Solutions Group (ISG)

Lenovo is committed to developing industry-leading end-to-end integrated solutions, with its full-stack product and solution portfolio as its core competitive edge, broad customer coverage, and a unique ODM+ (Original Design and Manufacturing) model. During the Reporting Period, driven by rapid progress in AI, Lenovo accelerated the growth of its cloud infrastructure and AI server businesses while transforming its Enterprise SMB business. As a result, ISG revenue increased by 37% year-on-year to RMB126.2 billion, setting a record high. The AI server business recorded triple-digit year-on-year revenue growth, with an order pipeline exceeding RMB100 billion. Revenue from Lenovo's Neptune liquid-cooling solutions also achieved triple-digit year-on-year growth.

During the Reporting Period, ISG implemented a strategic restructuring plan and incurred one-off restructuring charges of RMB2.0 billion. Through initiatives including product portfolio optimization and workforce upskilling, ISG streamlined its cost structure and continued to drive operational enhancements. As a result, ISG is expected to deliver annual run-rate savings of more than RMB1.4 billion over the next three years, accelerating its return to profitability and strengthening its profit-generating capacity. During the Reporting Period, ISG recorded a loss of RMB900 million, primarily driven by increased investments to enhance AI capabilities, accelerate the transformation of its Enterprise ISG business, and expand its AI infrastructure product portfolio.

At Tech World during CES in January 2026, Lenovo unveiled an industry-optimized AI inferencing system capable of translating trained models into real-time business outcomes, reinforcing its competitive edge in the high-growth enterprise AI infrastructure space. In collaboration with NVIDIA, Lenovo also launched new AI inferencing servers and the Lenovo AI Cloud Gigafactory, further deepening the partnership to accelerate hybrid AI adoption across enterprise, public cloud, and AI factory environments.

Solutions and Services Group (SSG)

Targeting the fast-growing "New IT" services market, SSG is committed to driving Lenovo's service-oriented transformation. It comprises three major business lines: Support Services, Managed Services, and Project & Solution Services. SSG delivered its 19th consecutive quarter of double-digit year-on-year revenue growth. During the Reporting Period, SSG sustained an operating margin of over 20% and recorded revenue of RMB68.7 billion, a 19% increase year-on-year. Operating profit was RMB15.4 billion, representing a 28% year-on-year increase, and operating margin rose by 1.7 percentage points year-on-year to 22.4%.

Support Services delivered solid double-digit year-on-year revenue growth, primarily driven by higher adoption of premium add-on services and steadily rising penetration. Managed Services, together with Project & Solution Services, grew even faster and together accounted for 59.2% of SSG's total revenue. Notably, TruScale saw accelerated growth in both Device-as-a-Service (DaaS) and Infrastructure-as-a-Service (IaaS). In the fourth quarter, Lenovo secured the largest TruScale IaaS deal in its history with Sharon AI, an Australian-based AI infrastructure provider, and launched a large-scale DaaS collaboration with Shiseido.

At Tech World during CES in January 2026, Lenovo introduced Lenovo Agentic AI, a full-lifecycle enterprise solution for creating, deploying, and managing AI agents. It also announced Lenovo xIQ, a new suite of AI-native delivery platforms designed to simplify, accelerate and operationalize AI across the enterprise. Together, these innovations help customers build enterprise super-agents that unify workflows, automate decisions, and deliver tangible operational outcomes.

Levima Group

We hold Levima Advanced Materials (Stock Code: 003022.SZ) through our subsidiary, Levima Group. Levima Advanced Materials mainly engages in the R&D, production, and sales of advanced material products. As of December 31, 2025, Legend Holdings held 48.77% equity interest in Levima Advanced Materials.

Strategically, Levima Advanced Materials remained focused on the advanced materials sector and expanded its presence by investing in new energy materials, biodegradable materials, electronic materials, and other specialty materials through the following projects:

- (1) In new energy materials, Levima Advanced Materials focuses on new energy photovoltaic materials and new energy battery materials. The photovoltaic materials portfolio primarily comprises photovoltaic encapsulation film materials, with EVA and POE as the two mainstream products. Levima Advanced Materials pioneered EVA photovoltaic encapsulation film materials in China, filling a market gap. It operates two world-class EVA production facilities with an aggregate annual capacity exceeding 350,000 tons. One facility adopts ExxonMobil's autoclave process technology with annual production capacity exceeding 150,000 tons. The other is a 200,000-ton-per-year EVA facility utilizing LyondellBasell's tubular process technology, which commenced production in December 2025. Leveraging strong synergies between the two devices, the product structure can be flexibly adjusted to produce EVA products with various Vinyl Acetate (VA) contents, catering to application demands across photovoltaics, cables, hot melt adhesives, and foaming. In addition, the 90,000-ton-per-year VA device ensures a supply of VA raw materials for the EVA devices. While consolidating its competitive advantages in EVA, Levima Advanced Materials has actively expanded into POE. Using its proprietary solution-process technology and catalysts, Levima Advanced Materials is capable of producing high-end products such as POE photovoltaic encapsulation materials and tougheners. Its 100,000-ton-per-year POE project was completed and handed over in February 2026. In new energy battery materials, Levima Advanced Materials has established a portfolio of key functional materials for next-generation batteries, including UHMWPE, lithium-ion battery electrolyte solvents, lithium-ion battery electrolyte additives, and materials for solid-state, semi-solid-state, and sodium-ion batteries, creating material synergies across product lines. The 20,000-ton-per-year UHMWPE device, which applies jointly developed new and continuous processing technologies, has successfully produced multiple grades of products, including high-end separator and fiber materials. The lithium-ion carbonate-ester solvent device utilizes industry-leading technology, and its principal raw materials, including Ethylene Oxide (EO) and carbon dioxide, are self-produced by Levima Advanced Materials, enabling deep integration with its existing value chain. In addition, the 4,000-ton-per-year VC device of the lithium-ion battery additives uses self-produced Ethylene Carbonate (EC) as its main raw material and has achieved proprietary technological breakthroughs in several key production stages, delivering higher conversion rates and lower energy consumption. The device was completed and commenced operation in December 2025, and has achieved favorable market sales performance, demonstrating Levima Advanced Materials' advantages in technology and industrial chain. In line with industry development trends, Levima Advanced Materials continues to develop and invest in new energy battery materials. Its subsidiary Levima WeLion remains committed to developing key functional materials for solid-state and semi-solid-state batteries, and has commenced industrial applications. Levima Advanced Materials has also made a strategic investment in Wenzhou Nashu New Energy Technology Co., Ltd. (温州鈉術新能源科技有限公司) to participate in the development of sodium-ion batteries and related materials.

Management Discussion and Analysis

- (2) In terms of biodegradable materials, Levima Advanced Materials has expanded its footprint across multiple products, including PLA and PPC, by leveraging its proprietary technologies. The PLA project utilizes proprietary integrated industrial-chain technologies, including “Starch – high-optical-purity acid – high-optical-purity lactide – Polylactic acid.” The project comprises a 40,000-ton-per-year PLA device and a 100,000-ton-per-year lactic acid device, with products featuring advantages such as high yield and high purity. A series of PLA products with high, medium, and low optical purity has been developed and launched on the market. In addition, the 50,000-ton-per-year PPC project adopts the latest-generation catalyst technology, jointly developed with relevant institutes of the Chinese Academy of Sciences. This technology has been designated as a national key R&D program by the Ministry of Science and Technology. The PPC project was completed and handed over in January 2026, and its PPC product is fully biodegradable under natural conditions and offers a balanced combination of strength and toughness, excellent barrier properties, and high transparency. The main raw materials required for the PPC project, PO and carbon dioxide, are both self-supplied, reflecting the significant advantages of an integrated industrial chain and contributing to reduced carbon dioxide emissions.
- (3) In electronic materials, Levima Advanced Materials is dedicated to electronic specialty gases and Benzocyclobutene (BCB) resin monomers used in photoresists. Levima Advanced Materials has mastered multiple ultra-high-purity electronic specialty gas preparation technologies, all protected by independent intellectual property rights and supported by extensive production experience and strong product development capabilities. Key products from its electronic-grade high-purity specialty gas device, including ultra-high-purity electronic-grade hydrogen chloride and electronic-grade chlorine, offer superior quality and have been supplied to leading industry players such as Taiwan Semiconductor Manufacturing Company (台積電) and Zing Semiconductor Corporation (上海新昇). Meanwhile, Levima Advanced Materials is actively developing other specialty electronic gases across multiple categories. In addition, Levima Advanced Materials made a strategic investment in Chemtarget Technologies Co., Ltd. (綿陽達高特科技有限公司) (“ChemTarget”), a semiconductor advanced-packaging material company, becoming ChemTarget’s second-largest shareholder. ChemTarget has achieved mass production and commercialization of BCB, breaking foreign monopolies in this sector. BCB monomers are the primary raw material for synthesizing Polybenzocyclobutene (PBCB) photoresist resin, which has diverse applications, including dielectric and planarization materials for advanced packaging, packaging photoresists, high frequency copper-clad laminate resins, pharmaceutical intermediates, and artificial lenses.

- (4) In other specialty materials, Levima Advanced Materials has expanded its footprint across multiple production lines, including Ethylene Oxide Derivatives (EOD) specialty surfactants, Polypropylene (PP) specialties, and PPG, while advancing construction of its XDI and PEEK projects. Levima Advanced Materials' EOD devices apply world-leading alkoxylation production technology to meet evolving customer demand and focus on niche markets for high-end applications across various industries. To date, Levima Advanced Materials has developed more than 40 product series with over 100 industrialized products, featuring energy-efficient, environmentally friendly, and high-end differentiated specialty surfactants. All of Levima Advanced Materials' PP devices are dedicated to manufacturing high-value-added PP specialty products. Among them, its PP thin-wall injection molding specialty materials, primarily used in the food delivery packaging industry, maintains a leading market share and influence in China. Its PP high-melt random copolymer specialty products, mainly used in the freshly made beverage packaging industry, have earned strong market recognition, with industry-leading shipment volumes sustained over multiple years. Levima Advanced Materials' PPG devices utilize its proprietary continuous processing technologies. The principal raw materials required, PO and EO, are both self-supplied, enabling benefits from an integrated industrial chain. Positioned for the high-end market, the PPG project was completed and commenced operation in November 2025. The special XDI is a critical material for high-end optical resins, TPU protective films, and specialty coatings and adhesives, and has depended on imports for a long time with substantial market potential. Levima Advanced Materials is actively advancing construction of its XDI project, which is scheduled for completion and operation in 2027. This project, jointly developed by Levima Advanced Materials and relevant institutes of the Chinese Academy of Sciences, has been designated a national key R&D program by the Ministry of Science and Technology. In addition, PEEK, one of the best performing special engineering plastics, offers high rigidity and toughness, excellent heat resistance, biocompatibility, wear resistance, and self-lubrication. PEEK shows broad development prospects in high-end and emerging sectors, including healthcare, semiconductors, and humanoid robotics. In 2025, Levima Advanced Materials completed the strategic acquisition of Taixing Puli New Materials Co., Ltd. (泰興市普理新材料有限公司). Building on Taixing Puli's strong foundation in PEEK development and industrialization, and leveraging Levima Advanced Materials' technical expertise and R&D experience in PEEK, Levima Advanced Materials has commenced the planning and construction of its PEEK project, which is expected to be completed and start production in 2027.

In production and operations, Levima Advanced Materials continued to deliver technological breakthroughs and optimize operations. By unlocking operational potential and upgrading key projects, it further enhanced the efficiency of multiple production facilities, delivering tangible cost reductions and efficiency gains. In addition, Levima Advanced Materials optimized procurement channels, controlled storage and logistics costs, and lowered coal procurement costs for key raw materials; completed a major overhaul of its chemical production facilities, laying a solid foundation for concurrent increases in capacity and operational efficiency. Meanwhile, Levima Advanced Materials continued to refine its safety management system and improve the effectiveness of its Health, Safety, and Environment (HSE) management.

Management Discussion and Analysis

In terms of market expansion, Levima Advanced Materials continued to leverage its competitive advantages in advanced-materials niche markets and further broadened its product portfolio, successfully developing a number of high-gross-profit new products. EVA production and sales reached record highs, with all production schedules allocated to high-value-added products. High-end footwear material UL01233 continued to see a ramp-up in volume; the new product UL00214 was developed with sales exceeding 10,000 tons, while the market development for coating materials progressed steadily. EOD's product structure was continuously optimized, with the sales volume of high-value-added specialty surfactant products increasing by approximately 12.6% year-on-year, and high-end products contributing a greater share of both sales volume and gross profit. International business maintained rapid growth, with annual export volume up 54.7% year-on-year. Products were sold to 27 countries and regions across Southeast Asia, Europe, and Latin America, significantly enhancing brand recognition and influence in overseas markets. PP thin-wall injection molding specialty materials continued to hold a leading market position in China. Carbonate-series products, including EC, achieved full-capacity production with 100% sell-through, ensuring a stable supply to major downstream electrolyte customers. Sales from new production facilities progressed in an orderly manner, with sales volumes continuing to rise. For example, UHMWPE facilities operated stably at high loads across multiple grades (including lithium-ion battery separator materials and high-end fiber materials), achieving full-capacity production with 100% sell-through and establishing stable partnerships with leading industry customers. Sales of electronic-grade hydrogen chloride and chlorine made progress, with active certification underway with several leading customers. PLA products completed engagement with more than 300 customers, forming a stable customer base and steadily increasing industry influence. Newly commissioned products such as VC, PPG, and PO generated commercial sales at scale. Pre-sales for POE and PPC progressed steadily, with a continued build-up of customer resources.

In terms of innovation, Levima Advanced Materials deepened its technological reserves in strategic focus areas through independent R&D, commercialization of R&D outcomes, and strategic mergers and acquisitions, delivering multiple innovative achievements and securing 47 newly granted patents. In new energy materials, leveraging its R&D and application platform for advanced battery materials, the company is advancing the development of key functional materials for solid-state and semi-solid-state batteries. In biomaterials, building on its synthetic biology platform, the company pursued technological development of bio-based dyes, biosurfactants, and non-grain bio-based materials. In electronic materials, the company enhanced its small-scale pilot experimental verification platform for separation-process development, strengthening process technology capabilities for high-purity specialty gases and wet electronic chemicals. In specialty materials, Levima Advanced Materials established a catalyst-synthesis and olefin-polymerization evaluation platform, developing a range of new polyolefin catalysts that support the upgrade of specialty fine materials towards high-end markets. During the period, Levima Advanced Materials completed laboratory R&D for 21 new products or processes, advanced 18 new products through process development, and successfully commercialized 15 new products.

In digitalization and intelligence, Levima Advanced Materials prioritized the integration of AI application tools into industrial production and operating scenarios, which supports the ongoing digitalization of production operations, supply chain, equipment management, and human resources. During the Reporting Period, Levima Advanced Materials built an industrial internet platform and onboarded 11 digital projects. Leveraging this platform, the company deployed intelligent inspection, instrument control monitoring, and smart logistics systems. The automatic control rate further improved, driving higher labor efficiency and a greater level of intelligent operations.

Moreover, Levima Advanced Materials received multiple awards, including “2025 Global New Energy Enterprises Top 500”, “National Advanced Collective in the Industrial and Information Technology System,” “2025 Top 500 Petroleum and Chemical Enterprises in China,” “2025 Top 100 Fine Chemical Enterprises in China,” “2025 Top 100 Private Petroleum and Chemical Enterprises in China,” “2025 Best Managed Companies in China,” and “2025 Excellent Cases of Corporate Social Responsibility of Chinese Private Enterprises.” In addition, Levima Advanced Materials received a Grade A Rating in the 2024-2025 Information Disclosure Assessment by the Shenzhen Stock Exchange (SZSE), as well as honors such as the “2025 Best Practice Case of Board of Directors of Public Companies” by the China Association for Public Companies, the “Yinghua A-Share Value Award” by China Fund News, the “ESG Golden Bull Top 100” by China Securities Journal, and the “SSE Eagle · Golden Quality Corporate Governance Award” by Shanghai Securities News. Levima Advanced Materials was also included in the Shenzhen Stock Connect, the SZSE Component Index, the FTSE Russell Large Cap, and the CSI 500, and became eligible for margin trading and securities lending.

Levima Group’s revenue and net profit during the Reporting Period were set out as follows:

Unit: RMB million

	2025	2024
Revenue	7,024	6,441
Net profit	218	220
Net profit attributable to equity holders of Legend Holdings	67	70

During the Reporting Period, Levima Group recorded revenue of RMB7,024 million and its net profit attributable to equity holders of Legend Holdings was RMB67 million. During the Reporting Period, Levima Group remained stable with moderate growth in its core business while delivering a moderate year-on-year decrease in net profit, mainly due to the income tax arising from the trimmed stake in Levima Advanced Materials.

BIL

Founded in 1856, BIL is one of Luxembourg’s longest-established financial institutions and has consistently contributed to Luxembourg’s social and economic growth. BIL ranks among the top three banks in Luxembourg by market share and is recognized by the European Central Bank as one of the Systemically Important Banks (SIBs). As of December 31, 2025, Legend Holdings held 89.98% equity interest in BIL.

In 2025, growth across the European Union remained modest, as elevated borrowing costs and weak external demand constrained activity throughout the euro area. These international headwinds created a challenging environment for small, open European economies that are closely integrated into global markets. Despite this backdrop, Luxembourg entered a gradual recovery phase following the 2023 recession, with real GDP growth estimated at around 1% in 2025, supported by increasing private consumption and easing inflationary pressures. BIL aims to position itself as the bank of choice for entrepreneurs and for wealthy clients with an entrepreneurial mindset in selected core markets, while further strengthening its retail banking franchise in Luxembourg and expanding to neighboring countries. With this ambition in mind, in 2025 the Bank launched a business transformation through a series of initiatives, including reshaping the franchise, strengthening organizational capabilities, and capitalizing on the commercial complementarity between its digital and retail banking, private banking, and corporate and institutional banking activities.

Management Discussion and Analysis

During the Reporting Period, in response to evolving external conditions, BIL proactively optimized the structure of its commercial banking business, focusing on key markets and customer groups to improve resource allocation efficiency. BIL closed the Hong Kong office of its wealth management subsidiary at the end of 2024, while strengthening operations of its representative office in Beijing. BIL continues to serve Chinese clients from the two wealth management hubs of Luxembourg and Switzerland. In 2025, BIL closed its subsidiary Belair House and sold BIL Manage Invest to concentrate resources into its high value-added wealth management business. In June 2025, the Paris branch officially commenced operations, strengthening BIL's European network and driving cross-border business growth.

BIL has made firm commitments to sustainable development. As of December 31, 2025, Green, Social, and Sustainable (GSS) bonds represented 33.04% of its investment portfolio, exceeding its target of allocating 30% of investments to sustainable assets by the end of 2025.

During the Reporting Period, despite a complex macroeconomic environment, BIL delivered sound financial performance supported by the resilience of its businesses and solid risk management capabilities:

- During the Reporting Period, BIL reported total revenue of EUR 708 million, a slight decrease of 0.4% year-on-year. Net profit after tax was EUR 210 million, up 24% year-on-year, supported by capital gains from the sale of its subsidiary BIL Manage Invest, effective cost control, and relatively low risk cost.
- During the Reporting Period, Assets Under Management (AUM) of BIL increased to EUR 50.1 billion at the end of 2025 from EUR 46.8 billion at the end of 2024. Customer deposits decreased slightly to EUR 18.7 billion at the end of 2025 from EUR 18.8 billion at the end of 2024, primarily driven by lower interest rates prompting clients to allocate funds to more remunerative products. Meanwhile, customer loans remained flat at EUR 16.2 billion, broadly in line with the previous year.
- BIL maintained robust asset quality and strong liquidity metrics, with a healthy CET-1 (Common Equity Tier 1) ratio of 13.64% (before 2025 profit allocation) and a liquidity coverage ratio of 177% at the end of 2025.
- BIL maintained solid credit ratings. At the end of 2025, BIL's ratings from Moody's and Standard & Poor's were A2/Stable/P-1 and A-/Negative/A-2, respectively.

BIL's revenue and net profit during the Reporting Period were set out as follows:

Unit: RMB million

	2025	2024
Revenue	5,896	5,675
Net profit	1,648	1,223
Net profit attributable to equity holders of Legend Holdings	1,483	1,101

Joyvio Group

Joyvio Group serves as our key platform in the modern agricultural and food industry, and its core businesses span industrial chains in high-end fruits and premium animal protein. While accelerating expansion into emerging sectors such as agricultural digital solutions and intelligent supply chain services, Joyvio Group is establishing a modern agricultural ecosystem, covering the entire industrial chain “from farm to table” (從田間到餐桌). As of December 31, 2025, Legend Holdings held 85.537% equity interest in Joyvio Group.

In the fruit supply chain, Joyvio Group owns Joy Wing Mau (鑫榮懋), China’s largest vertically integrated fruit company, and Bountifresh (鑫果佳源), China’s leading fruit production enterprise, forming an industry-leading operational platform characterized by three core competencies: end-to-end supply chain integration, globalized resource allocation, and fully digitalized intelligent operations. In the animal protein supply chain, Joyvio Group owns Australis Seafoods S.A., Chile’s leading salmon producer; KB Food, a leading Australian seafood supplier; and Joyvio Food’s subsidiary, China Starfish (青島國星), a leading pollock and coldwater shrimp supplier. Based on this business structure, Joyvio Group continued to expand and consolidate its global animal protein supply chain.

Joyvio Group’s revenue and net loss during the Reporting Period were set out as follows:

Unit: RMB million

	2025	2024
Revenue	27,709	27,199
Net loss	(1,091)	(1,168)
Net loss attributable to equity holders of Legend Holdings	(863)	(648)

During the Reporting Period, Joyvio Group’s overall revenue increased slightly, primarily driven by growth in its fruit business. Joyvio Group recorded a net loss attributable to equity holders of Legend Holdings of RMB863 million, representing a year-on-year widening of losses by 33%, mainly due to impairment provisions for assets related to its salmon business and its smart nutrition service business.

(1) Fruit business

During the Reporting Period, Joy Wing Mau continued to reinforce its leading position across four core products: blueberries, cherries, durians, and kiwifruits. Rapid sales growth in these categories drove a substantial improvement in gross profit while sustaining competitive market share. As of December 31, 2025, Joyvio Group held 39.46% equity interest in Joy Wing Mau.

During the Reporting Period, Bountifresh made significant progress in upgrading its blueberry varieties, with all newly introduced varieties generating profit in their first year of planting, lifting yields to a record high and delivering double-digit growth in production volumes and sales. As of December 31, 2025, Joyvio Group held 65.37% equity interest in Bountifresh.

(2) Animal protein business

During the Reporting Period, Australis Seafoods S.A. in Chile narrowed losses compared with the same period last year, benefiting from lower feed prices and the results of cost reduction and efficiency enhancement measures. However, Australis Seafoods S.A. was unable to fully restore profitability due to headwinds including declining salmon market prices, ongoing compliance plans for compensation of overproduction, and a decrease in production volumes and sales.

Management Discussion and Analysis

During the Reporting Period, China Starfish, a subsidiary of Joyvio Food, recorded year-on-year declines in both revenue and net profit. This was primarily due to headwinds such as constrained international supply of raw materials, escalating U.S. tariff policies, and downward price pressure caused by the inventory destocking in downstream markets. As of December 31, 2025, Joyvio Group held 46.08% equity interest in Joyvio Food.

During the Reporting Period, KB Food achieved a significant year-on-year increase in net profit. The supermarket business realized a year-on-year increase in both revenue and gross profit, benefiting from the unique advantage of its nationwide processing network in Australia. The catering business achieved a breakthrough in sales of value-added products despite the sluggish market environment. Additionally, with the lifting of import restrictions on live Australian lobsters in China, the lobster business experienced a gradual recovery. In addition, improved capacity utilization at its factory on Australia's east coast laid a foundation for KB Food's future business expansion. As of December 31, 2025, Joyvio Group held 100% equity interest in KB Food.

Industrial Incubations and Investments

Overview

Legend Holdings stays committed to its aspiration of revitalizing China through business across industries and its mission of advancing China's technological innovation. Capitalizing on its experience in facilitating the commercialization of technological achievements and its professional advantages in fund investment, and with the objective of pursuing long-term development or generating substantial financial returns, Legend Holdings intends to nurture or establish a range of businesses that have the potential to become leading businesses with excellent profitability in multiple industries. Legend Holdings' industrial incubations and investments segment covers:

- Legend Capital, a fund management company that focuses on early-stage venture capital and growth-stage equity investment;
- Legend Star, an early-stage investment and incubation subsidiary that provides specialized services for entrepreneurs in terms of early-stage investment and in-depth incubation;
- Fullhan Microelectronics (Stock Code: 300613.SZ), which specializes in the design and development of chips for smart video, smart home and smart automotive products;
- Lakala (Stock Code: 300773.SZ), which provides merchants with a full spectrum of digitalization services covering payments, technology, supply sourcing, logistics, finance, branding and marketing;
- EAL (Stock Code: 601156.SH), which mainly engages in the air freight business;
- ZQET Group, an industrial group focusing on new energy and innovative technology, which provides services for new energy and innovative technology enterprises through its diversified-industries operation, industrial investments and financial services. ZQi Solar, a wholly-owned subsidiary of ZQET Group, specializes in the R&D, manufacturing, and sales of high-efficiency solar cells and modules;
- JC Finance & Leasing, which mainly provides financial leasing services for micro, small and medium-sized enterprises (MSMEs);
- Hony Capital, which runs private equity investment, real estate investment, public offering fund, hedge fund and venture capital businesses;

- Shanghai Neuromedical Center, which specializes in neurology and provides other comprehensive hospital services;
- Hankou Bank, which mainly engages in commercial banking services;
- Bybo Dental, a chain provider of dental healthcare services; and
- Raycom Property Investment and Raycom Technology, which mainly hold the Raycom Infotech Park, an investment property.

During the Reporting Period, the industrial incubations and investments segment's revenue and net loss were set out as follows:

Unit: RMB million

	2025	2024
Revenue	4,914	4,645
Net loss	(1,464)	(2,273)
Net loss attributable to equity holders of Legend Holdings	(1,477)	(2,216)

During the Reporting Period, revenue from the industrial incubations and investments segment was RMB4,914 million, representing a year-on-year increase of 6%. Net loss attributable to equity holders of Legend Holdings was RMB1,477 million, resulting from a year-on-year reduction in losses across businesses within the segment, as capital markets recovered. However, due to changes in industry and capital market, we recorded asset impairment provisions on certain investment projects, which resulted in the industrial incubations and investments segment still reporting a loss. The above impairments are non-cash in nature and do not affect the Company's operations or cash flows.

Legend Capital

Legend Capital is one of the leading private equity investment institutions in China. As of December 31, 2025, Legend Capital managed a total of nine USD TMT funds (three of which have been liquidated), seven RMB comprehensive growth funds (two of which have been liquidated), four RMB TMT innovation funds, three USD funds specializing in the healthcare sector, four RMB funds specializing in the healthcare sector, one RMB healthcare sector frontier fund, two RMB funds specializing in the culture and sports sectors, two funds operated in collaboration with local governments (one of which has been liquidated), one fund focusing on the red-chip return concept, two USD continuation funds, one RMB continuation fund, and one RMB special fund, with a combined AUM of over RMB88.4 billion.

During the Reporting Period, Legend Capital actively deployed capital across a diverse range of sectors, making new and follow-on investments in over 60 projects. These investments targeted innovative and growth-stage enterprises in advanced manufacturing, technology and services, TMT, and healthcare. Additionally, Legend Capital partially or completely exited nearly 80 projects. Five of its portfolio companies successfully went public on both domestic and overseas capital markets: Bloks Group Limited (布魯可集團有限公司), Hanshow Technology Co., Ltd. (漢朔科技股份有限公司), Jiangsu Hanbon Science and Technology Co., Ltd. (江蘇漢邦科技股份有限公司), PegBio Co., Ltd. (派格生物醫藥(杭州)股份有限公司), and Techstorm Advanced Material Corporation Limited (道生天合材料科技(上海)股份有限公司). As of December 31, 2025, 122 of Legend Capital's investee companies have gone public (excluding those listed on the NEEQ).

Management Discussion and Analysis

Legend Star

Legend Star is one of China's leading angel investment institutions. Since its establishment in 2008, Legend Star has run the Legend Star CEO Training Program, a public-welfare training initiative dedicated to improving the core competencies of technology entrepreneurs. Legend Star invests in cutting-edge technologies and healthcare, forming a comprehensive ecosystem that systematically invests in and incubates innovative technology enterprises.

As of December 31, 2025, Legend Star managed 12 funds with combined AUM of nearly RMB5 billion. It has invested in over 400 high-quality domestic and overseas enterprises, including Pony.ai (小馬智行), Teemsun Technology (國科天成), AISpeech (思必馳), CiDi (希迪智駕), KHAT (孔輝科技), Axera (愛芯元智), X Square Robot (自變量機器人), Turing Quantum (圖靈量子), CAES (中儲國能), Keymed Biosciences (康諾亞生物), PegBio (派格生物), Edge Medical (精鋒醫療), and NOVOSENSE (微納芯).

During the Reporting Period, Legend Star invested in nearly 30 domestic and overseas projects, covering various niche segments, including embodied AI, aerospace, new energy and advanced materials, chip semiconductors, quantum computing, innovative biopharmaceuticals, and digital and intelligent healthcare. Among projects under management, over 100 secured the next round of funding, and Legend Star exited nearly 30 projects. Among its portfolio companies, PegBio (派格生物), CiDi (希迪智駕), and Pony.ai (小馬智行) were listed on the Hong Kong Stock Exchange.

Fullhan Microelectronics

Fullhan Microelectronics is a video-based chips and solutions provider with a long track record in the intelligent vision sector. Its business covers applications across smart video processing, smart IoT, and smart automotive products. As of December 31, 2025, Legend Holdings held 15.62% equity interest in Fullhan Microelectronics through its subsidiaries.

Fullhan Microelectronics possesses a complete product matrix, including a wide range of terminal-side ISP/IPC chips, edge-side XVR/NVR chips, and video transmission link Rx chips, among others. These offerings collectively provide one-stop solutions tailored to the needs of terminal products from world-leading brands. Through sustained technological innovation, Fullhan Microelectronics has become an internationally renowned and domestically leading provider of chips and technical services in intelligent vision.

In 2025, by expanding its market-driven R&D investment and upgrading its existing products and technologies, Fullhan Microelectronics launched a series of competitive new products. The offerings included innovative products that bring two-way audio to the traditional ISP field, as well as new chips in the IPC sector featuring Always-on Video (AOV), a quick-start function and simultaneous multi-camera support. By enhancing product competitiveness, accelerating the introduction of new products, and exploring emerging markets such as AIoT and intelligent driving, Fullhan Microelectronics has reinforced its leading position in the industry and injected new momentum into its development.

Looking ahead, Fullhan Microelectronics will leverage its AI technological capabilities accumulated in intelligent vision to jointly develop visual application products tailored for various emerging scenarios along with downstream customers, so as to meet the growing market demand. At the same time, Fullhan Microelectronics will capitalize on its advantages in chip R&D and design to meet customer needs for high-performance products. It is also committed to achieving new technological breakthroughs in areas such as industrial vision, robotics, and AI chips. While maintaining its strengths in the domestic market, Fullhan Microelectronics will actively expand its global footprint.

Lakala

Lakala's principal operations comprise digital payments and technology services. As a provider of services for digital business operations, Lakala actively implements its operating principle of "promoting digital payments, sharing digital technology, and delivering digital value". As of December 31, 2025, Legend Holdings held a 23.88% equity interest in Lakala.

During the Reporting Period, Lakala continued to enhance its comprehensive digital payment service capabilities while accelerating the expansion of its global business. The transaction volume of QR code payments maintained steady growth while the transaction volume of cross-border payments increased rapidly, with overseas card payments doubling compared with the same period last year. This resulted in a more balanced mix of its digital payment business. In parallel, Lakala advanced its transformation to a Payment + SaaS model, increasing the value-added of its merchant services and driving the rapid revenue growth in technology services.

EAL

EAL primarily engages in the air freight business. As of December 31, 2025, Legend Holdings held a 11.29% equity interest in EAL.

During the Reporting Period, EAL remained committed to pursuing progress while ensuring stability, focusing on its main responsibilities and main businesses. By expanding its fleet in an orderly manner, EAL optimized its global route network and further deepened passenger-cargo synergies. In addition, as it upgraded smart cargo terminals, EAL built a comprehensive logistics system and, in particular, cemented its competitive edge in fresh and cold-chain air cargo to expand temperature-sensitive pharmaceutical logistics. These efforts helped EAL advance on its path of high-quality development.

EAL remained anchored to its goal of "building an air logistics enterprise with global competitiveness." Proceeding with its fleet introduction plan, it expanded freight capacity and its freighter route network, and deepened linkages between passenger and freight route networks. These efforts drove a transformation in resource synergy from "physical aggregation to organic integration". Together with others measures, these enabled EAL to improve its operational efficiency. In the air express business, EAL introduced four B777 freighters during the Reporting Period. As of the end of 2025, its all-cargo fleet comprised 18 B777 freighters with an average age of 4.25 years, delivering a uniform and young fleet profile that lowers operating costs. EAL also continued to optimize its route-network layout. During the Reporting Period, it leveraged a capacity system of "18 (freighters) + 800 (passenger aircraft belly holds) + N (outsourced transportation capacity)." The company consolidated Shanghai's position as its core hub, established forward-looking secondary hubs in South China and Southwest China, and connected China's three major economic circles of the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Circle, extending reach to surrounding markets. Eventually, EAL advanced a domestic and international route network layout of "one core, two wings, and multiple linkages." Internationally, EAL explored emerging markets in Southeast Asia, deepened its presence in mature European markets, and expanded into emerging markets under the "Belt and Road Initiative" by launching its first cargo route with fifth-freedom traffic rights in the Middle East. By deepening alliance cooperation, EAL further extended its network to Africa and South America. For comprehensive and in-depth passenger-freight linkage, EAL fully leveraged passenger-aircraft belly-hold resources, coordinated scheduling between passenger and freight routes, and dynamically adjusted passenger-aircraft models based on the principle of maximizing overall flight revenue. Building on its timeliness and high frequency of passenger flight routes, EAL expanded its transit cargo volumes, effectively converting its passenger-network strengths into competitive advantages in cargo operations. Through joint market development and collaborative product design, EAL facilitated mutual customer conversion between passenger and cargo segments. Notably, EAL launched its inaugural cargo services simultaneously with passenger flights on its newly opened network routes such as the "Southbound Corridor (南向通道)."

Management Discussion and Analysis

EAL continued to enrich its products and services, establishing a differentiated service matrix by launching time-sensitive offerings such as “Express Delivery” (極速達) and “On-Time Delivery” (準時達). For cross-border e-commerce customers, EAL introduced products such as “Cross-border Returns” (跨境退) to address challenges arising from regulatory upgrades and operational transformation. For high-tech products, EAL provided modular, customized solutions ensuring end-to-end protection for precision goods. For specialized logistics needs, EAL introduced its specialized products such as “Precious Cargo Transport” (珍品運) and “Equine Logistics” (良駒行). Adhering to the strategic roadmap of “Routes + Industries + Ecosystem,” EAL focused on supply chains for temperature-sensitive cargo, including fresh-produce cold chain and pharmaceuticals. Additionally, by building a global service network for temperature-sensitive cargo under the strategy of “Connecting the World to China, Linking China to the World” (世界連中國·中國鏈世界), EAL holds a leading market share in air-freight services for key products such as North American lobsters, South American air-freighted cherries and salmon, and Russian king crabs. Notably, EAL has remained the largest carrier for imported Chilean air-freighted cherries for 12 consecutive years. At the same time, EAL actively expanded logistics solutions into new healthcare-related areas such as radiopharmaceuticals and diagnostic reagents. EAL has strengthened its foundation for deeper expansion in healthcare logistics by advancing the “Pharmaceutical Island” (醫藥島) project to build an integrated pharmaceutical supply-chain system encompassing transportation, warehousing, and distribution.

ZQET Group

Guided by its long-term, value-oriented business principles, ZQET Group actively pursues its mission to “capitalize on green development and support scientific and technological enterprises” and is committed to becoming an influential energy and technology investment group. ZQi Solar, a wholly owned subsidiary of ZQET Group, specializes in the R&D, manufacturing, and sales of 210R N-type TOPCon solar cells and modules. As of December 31, 2025, Legend Holdings held 94.62% equity interest in ZQET Group.

In the photovoltaic industry, ZQi Solar adheres to the development philosophy of “refining technology and winning by quality” (精進技術·以質取勝). Through continuous technological enhancement and process optimization, the company achieved notable improvements in core indicators. During the Reporting Period, the mass production conversion efficiency of its self-produced TOPCon cells (in-warehouse) rose to 25.5% with the yield rate reaching nearly 98%, and unit consumption of silver paste reached first-tier industry levels, reflecting significant progress in cost reduction and efficiency improvement. As of the end of the Reporting Period, ZQi Solar had applied for and been granted a total of 20 patents. It was recognized as one of the “first batch of Anhui Provincial Innovative SMEs” in June 2025.

In its equity investment and debt business, ZQET Group further deepened its distinctive “investment-loan linkage” (投貸聯動) approach and strengthened its presence in strategic emerging industries such as next-generation information technology, new energy, and biomedicine. During the Reporting Period, among its portfolio companies, Hanshow Technology (漢朔科技) listed on the ChiNext Board of the Shenzhen Stock Exchange on March 11, 2025, while Bayzed Health Group Inc. (佰澤醫療) listed on the Hong Kong Stock Exchange on June 23, 2025. At the end of the Reporting Period, ZQET Group had cumulatively invested in 76 portfolio enterprises, of which 17 were publicly listed, with 48% of its investment in companies going public. Anhui Zhidao Investment Co., Ltd., a wholly owned subsidiary of ZQET Group, managed seven private equity funds. Meanwhile, ZQET Group strengthened its in-depth regional development, continuously optimized its debt investment business structure, and leveraged the synergistic advantages of multiple licenses, contributing to the real economy with a diversified and flexible range of financial products.

JC Finance & Leasing

JC Finance & Leasing is a subsidiary of Legend Holdings specializing in financial leasing and related financial businesses. Backed by collaboration with well-regarded domestic and overseas equipment manufacturers, it focuses on key industries and their value chains and develops its financial leasing business in fields that represent new key growth drivers of China's economy. These include advanced manufacturing, energy conservation and environmental protection, consumer goods, public services, SMEs, and transportation. As of December 31, 2025, Legend Holdings held 52.79% equity interest in JC Finance & Leasing.

During the Reporting Period, JC Finance & Leasing continued to drive steady business growth. Leasing assets at the end of the Reporting Period reached RMB15,501 million, representing a 3.9% increase compared with the beginning of the year. Both operating income and net profit increased compared with the same period last year. Staying committed to its core mission of serving the real economy, the company supported over 6,400 MSMEs in their capacity upgrading and helped enterprises improve quality and efficiency. During the Reporting Period, JC Finance & Leasing issued four series of asset-backed notes amounting to RMB6.22 billion, and the proceeds were used to support private enterprises, create jobs, and advance sustainable development. During the Reporting Period, the company won several financing awards, including the CNABS "Golden Laurel Awards" for Top Ten Products of the Year and the CNABS "Golden Laurel Award" for Most Popular Original Rights Holder Institution, further enhancing its reputation in the capital market.

Hony Capital

Hony Capital runs private equity investment, real estate investment, securities funds (onshore publicly offered funds and offshore privately offered funds), and direct management platform businesses. As of December 31, 2025, Honi Capital mainly managed eight equity investment funds, three real estate investment funds, cultural industry fund, venture capital fund, green capital fund, Hongsheng fund (弘生基金), Jiangsu Hongcai Fund (江蘇弘材基金), and Qianhai Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub Fund (前海青年夢工場基金).

Hony Capital has strategically focused its private equity investment business within China, targeting key sectors such as artificial intelligence, semiconductor, new energy and new materials, medical and healthcare, mass consumption and services. Through its investments, Honi Capital has empowered more than 100 industry leading companies. Its portfolio companies include China Glass Holdings (中國玻璃), CSPC Pharmaceutical Group (石藥集團), Simcere Pharmaceutical (先聲藥業), ZOOMLION (中聯重科), ByteDance (字節跳動), UNISOC (紫光展銳), Jin Jiang International (錦江股份), and ENN Natural Gas (新奧股份). Honi Capital's private real estate fund business has focused on value-added commercial real estate investments in central cities across China. Honi Capital has scaled its portfolio and built a unique competitive edge in China's real estate investment market with a dual engine strategy of "investment + operation." It currently manages approximately 2,000,000 square meters of commercial property assets in first-tier cities. As a subsidiary of Honi Capital, Honi Horizon Fund Management Co., Ltd. (弘毅遠方基金) is a public offering fund management company specializing in secondary market investment and fund management services. Adhering to Honi's investment principle of "value creation and good investment returns" (價值創造·價格實現), Honi Horizon Fund offers investors a diverse range of high-quality investment portfolios with clear risk-return profiles, distinctive investment styles, and long-term stable performance. Goldstream Investment (金涌投資) (Stock Code: 1328.HK), a Hong Kong listed investment and corporate services provider, focuses on investment management and strategic direct investment. Goldstream Investment delivers continuous, innovative, and comprehensive services to high-quality enterprise customers, supporting their growth through capital, strategy, and business development services via investments and strategic partnerships.

Shanghai Neuromedical Center

Shanghai Neuromedical Center is a specialized hospital built in accordance with tertiary-level specialty hospital standards. It specializes in clinical neuroscience and comprehensive hospital services. As of December 31, 2025, Legend Holdings held 58% equity interest in Shanghai Neuromedical Center through its subsidiary.

Management Discussion and Analysis

During the Reporting Period, Shanghai Neuromedical Center further advanced its neurology specialty and other comprehensive departments to drive medical discipline development and enhance overall medical practices. The hospital prioritized the recruitment of high-caliber talent by appointing department director-level professors and leading academics in Neurology and Pediatric Neurology, thereby strengthening its diagnosis and treatment system for neurological diseases. These efforts enhanced the medical team's professional expertise, clinical experience, and exposure to cutting-edge academic perspectives. Beyond its clinical treatment focus, Shanghai Neuromedical Center also demonstrated a strong commitment to social responsibility. The hospital has hosted the International Epilepsy Caring Day public welfare events for 19 consecutive years, benefiting thousands of financially disadvantaged families of epilepsy patients across China. The hospital also undertook Shanghai's targeted public welfare assistance programs by deploying specialist teams to conduct annual on-site screenings and medical assistance, helping improve epilepsy diagnosis and treatment capabilities at the primary healthcare level.

Shanghai Neuromedical Center also stayed focused on the latest developments in neurological technologies. In December 2025, the 2025 Annual Academic Conference on Functional Neurosurgery of the Shanghai Medical Association was held at the hospital. The conference discussed the critical role of AI technologies, including electroencephalogram (EEG) foundation models, in brain-computer interface systems. These technologies are opening new pathways for epilepsy diagnosis and treatment and for neurological rehabilitation. By bringing together experts from clinical medicine, engineering, and AI, the conference fostered in-depth dialogue and collaborative innovation spanning the "full spectrum from basic research to clinical validation and industrial application". These efforts are expected to contribute technological momentum and clinical expertise to China's brain-computer interface strategy under the 15th Five-Year Plan and to support broader efforts to safeguard public brain health.

Hankou Bank

Hankou Bank primarily operates commercial banking businesses covering corporate banking, retail banking and the financial markets. It operates a network covering all the cities in Hubei Province, and it also has branches in Chongqing. As of December 31, 2025, Legend Holdings held 11.10% equity interest in Hankou Bank.

In 2025, Hankou Bank aligned closely with the "Four Banks" strategy (四個銀行), namely local bank, specialized bank, digital bank, and quality & efficiency bank, while focusing on serving the broader goals of local economic and social development and growing in step with the local economy. First, the bank strengthened its position as a "local bank" by actively supporting major regional projects, promoting management reforms to revitalize the "three types of assets" (三資) (state-owned resources, state-owned assets, and state-owned funds), and developing a comprehensive fiscal system. By deepening supply chain finance initiatives, enhancing comprehensive service capabilities, and optimizing government financial services, the bank became the first tax refund agency for outbound shopping tourists in Hubei Province. Second, the bank further enhanced its role as a "specialized bank" featuring technology finance and green finance, as the loan balance of technology finance increased by 36% from the beginning of the year with the acceleration of its technology finance business. It launched the first "Win-Win Loan" (共贏貸) in Wuhan, which is a pilot loan to sci-tech enterprises in Wuhan to enhance financial support for tech-based SMEs in the region, while issuing its first innovation notes for sci-tech enterprises. Additionally, green credit grew by 27% year-on-year as the bank released further capacity in its green finance business, and its financial supporting tools for carbon emission reduction exceeded RMB500 million, ranking first among corporate banks in Hubei Province. The bank's Inclusive loans to micro and small businesses achieved the "dual increase and dual control" targets, and it proactively supported the elderly care industry and the elderly care institutions with tailored products and services for pension disbursement clients. By advancing core system upgrades, the bank has completed iterative improvements to systems such as the digital corporate banking management platform. Third, with balanced development as a key focus, Hankou Bank continuously improved its performance as a "quality & efficiency bank" by consolidating its compliance foundation and enhancing operational profitability. Fourth, by reinforcing its "underlying tech innovation plus digital empowerment" (技術底座+數字賦能), the bank refined its operations as a "digital bank", strengthening its technical infrastructure while intensifying digital application. Fifth, the bank coordinated development with security, continuously consolidating its management foundation to enhance its corporate governance and elevate its brand image.

In 2025, Hankou Bank was designated a “Meritorious Unit” in Wuhan City’s comprehensive performance management assessment, recognized by the People’s Bank of China as an “A-Class Financial Institution” among local corporate banks, and rated as an “Outstanding Bank and Financial Institution in Implementing Credit Policies”. The bank rose to No. 66 on the list of “Top 100 Chinese Banking Institutions,” and its long-term credit rating was upgraded from AA+ to AAA by United Ratings. Hankou Bank was awarded the “Top Ten Banks with Outstanding Party-Building Cultural Brands,” maintained an information technology regulatory rating of Level 2B for 12 consecutive years, and became the only city commercial bank honored as the annual “Outstanding Institution in Valuation Business Services”.

Bybo Dental

Committed to providing high-quality dental medical and healthcare services to the middle-class group while pursuing customers’ best experience, Bybo Dental strives to establish itself as a leading dental chain enterprise in China. As of December 31, 2025, Legend Holdings held 21.23% equity interest in Bybo Dental.

During the Reporting Period, Bybo Dental actively advanced its physician specialty classification system and training empowerment for medical professionals, with disciplinary development guided by a dual strategy of “solidifying clinical fundamentals” (基礎夯實) and “refining professional expertise” (專業精進). In line with this strategy, Bybo Dental systematically reinforced core clinical skills while implementing targeted capability enhancement programs in key specialty areas such as implantology and orthodontics, which strengthened the clinical expertise and mentoring capabilities of its core doctors and drove the coordinated improvement of disciplinary development and medical quality. Guided by the principle of “medical care as the foundation, technology as the engine, and products as the anchor,” Bybo Dental redefined oral healthcare service delivery and extensively deployed digital technologies to drive its AI-powered transformation. At the front end, its self-developed AI dental system precisely identifies patients’ diagnosis and treatment needs, while in clinical operations an intelligent central platform automated a large volume of non-clinical tasks through modules such as automated medical record quality control and voice-generated medical records. On the service side, Bybo Dental used AI to automatically generate personalized patient follow-up plans based on individual health profiles, and at the supply chain level it enabled transparent end-to-end tracking, with all these efforts contributing to improvements in operational efficiency and service quality. During the Reporting Period, Bybo Dental also participated in the 7th World Health Expo, highlighting its AI-powered diagnosis and treatment solutions, oral health management services, and innovations in dental healthcare driven by AI technologies. As of December 31, 2025, Bybo Dental operated 142 consolidated stores, including 19 hospitals and 123 clinics, across 19 municipalities and provinces, and these facilities collectively housed 1,471 dental chairs.

Raycom Property and Raycom Technology

Through its subsidiaries, Raycom Property Investment (融科物業投資有限公司) and Raycom Technology (融科智地科技股份有限公司), Legend Holdings holds high-end office buildings, the Raycom Infotech Park’s Buildings A, B, and C^{Note} in Zhongguancun, Beijing. Raycom Infotech Park is leased as premium office and shops, with a portion reserved for our own use. The buildings hold the US Green Building Council’s Leadership in Energy and Environmental Design (LEED) certification for their energy-efficient design. As of December 31, 2025, the occupancy rate of Raycom Infotech Park is approximately 90%, with the fair value of the three buildings amounting to RMB11.31 billion (excluding the portion reserved for our own use).

Note: Raycom Infotech Park’s Buildings A, B, and C are located at No. 2 Ke Xue Yuan Nanlu, Haidian District, Beijing 100190, and the termination dates of the relevant land use rights are 2051, 2057, and 2053, respectively.

Management Discussion and Analysis

FINANCIAL REVIEW

Finance costs

Finance costs after deducting capitalized amounts decreased from RMB9,397 million for the year ended 2024 to RMB8,274 million for the year ended 2025. Decrease in finance costs was mainly attributed to the decrease in interest expense of bank loans and overdrafts as well as factoring costs.

Taxation

Our taxation increased from RMB9 million for the year ended 2024 to RMB3,713 million for the year ended 2025. Increase in taxation was mainly due to the deferred tax credit of the Company's subsidiary, Lenovo, in 2024, as well as the increase in profit before tax for the current year as compared to last year.

Capital expenditures and capital commitments

Our capital expenditures mainly arise from purchases of property, plant and equipment, new construction in progress and intangible assets, and payment for investment. Capital expenditures were mainly funded by internally generated resources and external borrowings. Details of capital expenditures for each of the business segments are set out in note 5 to the financial statements.

As of December 31, 2025, we had RMB4,797 million of capital expenditures contracted but not yet incurred. Such capital commitments were mainly used for purchases of property, plant and equipment, and investment. Details of capital commitments are set out in note 51 to the financial statements.

Liquidity and financial resources

Our principal sources of funds have been, and we expect to continue to utilize, cash generated from operations, various short-term and long-term bank borrowings, credit facilities and debt financing including corporate bonds and private placement bonds, to satisfy our future funding needs.

Cash at bank and on hand

Our cash at bank and on hand includes cash and cash equivalents, balances with central banks, bank deposits and restricted funds. As of December 31, 2025, our cash at bank and on hand were RMB75,956 million, among which, RMB, CHF, USD, EUR, HKD and other currencies accounted for 25%, 10%, 26%, 21%, 1% and 17%, respectively, while the amount as of December 31, 2024 was RMB66,764 million, among which, RMB, CHF, USD, EUR, HKD and other currencies accounted for 30%, 8%, 18%, 25%, 1% and 18%, respectively. It is our policy to place our cash in interest bearing principal-protected demand or short-term deposits in reputable PRC and foreign banks.

In the foreseeable future, on top of the cash generated from the Company's operations accumulated over the years and to be acquired in the future, we expect to continue to maintain finance portions of our capital expenditures with bank loans, other loans and corporate bonds at a proper scale.

Indebtedness

The following table sets forth our outstanding bank loans, other loans and corporate bonds as of the dates indicated:

Unit: RMB million

	As of December 31, 2025	As of December 31, 2024
Bank loans		
– Unsecured loans	38,193	31,633
– Guaranteed loans	22,957	22,880
– Collateralized loans	11,536	14,063
Other loans		
– Unsecured loans	501	500
– Guaranteed loans	302	325
– Collateralized loans	10,137	9,834
Corporate bonds		
– Unsecured loans	54,250	48,727
– Guaranteed loans	929	344
– Collateralized loans	4,868	2,939
	143,673	131,245
Less: Non-current portion	(85,581)	(71,896)
Current portion	58,092	59,349

As of December 31, 2025, among our total borrowings, 48% was denominated in RMB(December 31, 2024: 49%), 28% was denominated in USD (December 31, 2024: 28%) and 24% was denominated in other currencies (December 31, 2024: 23%). If categorized by whether the interest rates were fixed or not, the fixed-rate borrowings and the floating-rate borrowings accounted for 51% and 49% of our total borrowings, respectively, while as of December 31, 2024 accounted for 53% and 47%, respectively. The increase in our indebtedness was mainly due to the increase in bank loans and corporate bonds.

Management Discussion and Analysis

The following table sets forth the maturity profile of our indebtedness as of each of the dates indicated:

Unit: RMB million

	As of December 31, 2025	As of December 31, 2024
Within 1 year	58,092	59,349
After 1 year but within 2 years	19,135	24,039
After 2 years but within 5 years	49,275	26,233
After 5 years	17,171	21,624
	143,673	131,245

As of December 31, 2025, we had the following major corporate bonds outstanding:

Issuer	Type of bonds	Currency	Issuance date	Term	Principle amount
The Company	Corporate bonds	RMB	July 6, 2016	10 years	RMB2,000 million
Lenovo	Medium term notes	USD	November 2, 2020	10 years	USD900 million
Lenovo	Medium term notes	USD	July 27, 2022	5.5 years	USD600 million
Lenovo	Medium term notes	USD	July 27, 2022	10 years	USD563 million
Lenovo	Convertible bonds	USD	August 26, 2022	7 years	USD675 million
Lenovo	Convertible bonds	USD	January 8, 2025	3 years	USD2,000 million
Joyvio Group	Short term notes	USD	January 24, 2025	1 year	USD20 million
Joyvio Group	Short term notes	RMB	April 3, 2025	1 year	RMB219 million
Joyvio Group	Short term notes	RMB	November 19, 2025	1 year	RMB210 million
BIL	Bank subordinate bonds	EUR	June 8, 2016	12 years	EUR50 million
BIL	Bank subordinate bonds	USD	October 18, 2016	12 years	USD100 million
BIL	Bank subordinate bonds	EUR	May 18, 2021	10.25 years	EUR100 million
BIL	Bank subordinate bonds	EUR	February 1, 2023	10.25 years	EUR100 million
BIL	Bank subordinate bonds	EUR	October 29, 2025	6 years	EUR200 million
BIL	Medium term notes	JPY	September 1, 2021 and February 8, 2022	5 years	JPY1,000 million
BIL	Medium term notes	EUR	2014-2025	0.8-23 years	EUR1,920 million
BIL	Medium term notes	USD	2021-2024	3-5 years	USD25 million
BIL	Medium term notes	GBP	November 5, 2021 and January 19, 2022	5 years	GBP6 million
BIL	Medium term notes	CNH	November 3, 2023	3 years	CNH300 million
JC Finance & Leasing	Asset-backed notes	RMB	March 28, 2024	2-3 years	RMB47 million
JC Finance & Leasing	Asset-backed notes	RMB	October 15, 2024	2-3 years	RMB546 million
JC Finance & Leasing	Asset-backed notes	RMB	January 22, 2025	1-2 years	RMB848 million
JC Finance & Leasing	Asset-backed notes	RMB	May 29, 2025	1-2 years	RMB862 million
JC Finance & Leasing	Asset-backed notes	RMB	August 15, 2025	2-3 years	RMB1,133 million
JC Finance & Leasing	Asset-backed notes	RMB	November 12, 2025	2-3 years	RMB1,426 million
JC Finance & Leasing	Corporate bonds	RMB	January 5, 2024	3 years	RMB350 million

The annual interest rates of our bonds listed above as of December 31, 2025 ranged from 0% to 8%.

Current ratio and total debts to total capital ratio

	As of December 31, 2025	As of December 31, 2024
Current ratio (times)	0.7	0.7
Total debts to total capital ratio	57%	57%

Current ratio

Current ratio is our current assets divided by our current liabilities at the end of each financial period. Our current ratio at the end of the Reporting Period remained stable as compared with December 31, 2024. Current ratio of less than 1 was mainly a result of consolidation of BIL into our consolidated financial statements. The measures used to gauge liquidity risk in the banking industry differ from those commonly used in other non-banking industries. BIL is not required to classify and present separately the current and non-current portion of its assets and liabilities on its standalone statement of financial position. Nonetheless, such classification was effected to the extent that uniform accounting policies on consolidated accounts are required, which may not reflect the underlying liquidity characteristics of the banking business of the Company. As at the end of the Reporting Period, the Common Equity Tier 1 ratio of BIL stood at 13.64% (before profit allocation for 2025), bespeaking robust business stability. Moreover, despite a current ratio of less than 1, we have the confidence to honor maturing debts when they fall due in consideration of our operating cash flow forecast, undrawn credit facilities of the Company and its subsidiaries.

Total debts to total capital ratio

Total debts to total capital ratio is calculated by dividing total debts (total borrowings) by total equity and total debts at the end of each financial period. The total debts to total capital ratio remained stable at the end of the Reporting Period compared to December 31, 2024.

Pledged assets

As of December 31, 2025, we pledged the assets of RMB21.9 billion (December 31, 2024: RMB27.8 billion) to secure our borrowings, assets of RMB1.3 billion (December 31, 2024: RMB1.4 billion) to secure trade payables, other payables and accruals and other non-current liabilities.

As of December 31, 2025, BIL's other financial assets at amortized cost, financial assets measured at fair value through other comprehensive income, and loans to customers and credit institutions with an aggregate carrying value of RMB9.8 billion were encumbered. As of December 31, 2024, BIL's other financial assets at amortized cost and loans to customers and credit institutions with an aggregate carrying value of RMB4.6 billion were encumbered.

As of December 31, 2025, other restricted assets were mainly restricted deposits of RMB2.5 billion. As of December 31, 2024, other restricted assets were mainly restricted deposits of RMB2.7 billion and financial assets measured at fair value through profit or loss of RMB80 million.

Management Discussion and Analysis

Contingencies

Our contingencies primarily comprise: (i) various guarantees provided to our clients by our subsidiaries engaging in the banking business; and (ii) guarantees we provided in respect of the borrowings provided by commercial banks and other financial institutions to associates and third parties for their business operations.

We evaluated the guarantee risks provided in connection with our banking business and made provisions accordingly. As of December 31, 2025 and December 31, 2024, the provisions made by us were RMB87 million and RMB98 million respectively.

The table below sets forth our total contingent liabilities as of the dates indicated:

Unit: RMB million

	As of December 31, 2025	As of December 31, 2024
Financial guarantees of guarantee business	4,484	4,775
Other guarantee		
– Related parties	545	544
– Unrelated parties	–	75

MAJOR RISKS AND RESPONSE MANAGEMENT

As an investment company engaged in diversified-industries operation, Legend Holdings, its subsidiaries and its investee companies should identify, assess and manage various kinds of risks. Risk management by our investee companies, in particular, is key to our post-investment management, and we coordinate and standardize risk management and increasing value of investment through effective management control and services.

Macroeconomic and market risk

At present, the economic growth rates of economies worldwide diverge significantly, strategic competition among major powers has intensified, and regional geopolitical conflicts break out frequently. Geopolitical measures such as trade barriers, investment restrictions and technological blockades are escalating continuously, exposing the global economic growth prospects to multiple uncertainties. The business of our member companies has a global presence across various industries including information technology, financial services, new material production and R&D, modern agriculture and food. While the Company's diversified business layout achieves a certain level of risk diversification, a series of factors such as changes in the macroeconomic environment, adjustments to the industrial competition landscape and persistent volatility in the global stock markets may adversely affect the operating environment and profitability of our member companies, which may result in the risk of fluctuations in the Company's overall operating results. In addition, adverse movements in market factors such as interest rates, exchange rates and secondary market prices may trigger unanticipated losses, impair the asset quality of the Company's existing business assets and the pricing of future assets, and reduce the expected cash inflows from investments.

To cope with the aforesaid risks, we will continuously monitor the changes in macro economy, regulatory policies and market environment, develop our core business closely in line with major national strategies, and optimize the business structure and investment portfolio by focusing on policy-supported sectors such as the real economy, scientific and technological innovation and green development. Meanwhile, we will steadily enhance our capability to identify, assess, measure, analyze and respond to such risks, predict possible issues and make feasible adjustments on time, including requiring our member companies to improve business structures, adjust operational strategies and increase capital adequacy. The Company also regularly assesses the risks of the overall portfolio, and optimizes and adjusts the portfolio based on the assessment results in a timely manner. We adapt to the relevant changes by making timely adjustments to our strategic development routes in order to ensure the achievement of our core objectives of sustainable and stable development.

Fluctuations of raw material prices and finished goods sales prices risk

Our subsidiaries engage in various industries with raw materials ranging from animal protein, fruits, coal, methanol to vinyl acetate. Affected by the fluctuation of the prices in international markets and the prices of commodities, the prices of such raw materials are volatile. If our subsidiaries fail to respond effectively in terms of purchase schedule of raw materials, pricing of their products for sale and controls of inventory costs, the stability of our operating performance would be affected.

Our subsidiaries closely track the trends of prices and market supplies and demands of such raw materials. On the one hand, they sign annual sales contracts with important customers and devise effective procurement plans; on the other hand, when prices fluctuate substantially, they make flexible adjustments with the help of the broad product categories and channel advantages as well as strategic partnerships with upstream principal suppliers formed over the years, so as to minimize the operating risks brought to our subsidiaries as a result of purchase price fluctuations and actively seek merger and integration opportunities for upstream principal resources.

Industrial competition risk

IT manufacturing, the industry our subsidiaries operate in, is characterized by rapid iterations of product and technology, emerging of competitors and intensifying competitions. Failure to respond effectively to the changes in market trends or consumer preferences through timely launches of new products, or through competitive prices, could harm our subsidiaries' competitive position. Our subsidiaries therefore actively monitor the competitive environment and market trends. They maintain their competitive positions through commitments to innovate and build a broad product portfolio, enhance their brand awareness and customer experience to gain diversified advantages and market share and recognition. In addition, our subsidiaries have introduced and implemented a 3S strategy (Smart IoT, Smart Infrastructure and Smart Verticals), increased investment in innovation and striven for becoming a leader in intelligent transformation so as to protect and drive profitability in businesses.

Advanced materials industry, where some of our subsidiaries operate in, is capital-intensive and technology-intensive. Despite of its high industry barriers, the industry positions of our subsidiaries are still challenged by the new market entrants in the future, and they will be exposed to certain competitive pressures if they fail to sustain their industry-leading position. Our subsidiaries will give full play to the advantages of advanced technology, long industrial chains and unique product structures to further improve the operational efficiency of the plants, optimize the product structure, and consolidate the competitive advantages. They will also accelerate the construction of new projects, achieve production and efficiency improvement as soon as possible so as to enhance profitability and competitiveness.

Investment activities risk

The Company gathers resources for our diversified-industries operation through direct investment. Due to the wide range of investments, our judgment on the industry development trends may differ from the actual conditions, which results in risks of lower-than-expected return on investments. Based on our thorough researches and tracking on domestic and overseas industrial development trends and national industrial policies, we have put more focus on studying our targeted companies and will prudently select new investment projects so as to ensure that we can make timely and dynamic adjustments to investment strategies in response to the changes in conditions.

The Company carries out domestic and overseas industrial investments in various industries and conducts strategic management and exercises control over the acquired enterprises after completion of the acquisition. This exposes the Company to risks in post-investment management and risks in operational, management and cultural integrations with the investee companies. The Company conducts in-depth analysis on the corporate culture and management team of the companies to be acquired before making investments to ensure these companies have common philosophies on development strategies and operational management with us and their cultures are able to integrate with ours. Meanwhile, we adopt various measures to strengthen our management and service capabilities offered to our investee companies, continuously collects information about the operations of the investee companies, closely monitor the liquidity of the investee companies, adhere to the bottom-lines of financial security, and provide more personnel trainings on financial and tax-related professional services, corporate culture and other fields, so as to assist them specifically to achieve effective risk management and improve their operational and management efficiencies.

Supply chain management risk

Our subsidiaries' supply chains are highly complex, involving a wide range of suppliers and multiple production bases with worldwide coverage (including those owned by subsidiaries and third parties). The operational performance of the subsidiaries hinges on the seamless integration and efficient execution of key functions such as demand forecasting, production planning, order fulfillment and inventory management. While the Company's subsidiaries conduct business worldwide, certain supply and production activities remain concentrated in specific regions, rendering them more susceptible to the risk of localized disruptions. In addition, reliance on a small number of component suppliers may constrain flexibility during periods of supply shortage.

Potential disruptions may stem from a variety of factors, including:

- Natural disasters, pandemics, or damage to manufacturing or logistics facilities;
- Financial instability of suppliers;
- Regional conflicts, cyberattacks or other security threats;
- Changes in regulations, such as evolving global trade tariffs or government export controls.

Recovering from such events may entail significant time and costs. Failure to secure alternative supply sources on favorable terms while maintaining legal and regulatory compliance may adversely affect the subsidiaries' revenue, profitability and competitive position.

Furthermore, the global supply chains of the Company's subsidiaries are exposed to environmental, social and governance (ESG) related risks arising from the business practices of direct and indirect suppliers. Such risks include climate-related disruptions, depletion of natural resources, and violations of labor rights or human rights. Suppliers operating in jurisdictions with less robust legal or regulatory standards may fail to meet the expectations or requirements of the markets served by the Company's subsidiaries, resulting in compliance gaps and reputational risks. Any non-compliance by suppliers, particularly in areas related to responsible sourcing or labor practices, may disrupt supply continuity, lead to regulatory penalties, or impair the subsidiaries' operating licenses. ESG considerations are also becoming increasingly important in customers' procurement decisions. Failure to meet the evolving expectations related to environmental impact, ethical sourcing or supplier conduct may result in business loss or erosion of brand value.

The Company's subsidiaries proactively manage risks associated with their complex global supply chains through strategic sourcing, operational planning, regulatory compliance and ESG oversight. This includes a robust and mature Global Supply Chain Risk Management program that continuously monitors external developments, identifies emerging risks or shifts in the risk landscape, and formulates dynamic mitigation strategies. The program support cross-functional collaboration and informs decision-making across procurement, manufacturing, logistics and compliance functions. To mitigate concentration risks, the subsidiaries have diversified their supplier base and global production footprint, minimizing reliance on sole or single-source suppliers. They enhance physical resilience by investing in ongoing risk engineering improvements at key manufacturing sites. Business continuity is supported by comprehensive disaster recovery plans and scenario-based risk assessments designed to mitigate the impact of regional disruptions such as natural disasters or geopolitical instability. The subsidiaries are also deeply committed to embedding ESG principles across their end-to-end supply chains. Supplier compliance with labor, environmental, health and safety, and ethical standards is supported by formal policies, contractual requirements and monitoring systems. The subsidiaries are members of the Responsible Business Alliance (RBA) and actively promote RBA standards across multiple tiers of the supply chain, conducting independent audits to verify compliance. To strengthen ESG due diligence, they have integrated the EcoVadis ESG Risk Management Platform and a supplier ESG management module into their digital supplier management systems. This platform helps assess supplier performance, identify risk areas, recommend improvement measures, and track annual progress in enhancing ESG outcomes.

Safety and environmental protection risk

The advanced material industry in which the Company's subsidiaries operate is strictly regulated by the state in terms of environmental protection. As China accelerates the transformation of economic growth and promotes high-quality economic development, environmental protection awareness has been continuously enhanced and our subsidiaries have to comply with more stringent regulatory requirements. Our subsidiaries adhere to the strict implementation of the national environmental protection policy, and the pollutant discharge compliance rate has maintained 100% for many consecutive years since they become operational. In addition to increasing investment in energy conservation and environmental protection to ensure normal operations and timely upgrade of existing environmental protection facilities, they shall also continue to optimize the production processes and focus on the application of green environmental protection technologies. Our subsidiary has selected breeding areas with excellent natural environment and hygienic conditions for salmon breeding in the animal protein business and strictly abided by the laws and regulations related to the fishery and aquatic products of Chile. Facing the potential environmental pollution and natural disasters, commercial insurance has been purchased to forestall and defuse those risks.

Extreme climate change risk

The continuous global warming has resulted in the increase in sea temperature, which affects the salmon farming environment, and may cause more red tides and epidemics. The Company's subsidiaries have effectively mitigated potential risks posed by natural disasters through the selection of optimal aquaculture areas, rational planning and layout, and the implementation of a variety of preventive measures. In addition, our subsidiary utilizes advanced breeding and monitoring technologies such as artificial intelligence and machine vision to improve refined breeding to better deal with red tides, epidemics and other disasters. In the event of extreme climate change, the performance of some of our portfolio companies will be affected, especially those in the fields of fresh food logistics, catering, tourism, offline services and manufacturing, and possible valuation volatilities will affect our investment exits. In this regard, we have adopted proactive post-investment management, and closely monitored the development trend of extreme climate change, urged investees to conduct stress testing and put forward emergency proposals to minimize the relevant impacts as much as possible.

Information, product and cyber security risks

The Company's subsidiaries face growing risks in respect of cybersecurity, data privacy, as well as the integrity of information technology infrastructure and products. Drivers of such risks include increased digitalization, the rise of artificial intelligence, and the escalating scale and sophistication of threats from cybercriminals, nation-state actors and other malicious entities. Cyber threats may target the subsidiaries' enterprise systems, cloud infrastructure, product ecosystems or third-party suppliers. This is particularly relevant to the subsidiaries' cloud and service businesses, which process, store and transmit large volumes of sensitive customer, employee and operational data. While the application of artificial intelligence has accelerated the subsidiaries' product innovation, it has also increased the risk of falling victim to AI-enabled attacks, which are more adaptive and automated. The subsidiaries collect and manage personally identifiable information (PII) and other sensitive data in their global operations, and are required to comply with a series of data privacy and security laws and regulations governing the collection, use, cross-border transfer and retention of such information. Depending on the jurisdiction, the subsidiaries may be obligated to notify individuals or regulatory authorities in the event of a security breach or vulnerability. Product security is also a critical issue. Hardware, operating systems, software and applications, whether developed in-house or sourced from third parties, may contain errors or hidden vulnerabilities that disrupt system performance or give rise to security risks. The subsidiaries' complex global supply chains further exacerbate such risks, including the potential introduction of malicious code through third-party components or software. Ultimately, any major security incident caused by cyberattacks, data leaks or product vulnerabilities may result in regulatory penalties, operational disruptions, reputational damage, legal liabilities or financial losses.

To address cyber attack and security risks, our subsidiaries have formulated the cybersecurity and information protection plan that includes the following aspects:

- **Cybersecurity Governance and Controls:** A global cybersecurity risk governance framework has been established, aligned with industry standards and leading control frameworks. This framework includes policies, procedures, incident response protocols, and business continuity plans. The subsidiary's global IT network has obtained ISO 27001:2022 certification for information security, and its business continuity management system is ISO 22301:2019 certified.
- **Threat Detection and Response:** Cybersecurity practices are continuously enhanced through advanced technical controls, threat intelligence services, AI-driven countermeasures, and real-time risk assessments. These capabilities support rapid response to emerging threats and strengthen organizational resilience.
- **Legal and Regulatory Compliance:** Compliance is maintained with global laws, regulations, and industry standards relating to AI, privacy, information security, and product safety. This includes adherence to contractual obligations with customers and partners.
- **Product and Data Security Standards:** Policies and processes are enforced to ensure that hardware, software, and applications – whether developed internally or procured from third parties – meet stringent security and data protection standards.
- **Secure Product Lifecycle Management:** Security measures are embedded throughout the entire product lifecycle, from vendor code reviews and third-party risk assessments to post-release vulnerability management. This approach helps ensure the delivery of secure and reliable products, limits customer risk, and supports rapid remediation when issues are identified.

Intellectual property risk

Our subsidiaries are exposed to intellectual property risks, encompassing both the inability to protect their own innovations and the exposure to third-party infringement claims. For example, if proprietary technologies are not sufficiently protected, it may result in loss of exclusivity, thereby diminishing the commercial value of their innovations. Conversely, the Company's subsidiaries may incur increased costs due to licensing demands from patent holders, legal expenses required to defend against infringement claims, or settlements and damages.

In addition, an adverse ruling in an IP dispute could lead to injunctions or exclusion orders that restrict the ability of the Company's subsidiaries to sell or distribute products in certain jurisdictions. In some cases, product design modifications or adjustments to supply chain arrangements may be required, which could strain customer or partner relationships. A finding of infringement may also harm the brands and market reputation of the Company's subsidiaries.

Our subsidiaries take a proactive, multi-layered approach to managing IP risks. On one hand, they pursue legal protection for their innovations, including obtaining patents, registering trademarks and copyrights, and protecting trade secrets. On the other hand, they adopt appropriate licensing strategies and regularly monitor the validity and value of their IP assets. The IP team within the legal department of the Company's subsidiaries works closely with business teams to align patent filings with strategic R&D priorities and competitive positioning. The Company's subsidiaries also obtain IP indemnities from suppliers or, where appropriate, transfer IP responsibilities to manage third-party risks. They maintain a defensive strategy for IP litigation and, where appropriate, actively leverage their patent portfolios to reduce costs and strengthen their negotiating position. Furthermore, the Company's subsidiaries actively participate in industry collaborations and advocate for reforms that promote a more balanced and cost-effective global patent system.

Management Discussion and Analysis

Food safety risk

With the increasing emphasis on food safety in China, the deepening of consumers' awareness on food safety and the heightening of protection of one's rights and interests, and as relevant government departments continue to increase the supervision of food safety, food quality and safety control have become the top priorities of food companies. The occurrence of food quality problems will have material adverse impacts on their production, operation and reputation. Our subsidiaries attach great importance to the safety, hygiene and quality control of product processing, actively implement standardized production and management. They establish and implement a food safety assurance system from raw materials to finished products, and have passed GMP (Good Manufacturing Practice), SSOP (Sanitation Standard Operating Procedure), HACCP (Hazard Analysis and Critical Control Points) and BRC (British Retail Consortium Global Standard for Food Safety) and other quality management system certifications, in line with relevant food safety laws and regulations of China, Europe, United States and other countries. In terms of source management, quality system operation and enterprise self-inspection and self-control capabilities, they have reached a high level in the industry. Our subsidiaries established an emergency response system for consumer complaints and quality issues to minimize the resulting food safety risks.

Financial risk

Business of the Company and its subsidiaries has global presence and therefore our financial condition may be adversely affected by fluctuations in the economic and financial market. Our activities are exposed to a variety of financial risks, which consist of market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Our overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. We have implemented a unified and hierarchical financial control management system. We guide and supervise major aspects of the financial management of the subsidiaries and each subsidiary manages its own financial risks. We and some of our subsidiaries use derivative financial instruments to hedge certain risk exposures. Details of financial risks are set out in Note 3 to the financial statements.

- **Foreign exchange risk**

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to USD, RMB, EUR and CHF. Foreign currency risks arise from future business transactions, recognized assets and liabilities and net investment in foreign operations denominated in a currency other than the functional currency of the Company and our subsidiaries. The Company and each of our subsidiaries closely monitor the amount of assets and liabilities and transactions denominated in foreign currencies in order to minimize the foreign exchange risk and enter into forward foreign exchange contracts when necessary.

- **Price risk**

We are exposed to equity securities price risk for the investments we hold and those investments included in the consolidated balance sheets which are measured either at fair value through profit or loss or through other comprehensive income. To manage the price risk arising from investments in equity securities, we diversify our investment portfolio and constantly make judgment on and deal with the potential impacts of price changes.

We have equity investments in other entities that are publicly traded in the following capital investment markets: Hong Kong, Chinese Mainland, Europe, the US and Japan.

- **Interest rate risk**

Our interest rate risk arises from the mismatches between contractual maturities or re-pricing dates of interest generating assets and interest-bearing liabilities. Each of our operating entities has formulated its own interest risk management policies and procedures covering identification, measurement, monitoring and control of risks. We manage interest rate risk based on market conditions, and control potential loss from interest rate risk at an acceptable level.

- **Application of derivative instruments**

We will apply derivative instruments as appropriate to hedge the abovementioned risk exposure and control potential loss at an acceptable level.

- **Credit risk**

Credit risk is the risk of financial loss when our customers or counterparties fail to fulfill their contractual obligations. Credit risks mainly arise from loans granted to customers by our subsidiaries engaged in banking business and non-banking business, as well as credit exposure from receivables. Credit risks also include risks arising from bonds and trading investment activities, together with the business of providing customers with off-balance sheet commitment and guarantee. We use internal credit risk ratings to reflect the assessment results of the probability of default for individual counterparty; and are supplemented with external data such borrower ratings from credit agency. In addition, expert judgement of credit risk managers will also be incorporated in the final internal credit rating for each exposure. This assessment model allows the inclusion of other data which may not be captured from other sources. For the credit risk rising from account receivables, our relevant subsidiaries have established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers.

- **Liquidity risk**

Liquidity risk mainly represents the risk of the Company or its subsidiaries' failure to obtain sufficient funds in a timely manner or failure to do so at reasonable cost in order to repay debt upon maturity or fulfil other payment obligations. The Group adopts a prudent and sound financial strategy, closely monitoring the subsidiaries' short-term and long-term liquidity requirements and its rolling forecasts, to ensure they have sufficient cash and securities that are readily convertible to cash to meet their operational needs, while maintaining sufficient and available lines of credit from financial institutions, so as to meet the short-term and long-term liquidity requirements.

Compliance risk

Compliance risk refers to the risk of liability, regulatory penalties, financial or reputation losses arising from non-compliant operations, management or practice by directors, supervisors, senior management and employees of the Company and our subsidiaries. Our business activities and investments cover, but are not limited to, Chinese Mainland, Hong Kong, Europe, Australia and South America. We are subject to the laws and regulatory rules of different jurisdictions and extensive supervision of industry regulators. Concurrently, as AI adoptions accelerate, governments and regulators worldwide have intensified their focus on the development, deployment and oversight of these technologies; our subsidiaries are also required to comply with emerging laws, standards and ethical expectations when applying AI in their products, services and internal operations. A number of laws, regulations and policies related to financial and fund management have been introduced by relevant departments in China and the supervisions from industry regulatory bodies have become increasingly stringent. All these may restrict the operation of the Company and our subsidiaries and increase compliance costs. In the event of non-compliance, they may also result in loss of market access, legal or regulatory sanctions, reputational damage, or reduced customer confidence and adoption, which could in turn impact financial performance.

We consistently and closely monitor our compliance policy adjustment, adhere to the concept of compliance operation, put increasing emphasis on the research and understanding of the latest laws, regulations and regulatory policies, while strengthening review on the effectiveness of our internal controls and risk management. We promote the improvement and implementation of the accountability mechanism; increase the supervision and penalty on violations so as to improve the quality of compliance management. We also seek advice from the compliance advisors as well as internal and external lawyers on compliance issues from time to time in order to make prompt adjustments to enterprises' blueprint on compliance. Concurrently, to address AI-related compliance risks, the Company's subsidiaries have implemented foundational AI governance and compliance practices. Under the leadership of the Chief Security and AI Officer, and in collaboration with the legal team and other key stakeholders, they have begun developing a unified enterprise-wide governance framework. During the Reporting Period, we complied with relevant regulations which have significant impacts on our business and operation in all material respects.

DETAILS ABOUT THE NUMBER OF EMPLOYEES, REMUNERATION POLICY, BONUS AND REMUNERATION STANDARDS FOR DIRECTORS

As of December 31, 2025, the Company and its subsidiaries had approximately 89,105 employees.

The Company has established a overall remuneration system for its core management members and general employees that corresponds to the Company's business features, asset scale, and operational performance. The system comprises annual remuneration, medium-to-long-term incentives (if applicable) and benefits, with annual remuneration encompassing both salaries and target bonuses.

- The annual remuneration for the core management personnel adheres to the corporate governance standards of listed companies, incorporating relevant decision-making processes and oversight by Shareholders. In developing the plan, we began by selecting a set of comparable market benchmark companies that align with the Company across multiple dimensions, including company size, business type, stage of development, and performance level. This approach ensures that the determination of compensation for core management personnel is equitable and in line with China's market conditions. The Company will then determine performance results and remuneration plans in accordance with the Company's overall performance and the core management personnel's duties and their results of achieving performance targets.

In respect of general employees, the remuneration plans are determined by their job responsibilities, the annual business performance of the Company, as well as their annual performance evaluation results.

- Our medium-to-long-term incentives are strongly performance-oriented, linking incentive payouts directly to operational results. Employee incentive returns increase in tandem with sustained improvements in the Company's operational performance, achieving mutual success between employee value creation and corporate value growth.
- In compliance with relevant Chinese regulations, the Company provides employees with statutory benefits, including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund. On top of that, the Company has built a comprehensive and diverse supplementary welfare benefits system that involves pension insurance, supplementary medical insurance and annual health check-ups, safeguarding employee rights and interests across the board while enhancing their sense of belonging.
- The remuneration for Independent Non-executive Directors is determined based on factors such as the time devoted, workload, duties undertaken, and market salary standards. The Remuneration Committee conducts regular reviews of the remuneration for Independent Non-executive Directors.

Employee Training and Development

Legend Holdings firmly believes that talent is the most valuable asset of the Company. We pay close attention to the construction of a talent development system to ensure talent promotion channels are efficient, provides abundant training and learning resources for employees, and continuously injects fresh blood for the stable development of the Company.

For details of the Company's employee training, please refer to the Company's 2025 Environmental, Social and Governance Report.

RECOMMENDATION OF FINAL DIVIDEND

The Board has recommended a final cash dividend of RMB0.10 per ordinary share (before tax) for the year ended December 31, 2025 (2024: Nil). The proposed final dividend is subject to the approval of the Shareholders at the 2025 annual general meeting of the Company (the "2025 AGM") to be held on Friday, June 26, 2026. The proposed cash dividend will be paid to the Shareholders (whose names appear on the register of members of the Company on Wednesday, July 8, 2026) on or before Friday, August 28, 2026. The specific arrangement for the distribution of final dividend (including arrangement of withholding and payment of income tax for the Shareholders) will be disclosed separately in the notice of 2025 AGM. The dividends for Domestic Shares will be paid in RMB, and the dividends for H Shares will be denominated in RMB and paid in HKD (the exchange rate for RMB to HKD shall be calculated based on the average selling price for RMB to HKD released by the People's Bank of China for a calendar week before the date of the 2025 AGM).

CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders entitled to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, June 22, 2026 to Friday, June 26, 2026 (both days inclusive), during which time no transfer of the H Shares will be registered. Accordingly, unregistered H Shareholders shall lodge relevant share transfer documents with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, June 18, 2026.

In order to determine the entitlement of the H Shareholders to the final dividend for 2025, the H share register of the Company will be closed from Friday, July 3, 2026 to Wednesday, July 8, 2026 (both days inclusive). The H Shareholders who wish to receive the final dividend for 2025 shall deliver the share certificates accompanied by the transfer documents to the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, July 2, 2026.

Biography of Directors, Supervisors and Senior Management



Mr. NING Min *Chairman and Executive Director*

Mr. NING Min (寧旻), aged 56, was appointed as the Chairman of the Board and the Chairman of Nomination Committee on January 1, 2020. He has been appointed as an Executive Director since December 27, 2018, and a member of the Remuneration Committee from December 27, 2018 to September 29, 2023 and is currently the Chairman of the Strategy Committee of the Company. Mr. NING joined the Company in 1991 and served consecutively as the deputy head of the Corporate Planning Office, the secretary of the Board and the deputy head of the Corporate Planning Office, the general manager of the Asset Management Department, assistant president and senior vice president of the Company. Mr. NING served as a member of the Executive Committee and the Chief Financial Officer of the Company for an extensive period of time, during which he was fully responsible for the Company's financial and funds management, risk control and auditing, as well as the affairs relating to the capital markets and public relations. He was in charge of the operation and management of the financial investment business of Legend Holdings, and made profound contributions in the formulation of corporate strategy, business development, and organizational construction of the Company. Currently, Mr. NING also serves as a director of Levima Group, Joyvio Group, Hony Capital, Legend Star, Legend Capital, EAL, Fullhan and various members of the Company.

Mr. NING is currently a director of Xi'an Shaangu Power Co., Ltd. (西安陝鼓動力股份有限公司) (listed on the Shanghai Stock Exchange). He was a non-executive director of China Glass Holdings Limited (中國玻璃控股有限公司) (listed on the Hong Kong Stock Exchange), a director of Beijing Electronic Zone High-tech Group Co., Ltd. (北京電子城高科技集團股份有限公司) (listed on the Shanghai Stock Exchange), Levima Advanced Materials (聯泓新科) (listed on the Shenzhen Stock Exchange), and CAS Holdings (國科控股).

Mr. NING obtained his bachelor's degree in economics from Renmin University of China (中國人民大學) in 1997. Mr. NING completed courses of master of business administration offered by the Graduate School of Renmin University of China (中國人民大學研究生院) in 2001.



Mr. ZHU Linan *Non-executive Director*

Mr. ZHU Linan (朱立南), aged 63, was redesignated from an Executive Director to a Non-executive Director of the Company on January 1, 2020 and is currently a member of the Strategy Committee of the Company. Mr. ZHU joined the Company in 2001 and served consecutively as a Director and executive vice president, Executive Director and president. Mr. ZHU first joined Shenzhen Legend Computer Co., Ltd. (深圳聯想電腦有限公司), the Company's subsidiary in 1989 and served as the general manager. From 1997 to 2001, he joined Lenovo. He served consecutively as a general manager of the Business Development Department, an assistant president, deputy head and head of the Corporate Planning Office and a senior vice president. He was a founder of Legend Investment Limited (聯想投資有限公司), the predecessor of Legend Capital Co., Ltd. (君聯資本管理股份有限公司) in 2001 and held position as its director since establishment. Mr. ZHU is currently a non-executive director of Lenovo (listed on the Hong Kong Stock Exchange).

Mr. ZHU obtained his master's degree in Electronic Engineering from Shanghai Jiao Tong University (上海交通大學) in China in 1987.



Mr. ZHAO John Huan *Non-executive Director*

Mr. ZHAO John Huan (趙令歡), aged 63, was redesignated from an Executive Director to a Non-executive Director of the Company on January 1, 2020 and is currently a member of the Strategy Committee of the Company. Mr. ZHAO joined the Company in 2003 when he founded Hony Capital. From 2003 to 2011, he served consecutively as executive vice president, senior vice president and Director and executive vice president of the Company. He is currently the chairman of Hony Capital. Mr. ZHAO has extensive experience in corporate management.

Mr. ZHAO is currently a non-executive director of Lenovo, and the chairman and executive director of Best Food Holding Company Limited (百福控股有限公司), the chairman of the board of directors and executive director of Goldstream Investment Limited (金涌投資有限公司), the chairman and non-executive director of Hony Media Group (弘毅文化集團) (all listed on the Hong Kong Stock Exchange). He previously served as a non-executive director of China Glass Holdings Limited (中國玻璃控股有限公司) (listed on the Hong Kong Stock Exchange), a non-executive director of Eros STX Global Corporation (listed on the New York Stock Exchange), a non-executive director of Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司) (listed on the Hong Kong Stock Exchange), a director of Shanghai Jin Jiang International Hotels Co., Ltd. (上海錦江國際酒店股份有限公司) and ENN Natural Gas Co., Ltd. (新奧天然氣股份有限公司) (both listed on the Shanghai Stock Exchange), and a non-executive director of Zoomlion Heavy Industry Science & Technology Development Co., Ltd. (中聯重科股份有限公司) (listed on the Hong Kong and Shenzhen Stock Exchanges).

Mr. ZHAO obtained his bachelor's degree in physics from Nanjing University (南京大學) in China in 1984 and a master of electronic engineering and science degree from Northern Illinois University in the United States in 1990 and a master of business administration degree from the J.L. Kellogg Graduate School of Management at Northwestern University in the United States in 1996.

Biography of Directors, Supervisors and Senior Management



Ms. CHEN Jing *Non-executive Director*

Ms. CHEN Jing (陳靜), aged 52, was appointed as a Non-executive Director of the Company as well as a member of the Remuneration Committee and Nomination Committee on June 27, 2024. Ms. CHEN currently serves as the deputy secretary of the Party Committee, director and general manager of CAS Holdings (國科控股), and is a director of Levima Advanced Materials (聯泓新科) (listed on the Shenzhen Stock Exchange). Ms. CHEN previously served as a director of Chengdu Information Technology of Chinese Academy of Sciences Co., Ltd. (中科院成都信息技術股份有限公司) (listed on the Shenzhen Stock Exchange), the deputy general manager, general manager, chairman of the board and secretary of the Party Committee of Beijing KYKY Technology Co., Ltd. (北京中科科儀股份有限公司), and general manager, chairman of the board, and secretary of the Party Branch of Guoke Keyi Holdings Co., Ltd. (國科科儀控股有限公司).

Ms. CHEN obtained a master's degree in management from Jiangsu University (江蘇大學) in 2001 and is a senior engineer.



Ms. YANG Hongmei *Non-executive Director*

Ms. YANG Hongmei (楊紅梅), aged 54, was appointed as a Non-executive Director and a member of the Audit Committee of the Company on June 27, 2024. Ms. YANG currently serves as a member of the Party Committee and the deputy general manager of CAS Holdings (國科控股), and as a director of Chengdu Information Technology of Chinese Academy of Sciences Co., Ltd. (中科院成都信息技術股份有限公司) (listed on the Shenzhen Stock Exchange). Ms. YANG also served as the deputy secretary of the Party Committee, secretary of the commission for discipline inspection, chairman of the board of supervisors, and vice president of China Science Publishing & Media Group Ltd. (中國科技出版傳媒集團有限公司).

Ms. YANG obtained a master's degree in Business Administration from Graduate School of the Management of Chinese Academy of Sciences (中國科學院研究生院) in 2006.



Ms. HAO Quan *Independent Non-executive Director*

Ms. HAO Quan (郝荃), aged 67, was appointed as a Director of the Company on March 15, 2015 with effect from June 29, 2015, the listing date of the Company. She was also appointed as the Chairperson of the Audit Committee and a member of the Remuneration Committee on June 29, 2015. She ceased to serve as a member of the Remuneration Committee and was appointed as a member of the Nomination Committee on June 27, 2024. Ms. HAO previously served as a lecturer at the Renmin University of China from 1982 to 1989. She first joined KPMG (USA) in 1993 and became a partner of KPMG Huazhen (Special General Partnership) and its predecessor from 2001 to 2015. Ms. HAO is currently an independent non-executive director of Hanison Construction Holdings Limited (興勝創建控股有限公司) (listed on the Hong Kong Stock Exchange). She was an independent director of HSBC Bank (China) Company Limited from 2018 to 2024.

Ms. HAO obtained her bachelor of economics degree from the Renmin University of China in 1982 and her master of business administration degree from Temple University in the United States in 1993. Ms. HAO obtained the qualification of certified public accountant in California, the United States in 1995 and as a PRC certified public accountant in 2002.



Mr. YIN Jian'an *Independent Non-executive Director*

Mr. YIN Jian'an (印建安), aged 68, was appointed as a Director of the Company, the Chairman of the Remuneration Committee and a member of the Nomination Committee on February 13, 2020 and was appointed as a member of the Audit Committee on June 10, 2021. Mr. YIN is currently a director of Longi Green Energy Technology Co., Ltd. (隆基綠能科技股份有限公司) (listed on the Shanghai Stock Exchange). Mr. YIN joined Xi'an Shaangu Power Co., Ltd. (西安陝鼓動力股份有限公司) (listed on the Shanghai Stock Exchange) in 1999 and served as the chairman from 2001 to 2017. Mr. YIN served as the chairman of Shaanxi Blower (Group) Co., Ltd. (陝西鼓風機(集團)有限公司) from 2001 to 2017, as the chairman of Shaanxi Qin Feng Gases Technology (陝西秦風氣體股份有限公司) from 2012 to 2015, as president of Shaangu Power and Automation Engineering Academy (陝鼓能源動力與自動化工程研究院) from 2008 to 2017.

Mr. YIN obtained his doctor's degree and master's degree in Fluid Mechanics from Zhejiang University (浙江大學) in 2004 and 1992, respectively.



Mr. YUAN Li *Independent Non-executive Director*

Mr. YUAN Li (袁力), aged 63, was appointed as a Director of the Company as well as a member of the Remuneration Committee and Nomination Committee on June 27, 2024. Mr. YUAN is currently the chairman of Beijing Aershan Financial Technology Co., Ltd. (北京阿爾山金融科技有限公司). Mr. YUAN was the assistant director of the international business department (Jilin branch) of the People's Insurance Company of China (中國人民保險公司) from September 1984 to September 1990. From September 1990 to December 1998, he served as the general manager of Ping An Insurance (U.S.) Company Limited (平安保險(美國)公司), the general manager of Ping An's Insurance Management Headquarters (平安保險管理本部), and the deputy general manager of Asset Insurance Associate (產險協理). From December 1998 to May 2011, he was the director of the policy and regulation department and the development and reform department of China Insurance Regulatory Commission (CIRC) and a member of the Party Committee and the assistant to the chairman of CIRC. From May 2011 to March 2012, he was the secretary of the Party Committee and the president of China Life Insurance (Group) Company (中國人壽保險(集團)公司), and concurrently the chairman of China Life Insurance Company Limited (中國人壽保險股份有限公司) (listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange), and the chairman of China Life Property and Casualty Insurance Co., Ltd. (中國人壽財產保險股份有限公司). From March 2012 to May 2016, he served as a member of the Party Committee and a vice president of China Development Bank (國家開發銀行), and concurrently the secretary of the Party Committee and the chairman of China Development Bank Securities Co., Ltd. (國開證券有限責任公司).

Mr. YUAN obtained a PhD in economics from Peking University in 2004.



Mr. GAO Qiang *Supervisor*

Mr. GAO Qiang (高強), aged 57, was appointed as the Chairman of the Board of Supervisors of the Company on January 1, 2020. Mr. GAO is currently the deputy secretary to the Communist Party Committee (CPC), the chairman of the Trade Union, and the dean of the Management Institute of the Company. He is fully responsible for the daily management of the CPC office, the trade union of the Company, and corporate culture affairs. Mr. GAO joined Legend Holdings in 2006 and he has successively served as the deputy general manager of the Public Relations Department, the general manager of the Human Resources Department, and the executive dean of the Management Institute. Mr. Gao is currently an independent director of Zhongyan Technology Co., Ltd. (北京中巖大地科技股份有限公司) (listed on the Shenzhen Stock Exchange).

Mr. GAO obtained an MBA degree from CEIBS (中歐國際工商學院) in 2016.



Mr. LUO Cheng *Supervisor*

Mr. LUO Cheng (羅成), aged 47, was appointed as a Supervisor of the Company on January 16, 2018. Mr. LUO is currently the director and general manager of China Oceanwide Holdings Group Co., Ltd. (中國泛海控股集團有限公司), a director of Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司). He previously served as the vice president and board secretary of China Oceanwide Holdings Group Co., Ltd., a director and the general manager of Oceanwide Industrial Co., Ltd. (泛海實業股份有限公司) and a supervisor of Minsheng Holdings Co., Ltd. (民生控股股份有限公司).

Mr. LUO obtained a master of art degree from the University of Leeds in 2002, majoring in accounting and finance.

Biography of Directors, Supervisors and Senior Management



Ms. PEI Xiaofeng *Supervisor*

Ms. PEI Xiaofeng (裴小鳳), aged 48, was appointed as a Supervisor of the Company on June 27, 2024. Ms. PEI is currently the general manager of the financial management department of CAS Holdings (國科控股) and a director of Chengdu Information Technology of Chinese Academy of Sciences Co., Ltd. (中科院成都信息技術股份有限公司) (listed on the Shenzhen Stock Exchange). She has successively served as the senior manager of the equity management department, senior manager, assistant general manager, deputy general manager, and general manager of the financial management department of CAS Holdings. She previously served as a supervisor of Chengdu Information Technology of Chinese Academy of Sciences Co., Ltd. (中科院成都信息技術股份有限公司).

Ms. PEI obtained a master's degree in business administration from the University of the Chinese Academy of Sciences (中國科學院大學) in 2007 and holds the Chinese Institute of Certified Public Accountant (CICPA) qualification.



Mr. YU Hao *Chief Executive Officer*

Mr. YU Hao (于浩), aged 55, was appointed as the Chief Executive Officer of the Company on November 17, 2025. Mr. YU joined the Company in 2021 and previously served as the vice president of the Company. He currently serves as the managing director of the Innovation Development Center of the Company, the dean of the Legend Holdings Forward-Looking Technology Research Institute (聯想控股前瞻技術研究院), an executive director and manager of Beijing Liankong Forward Looking Technology Co., Ltd. (北京聯控前瞻技術有限公司), chairman of the board of ZQET Group, and a director in various members of the Company, such as Levima Advanced Materials and Joyvio Group. He also serves as the supervisor of Chinese Information Processing Society of China (中國中文信息學會), vice chairman of the Natural Language Understanding Special Committee of the Chinese Association for Artificial Intelligence (中國人工智能學會NLU專委會), advisor to the Science and Technology Committee of the National Industrial Information Security Development Research Center (國家工業信息安全發展研究中心科學技術委員會), and a council member of Zhongguancun 100 Entrepreneur Club (中關村100企業家俱樂部). Prior to his joining the Company, Mr. YU engaged in research and teaching at the Department of Computer Science and Technology, Harbin Institute of Technology (哈爾濱工業大學). He then held R&D leadership roles at several renowned multinational corporations, promoting the industrialization of innovative technologies such as industrial vision, the Internet of Things, big data processing, blockchain, and Virtual Reality/Augmented reality in the domestic environmental protection, energy, and high-end manufacturing sectors.

Mr. YU obtained a bachelor's degree in electrical engineering from Harbin Institute of Technology in 1993, and a PhD in power system and its automation from Harbin Institute of Technology in 1998. He completed his postdoctoral research at the Computer Science and Technology from Harbin Institute of Technology in 2006.



Ms. YANG Qiuyan *Senior Management*

Ms. YANG Qiuyan (楊秋燕), aged 50, is currently the Head of Finance, Assistant President and General Manager of the Finance Department of the Company, responsible for financial management and has over 20 years of working experience in financial management. She joined Legend Holdings in August 2007 and served consecutively as manager, assistant general manager, deputy general manager and general manager of the Finance Department. She has extensive experience in financial management. Before joining Legend Holdings, she worked in Beijing Wuwei Underground Engineering Co., Ltd. (北京五維地下工程有限公司) and Zhongsheng Weiqiao International Investment Holding Co., Ltd. (中盛偉僑國際投資控股有限公司) engaging in financial management from 1998 to 2007.

Ms. YANG obtained a bachelor's degree in economics from Zhejiang University (浙江大學) in 1998, a master's degree in economics from the University of International Business and Economics (對外經濟貿易大學) in 2003, and an MBA degree from Tsinghua University (清華大學) in 2025.



Mr. WANG Wei *Senior Management*

Mr. WANG Wei (王威), aged 45, joined Legend Holdings in October 2019. He currently acts as the Assistant President, Board Secretary, and General Manager of the Securities Affairs Department of the Company, responsible for investor relations, legal compliance, and information disclosure. Previously, he worked at Ernst & Young, PricewaterhouseCoopers, Sinochem Group Co., Ltd. (中國中化集團有限公司), and Meihua Biotechnology Holdings Group Co., Ltd. (梅花生物科技集團股份有限公司) (listed on the Shanghai Stock Exchange) consecutively from 2004 to 2019. He has taken charge of many milestone investments, mergers and acquisitions, and other capital market-related projects, and has maintained extensive knowledge and expertise in the abovementioned areas. Before joining Legend Holdings, he acted as Chief Financial Officer at Meihua Biotechnology Holding Group Co., Ltd..

Mr. WANG holds the qualifications granted by the Chinese Institute of Certified Public Accountants (CICPA), the American Institute of Certified Public Accountants (AICPA), the Chartered Institute of Management Accountants (CIMA) and CPA Australia. In addition, he boasts the qualification for board secretary granted by the Shanghai Stock Exchange. He was appointed as a member of the Fourth Board Secretary Professional Committee of the China Association for Public Companies (中國上市公司協會第四屆董事會秘書專業委員會) since June 2024. He joined the Hong Kong Chartered Governance Institute (香港公司治理公會) as an Affiliated Person in October 2023, and became a Fellow of both the Chartered Governance Institute (特許公司治理公會), and the Hong Kong Chartered Governance Institute (香港公司治理公會) in April 2025.

Mr. WANG obtained a bachelor's degree from Zhongnan University of Economics and Law (中南財經政法大學) in 2003, a master's degree in accounting and finance from the University of Southampton in 2004, and an EMBA degree from Cheung Kong Graduate School of Business in 2025.

Director's Report

PRINCIPAL BUSINESSES

The Company operates its business through two sectors: diversified-industries operation and industrial incubations and investments.

RESERVE

During the Reporting Period, the changes in reserve of the Company and its subsidiaries are set out in the consolidated statement of changes in equity of the financial statements prepared in accordance with the IFRS Accounting Standards in this annual report. The changes in reserve of the Company are set out in the note 49(b) to the financial statements.

DISTRIBUTABLE RESERVE

According to the Articles of Association of the Company, dividends can only be distributed in accordance with the distributable profit determined by the China Accounting Standards for Business Enterprises or the IFRS Accounting Standards or the accounting standards of the place where the Company is listed (whichever is lower).

As of December 31, 2025, the distributable reserve of the Company amounted to RMB3,755 million (2024: RMB3,239 million), which was calculated pursuant to the accounting policy under the China Accounting Standards for Business Enterprises.

RESULTS AND APPROPRIATIONS

The results of the Company and its subsidiaries for the year are set out in the consolidated income statement on pages 131 to 132 of this annual report.

The overall financial position of the Company and its subsidiaries as at December 31, 2025 are set out in the consolidated balance sheet on pages 133 to 135 of this annual report, and the financial position of the Company as at December 31, 2025 in note 49(a) to the financial statements, respectively.

The consolidated cash flow statement of the Company and its subsidiaries for the year is set out in the consolidated cash flow statement on pages 138 to 139 of this annual report.

The Board has recommended a final cash dividend of RMB0.10 per ordinary share (before tax) for the year ended December 31, 2025 (2024: Nil). The proposed final dividend is subject to the approval of the Shareholders at the 2025 annual general meeting of the Company (the "2025 AGM") to be held on Friday, June 26, 2026. The proposed cash dividend will be paid to the Shareholders (whose names appear on the register of members of the Company on Wednesday, July 8, 2026) on or before Friday, August 28, 2026. The specific arrangement for the distribution of final dividend (including arrangement of withholding and payment of income tax for the Shareholders) will be disclosed separately in the notice of 2025 AGM. The dividends for Domestic Shares will be paid in RMB, and the dividends for H Shares will be denominated in RMB and paid in HKD (the exchange rate for RMB to HKD shall be calculated based on the average selling price for RMB to HKD released by the People's Bank of China for a calendar week before the date of the 2025 AGM).

DIVIDEND POLICY

1. The Company has adopted a Dividend Policy (the "Dividend Policy"), which provides Shareholders with sustainable returns every year. Dividends shall be determined according to the net profits attributable to equity holders of the Company (after adjustments for restructuring or other one-off non-cash items, if any) during relevant financial period, and shall be subject to the criteria set out in paragraphs 3 and 4 below. The Company does not intend to set any dividend distribution ratio. The Company strives to maintain financial flexibility as well as to strike a balance between Shareholders' interests and prudent capital management.
2. The Company may consider declaring and paying special dividends from time to time in addition to the annual dividend paid to the Shareholders.

3. The Company's ability to pay dividends will depend on, among other things, the Company's operations, business plans and strategies, cash flows, financial positions, operating and capital requirements and contractual restrictions, as well as dividends received from the subsidiaries and associates of the Company, while in turn will depend on the ability of such subsidiaries and associates to pay a dividend. The payment of dividends is also subject to the provisions of the Articles of Association of the Company and any other applicable laws and regulations, and other factors impacting the Company that the Board may consider relevant.
4. The Dividend Policy reflects the current view of the Board on the financial and cash flow positions of the Company and its subsidiaries. The Board will continue to review the Dividend Policy from time to time and there will be no assurance that dividends will be paid in any particular amount in any given period. Whenever, the Board recommends a dividend, the distribution manner, frequency and amount, will depend on the Company's operations and profits, business plans and strategies, cash flow, operating and capital requirements, general financial positions, contractual restrictions and other factors impacting the Company that the Board may consider relevant.

SHARES ISSUED

The Company did not issue any new Shares for the year ended December 31, 2025. The details of Shares issued of the Company are set out in note 33 to the financial statements.

BONDS ISSUED

The Company did not issue any bonds for the year ended December 31, 2025.

EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Company during the year ended December 31, 2025 or as of December 31, 2025.

DONATIONS

During the year, donations for charity or other purposes made by the Company and its subsidiaries amounted to RMB125 million (2024: RMB123 million).

BUSINESS REVIEW

Under the Disclosure of Financial Information set out in Appendix D2 to the Listing Rules, the Company is required to include a business review in the Directors' Report. According to Schedule 5 to the Companies Ordinance of Hong Kong, a business review shall cover certain aspects, the details of which are as follows:

1. A fair review of the business of the Company and its subsidiaries
"Management Discussion and Analysis" on pages 13 to 47 of this annual report.
2. A description of the principal risks and uncertainties facing the Company and its subsidiaries
"Major Risks and Response Management" on pages 39 to 46 of this annual report.
3. An estimation of the potential development in the business of the Company and its subsidiaries
"Management Discussion and Analysis" on pages 13 to 47 of this annual report.
4. An analysis on financial key performance indicators
"Financial Review" on pages 34 to 38 of this annual report.

5. Environmental policies and performance

The Company and its subsidiaries are committed to environmental protection, energy conservation and emission reduction and reasonable and efficient utilization of resources and energy in day-to-day operational activities and ensure the observation of local environmental laws and regulations and relevant industry emission standards in different regions. We are committed to constantly practicing environmental management and improving corresponding measures, including establishing a complete environmental emergency response system for specific business, providing feasible support for prevention and control of environmental accidents, and improving factory production processes and equipping resource recycling systems to effectively reduce energy consumption. In the meantime, we attach great importance to the environmental management in the office area. We actively cultivate staff's awareness of protecting the environment and saving office resources and energy and actively promote greening layouts in plant areas and green building ratings of office buildings. The Company and its subsidiaries will continue to strictly abide by relevant regulations on environmental protection, develop sustainability policies and design and strive to strike a balance among economic, social and environmental benefits.

As Legend Holdings implements its strategic layout on all fronts, the environmental impact of the Company's activities has also become an increasingly important factor for investors to consider. Legend Holdings requires its subsidiaries to ensure their strict compliance with local environmental laws and regulations where they operate. In 2025, the Company and its subsidiaries did not violate any laws and regulations relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

In order to carry out environmental management and continuously improve relevant measures, Legend Holdings requires its subsidiaries to establish a sound environmental emergency system for specific businesses, provide solid support for the prevention and control of environmental emergencies, and improve the factory processes and establish waste recycling system to reduce energy consumption. In addition, the Company has also formulated and implemented more detailed environmental protection policies in line with the local conditions of subsidiaries, made gradual development of environmental sustainability policies, so as to achieve harmony among economic, social and environmental benefits.

Pursuant to the requirements of the Listing Rules, the Company is required to disclose information regarding environmental, social and governance of the Company and its subsidiaries. The 2025 Environmental, Social and Governance Report containing such information is published by way of a separate report which had been posted on the Hong Kong Stock Exchange website (www.hkexnews.hk) and the Company website (www.legendholdings.com.cn). The detailed performances of the Company and its subsidiaries in the aspect of environmental protection are disclosed in such report.

6. Key relationships with employees, customers, suppliers and other stakeholders

The philosophy and principles of the Company and its subsidiaries towards its employees, customers, suppliers and other stakeholders are set out in the 2025 Environmental, Social and Governance Report.

PRINCIPAL CUSTOMERS AND SUPPLIERS

During the year, the sales of products and services to the top five customers of the Company and its subsidiaries were less than 25%. The principal customers or suppliers of the Company and its subsidiaries accounted for the following percentages of the procurement amount of the Company and its subsidiaries during the year:

The largest supplier 9%

The aggregate of the top five suppliers 30%

None of the Directors, their close associates or any Shareholders (who to the knowledge of the Directors own more than 5% of the issued Shares) had interests in the aforementioned principal customers or suppliers.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of changes in the property, plant and equipment and investment properties of the Company and its subsidiaries during the Reporting Period are set out in notes 15 and 17 to the financial statements, respectively.

BORROWINGS

Details of the borrowings of the Company and its subsidiaries are set out in note 43 to the financial statements.

CONTINGENCIES

Details of the contingencies of the Company and its subsidiaries are set out in note 46(i) to the financial statements.

FIVE-YEAR FINANCIAL SUMMARY

The results and summary of assets and liabilities of the Company and its subsidiaries for the year ended December 31, 2025 and in the latest four fiscal years are set out on page 316 of this annual report.

SUBSTANTIAL SUBSIDIARIES AND ASSOCIATES

Details of substantial subsidiaries and associates of the Company are set out in notes 11 and 12 to the financial statements.

CORPORATE GOVERNANCE CODE

During the year ended December 31, 2025, the Company complied with all code provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix C1 of the Listing Rules.

The Company reviews the compliance of the Corporate Governance Code on an annual basis in order to ensure that the Company has complied with the code provisions. Efforts have been made to continuously enhance our corporate governance standards with reference to the best-recommended practices.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Company and its subsidiaries operate and invest in, among others, China, Hong Kong, Europe, Australia and South America. During the Reporting Period, the Company complied with the relevant laws and regulations, which had material impacts on Legend Holdings' business and operations in material respects.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined in the Listing Rules)). The Company did not hold only treasury shares as at December 31, 2025.

ISSUE OF EQUITY SECURITIES

A subsidiary of the Company, Lenovo, has issued (i) zero-coupon Convertible Bonds in an aggregate principal amount of USD2,000,000,000; and (ii) 1,150,000,000 Lenovo Warrants. For details of the above issuance of equity securities by subsidiary, please refer to the section headed "Material Transactions and Significant Investment Held" in this report.

SUFFICIENT PUBLIC FLOAT

As of the date of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company maintained the sufficient public float as prescribed by the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights according to the Company's Articles of Association and the Company Law of PRC.

TAX RELIEF

Shareholders are required to submit to the tax authorities the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits (chapter II of the announcement 2019 No. 35 State Administration of Taxation) if they are requested by the PRC tax authorities to claim refund of overpaid taxes fees through the Company in accordance with the relevant requirements of the Administrative Measures for Non-resident Taxpayers to Benefit from the Taxation Treaties (《非居民納稅人享受稅收協定待遇管理辦法》) (please refer to the announcement 2019 No. 35 State Administration of Taxation (website: <http://www.chinatax.gov.cn/chinatax/n810341/n810765/n4182981/201910/c5141954/content.html>)), they shall also collect and retain the relevant reference materials on their own.

INFORMATION OF DIRECTORS AND SUPERVISORS

During the year and as at the date of this report, the Directors of the Company are as follows:

Mr. NING Min (*Chairman*)

Mr. LI Peng (*Chief Executive Officer*) (*resigned on November 17, 2025*)

Mr. ZHU Linan[#]

Mr. ZHAO John Huan[#]

Ms. CHEN Jing[#]

Ms. YANG Hongmei[#]

Ms. HAO Quan^{*}

Mr. YIN Jian'an^{*}

Mr. YUAN Li^{*}

[#] *Non-executive Director*

^{*} *Independent Non-executive Director*

The Company has received annual confirmations which are made by each of existing Independent Non-executive Directors to ensure their independence in the Company pursuant to Rule 3.13 of the Listing Rules; and the Company is of the view that such Directors are independent of the Company.

During the year and as at the date of this report, the Supervisors are as follows:

Mr. GAO Qiang (*Chairman of the Board of Supervisors*)

Mr. LUO Cheng

Ms. PEI Xiaofeng

PERMITTED INDEMNITY PROVISION

The Company has maintained liability insurances for its Directors, Supervisors and senior management to provide protection to them for liability that might arise in the course of their performance of duties according to law and facilitate them to fully discharge their duties.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

All Directors and Supervisors have service contracts with the Company for three years, commencing on June 27, 2024 and ending on the annual general meeting to elect the fifth session of the Board of Directors and the Board of Supervisors of the Company. For the year ended December 31, 2025, none of the Directors or Supervisors entered into any service contract with the Company or any of its members, which is not determinable within one year without payment of any compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contract in relation to the management and administration work of the Company or its any major business was entered into or subsisted during the year (other than the service contracts entered into with Directors and Supervisors or persons engaged by the Company).

DIRECTORS' INTERESTS IN ACQUISITION OF SHARES OR DEBENTURES

For the year ended December 31, 2025, there was no arrangement to enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any of its subsidiaries.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section "Benefits and interests of Directors and highest paid individuals" in note 50(b) to financial statements, at any time during the year ended December 31, 2025 or the year-end date, any Directors and Supervisors or their connected entities directly or indirectly have no material interests, either directly or indirectly, in other transactions, arrangements or contracts of significance entered into by the Company or any of its subsidiaries.

DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

The Directors' and Supervisors' emoluments are determined by the Board with reference to their duties, responsibilities, performance, and the results of the Company and its subsidiaries. Details of the Directors' and Supervisors' emoluments and the five highest paid individuals are set out in notes 50(a) and 50(c) to the financial statements, respectively.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors (excluding the Independent Non-executive Directors) had any interests in businesses that compete or are likely to compete, directly or indirectly, with the businesses of the Company and its subsidiaries.

CHANGES IN DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INFORMATION

Pursuant to the Listing Rules 13.51B(1), the changes in Directors, Supervisors and Chief Executive Officer are as follows:

Mr. NING Min, the Chairman, was appointed as a director of Fullhan Microelectronics and Legend Capital with effect from October 16, 2025, and December 1, 2025, respectively.

Mr. YU Hao, the Chief Executive Officer, was appointed as a director of Levima Group, Levima Advanced Materials (Stock Code: 003022.SZ), Joyvio Group, Legend Star, JC Finance and Hony Capital (Beijing) Co., Ltd. (弘毅投資(北京)有限公司), with effect from January 14, 2026, December 30, 2025, December 22, 2025, December 30, 2025, January 6, 2026 and March 23, 2026, respectively. He was also appointed as the chairman of ZQET Group and ZQi Solar, with effect from December 14, 2025 and January 26, 2026, respectively.

Mr. GAO Qiang, a Supervisor, was appointed as an independent director of Zhongyan Technology Co., Ltd. (北京中巖大地科技股份有限公司) (Stock Code: 003001.SZ) with effect from September 10, 2025.

CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND MATERIAL RELATED PARTY TRANSACTIONS

For the year ended December 31, 2025, save for the continuing connected transactions as disclosed below, we have not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

1. Fujitsu Client Computing Limited ("FCCL"), is a joint venture company held as to 51% by Lenovo (through its indirectly wholly owned subsidiary) and 44% by Fujitsu Limited ("Fujitsu", together with its subsidiaries the "Fujitsu Group") to engage in the business of personal computers and their related products pursuant to the Joint Venture Agreement entered into between Lenovo, and amongst others, Fujitsu dated November 2, 2017 and became effective on May 2, 2018 (the "Completion Date"). On or prior to the Completion Date, Fujitsu Group entered into various agreements (the "Fujitsu CCT Agreements") with FCCL in respect of the provision of certain services and products to or by FCCL to facilitate the operation of its personal computer business in Japan. Details of the Fujitsu CCT Agreements are set out in the announcement published by the Company on May 3, 2018. Upon the Completion Date, FCCL became an indirect non-wholly-owned subsidiary of the Company. Fujitsu is a connected person of Lenovo as well as the Company at subsidiary level by virtue of Fujitsu being a substantial shareholders of FCCL, whose shareholding in FCCL increased from 44% to 49% following the acquisition of FCCL's shares from a third party. The transactions contemplated under the Fujitsu CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting requirements under the Listing Rules.

On February 21, 2020, the annual caps of the Secondment Agreement, the Manufacturing Agreement (FIT) and the Fujitsu Trademark and Brand License Agreement, all of which form part of the Fujitsu CCT Agreements, for the four financial years ended March 31, 2020, 2021, 2022 and 2023 were revised (the "Revised Annual Caps"). Details of the Revised Annual Caps are set out in the announcement of the Company dated February 21, 2020.

On January 16, 2023, FCCL exercised its option to extend the term of the Fujitsu Trademark and Brand License Agreement (the "Agreement") to May 2, 2026 by providing a notice of extension to Fujitsu and on March 31, 2023, the annual caps of the Agreement were set for the three financial years ending March 31, 2024, 2025 and 2026.

On March 31, 2023, the terms of the Transitional Services Agreement, the Secondment Agreement, the Manufacturing Agreement (FIT) and the Sales and Distribution Agreement (the "Other Renewed Fujitsu CCT Agreements", together with the Agreement the "Renewed Fujitsu CCT Agreements") were extended to May 2, 2024 by entering into side letters between FCCL and each of the respective parties to the Other Renewed Fujitsu CCT Agreements and the annual caps of the Other Renewed Fujitsu CCT Agreements were set for the financial year ending March 31, 2024. Details of the renewal of the Renewed Fujitsu CCT Agreements are set out in the announcement of the Company dated March 31, 2023.

On March 28, 2024, the terms of the Other Renewed Fujitsu CCT Agreements were extended to May 2, 2025 by entering into side letters between FCCL and each of the respective parties to the Other Renewed Fujitsu CCT Agreements and the annual caps of the Other Renewed Fujitsu CCT Agreements were set for the financial year ending March 31, 2025. Details of the renewal of the Other Renewed Fujitsu CCT Agreements are set out in the announcement of the Company dated March 28, 2024.

On October 31, 2024, Lenovo entered into a new secondment agreement with Fujitsu (the "New Secondment Agreement") as a de minimis transaction for a term of three years, regarding secondment of employees from members of Fujitsu Group to FCCL, on the same terms and conditions as applied to the Secondment Agreement, which expired on May 2, 2025 and was not renewed upon expiry. On February 28, 2025, the annual caps of the New Secondment Agreement were set for the financial year ended March 31, 2025, two financial years ending March 31, 2026 and March 31, 2027 and the seven months ending October 31, 2027.

On February 28, 2025, the annual caps of the Manufacturing Agreement (FIT) and the Sales and Distribution Agreement (all of which form part of the 2023 Renewed Fujitsu CCT Agreements), for the financial year ended March 31, 2025 were revised (the "Revision") in light of the strong performance of FCCL's business in FY2024/25. In addition, the terms of the Transitional Services Agreement, the Manufacturing Agreement (FIT) and the Sales and Distribution Agreement (the "2025 Renewed Fujitsu CCT Agreements") were extended to May 2, 2026 by entering into side letters between FCCL and the respective parties and the annual caps of the 2025 Renewed Fujitsu CCT Agreements were set for the financial year ending March 31, 2026. Details of the Revision, renewal of the 2025 Renewed Fujitsu CCT Agreements and the New Secondment Agreement are set out in the announcement of the Company dated February 28, 2025.

On February 27, 2026, the annual caps of the Manufacturing Agreement (FIT) for the financial year ended March 31, 2026 were revised (the "Revision of FIT") in light of the significant amount of printer orders received by FCCL in FY2025/26. In addition, the terms of the Transitional Services Agreement, the Manufacturing Agreement (FIT), the Sales and Distribution Agreement and the Fujitsu Trademark and Brand License Agreement (the "2026 Renewed Fujitsu CCT Agreements") were extended to May 1, 2027 by entering into side letters between FCCL and the respective parties and the annual caps of the 2026 Renewed Fujitsu CCT Agreements were set for the financial year ending March 31, 2027. Details of the Revision of FIT, renewal of the 2026 Renewed Fujitsu CCT Agreements are set out in the announcement of the Company dated February 27, 2026.

Details of the Fujitsu CCT Agreements are set out below:

Transitional Services Agreement

Date: May 2, 2018 with side letters entered into on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026, respectively

Parties: FCCL and Fujitsu

Services provided/received: Transitional services provided by Fujitsu to FCCL and vice versa including research and development of hardware and software, sales and marketing, information technology support, development and management, customer care support, quality control, manufacturing support, supply chain management, procurement and corporate management.

Term: Commenced from May 2, 2018 and expired on May 2, 2023. In light of mutual development needs and goals of Lenovo and Fujitsu, the term was subsequently extended to May 2, 2024, May 2, 2025, May 2, 2026 and May 1, 2027 by entering into side letters on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026, respectively.

The term may be extended under the same terms and conditions by mutual agreement between the parties.

Annual cap ^(Note 1): Expenses incurred from the use of services provided by Fujitsu to FCCL:

1/4/2024	–	31/3/2025:	JPY6,442 million
1/4/2025	–	31/3/2026:	JPY6,161 million
1/4/2026	–	31/3/2027:	JPY3,966 million

Incomes generated for services to Fujitsu by FCCL:

1/4/2024	–	31/3/2025:	JPY514 million
1/4/2025	–	31/3/2026:	JPY426 million
1/4/2026	–	31/3/2027:	JPY319 million

Secondment Agreement

Date: May 2, 2018 with side letters entered into on March 31, 2023 and March 28, 2024, respectively

Parties: FCCL and Fujitsu

Services provided/received: Secondment by Fujitsu to FCCL of certain employees of Fujitsu.

Term: Commenced from May 2, 2018 and expired on May 2, 2023. In light of mutual development needs and goals of Lenovo and Fujitsu, the term was subsequently extended to May 2, 2024 and May 2, 2025 by entering into side letters on March 31, 2023 and March 28, 2024, respectively.

Annual cap ^(Note 1): Expenses incurred from the use of services provided by Fujitsu to FCCL:

1/4/2024 – 31/3/2025: JPY55 million

New Secondment Agreement

Date: October 31, 2024

Parties: FCCL and Fujitsu

Services provided/received: Secondment by Fujitsu to FCCL of certain employees of Fujitsu.

Term: Commenced from November 1, 2024 and will be expired on October 31, 2027.

Annual cap ^(Note 1): Expenses incurred from the use of services provided by Fujitsu to FCCL:

1/11/2024 – 31/3/2025: JPY100 million

1/4/2025 – 31/3/2026: JPY161 million

1/4/2026 – 31/3/2027: JPY162 million

1/4/2027 – 31/10/2027: JPY96 million

Manufacturing Agreement (FIT)

Date: May 2, 2018 with side letters entered into on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026, respectively

Parties: FCCL and Fujitsu Isotec Limited ("FIT")

Services provided/received: FIT agreed to provide manufacturing services to FCCL. FCCL agreed to provide component sourcing services to FIT.

Term: Commenced from May 2, 2018 and expired on May 2, 2023. In light of mutual development needs and goals of Lenovo and Fujitsu, the term was subsequently extended to May 2, 2024, May 2, 2025, May 2, 2026 and May 1, 2027 by entering into side letters on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026, respectively.

The term may be extended under the same terms and conditions by mutual agreement between the parties.

Annual cap ^(Note 1): Expenses incurred from the use of services provided by FIT to FCCL:

1/4/2024	–	31/3/2025:	JPY470 million
1/4/2025	–	31/3/2026:	JPY554 million ^(Note 2)
1/4/2026	–	31/3/2027:	JPY623 million

Sales and Distribution Agreement

Date: May 2, 2018 with side letters entered into on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026, respectively

Parties: FCCL and Fujitsu

Services provided/received: FCCL agreed to supply Fujitsu-branded products and such other products as agreed between the parties to Fujitsu.

Term: Commenced from May 2, 2018 and expired on May 2, 2023. In light of mutual development needs and goals of Lenovo and Fujitsu, the term was subsequently extended to May 2, 2024, May 2, 2025, May 2, 2026 and May 1, 2027 by entering into side letters on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026, respectively.

The term may be extended under the same terms and conditions by mutual agreement between the parties.

Annual cap ^(Note 1) :	Incomes generated for services to Fujitsu by FCCL:		
	1/4/2024	–	31/3/2025: JPY196,900 million
	1/4/2025	–	31/3/2026: JPY239,980 million
	1/4/2026	–	31/3/2027: JPY190,120 million

Fujitsu Trademark and Brand License Agreement

Date: May 2, 2018 with a notice of extension on January 16, 2023 and a side letter entered into on February 27, 2026

Parties: FCCL and Fujitsu

Services provided/received: Fujitsu granted FCCL licenses to use Fujitsu name and trademarks.

Term: Commenced from May 2, 2018 and expired on May 2, 2023. Subsequently, in light of mutual development needs and goals of Lenovo and Fujitsu, FCCL has exercised its option to extend the term to May 2, 2026 by providing a notice of extension to Fujitsu on January 16, 2023, and Lenovo and Fujitsu have entered into a side letter to extend the term to May 1, 2027.

The term may be extended under the same terms and conditions by mutual agreement between the parties.

Annual cap ^(Note 1) :	Royalty payable to Fujitsu:		
	1/4/2024	–	31/3/2025: JPY685 million
	1/4/2025	–	31/3/2026: JPY639 million
	1/4/2026	–	31/3/2027: JPY692 million

Notes:

1. JPY: Japanese yen, the lawful currency of Japan
2. Pursuant to the continuing connected transaction announcement of the Company dated February 27, 2026, the annual cap has been revised from the existing annual cap of JPY503,000,000 to JPY554,000,000. As of the date of such announcement, the expenses incurred from the manufacturing services and supply chain management services provided by FIT pursuant to the Manufacturing Agreement (FIT) have not exceeded the existing annual cap.

Full text of the above continuing connected transactions is set out in the announcements issued by the Company on November 2, 2017, May 3, 2018, February 21, 2020, March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026. The capitalized terms set out in this paragraph shall have the same meanings as defined in the announcements unless the context otherwise requires.

During the year ended December 31, 2025, the actual aggregate transaction amount of the above continuing connected transactions did not exceed relevant annual caps prescribed in the above agreements.

2. On December 19, 2024, Tengzhou Guozhuang Mining Co., Ltd. ("Guozhuang Mining") and Levima Advanced Materials entered into the 2025 Coal and Labour Outsourcing Services Agreement, pursuant to which, Guozhuang Mining will continue to provide coal and labour outsourcing services to Levima Advanced Materials at a total maximum consideration of RMB366 million (exclusive of tax). The Company indirectly holds 48.77% equity interest in Levima Advanced Materials, and CAS Holdings, a substantial shareholder of the Company, holds 25.27% equity interest in Levima Advanced Materials. Pursuant to Chapter 14A of the Listing Rules, Levima Advanced Materials is a connected subsidiary of the Company, and the provision of the coal and labour outsourcing services to Levima Advanced Materials constitutes continuing connected transactions of the Company.

Details of 2025 Coal and Labour Outsourcing Services Agreement are set out below:

Date: December 19, 2024

Parties: Guozhuang Mining, an indirect non-wholly owned subsidiary of the Company (as supplier); and

Levima Advanced Materials, a connected subsidiary of the Company (as purchaser)

Annual Caps: During the period from January 1, 2025 to December 31, 2025, Guozhuang Mining will provide coal and labour outsourcing services to Levima Advanced Materials and its subsidiaries at a total maximum consideration of RMB366 million (exclusive of tax) pursuant to the 2025 Coal and Labour Outsourcing Services Agreement, of which the annual cap for coal supply amounted to RMB350 million and the annual cap for the provision of labour outsourcing services amounted to RMB16 million.

Basis for pricing: The coal price shall be determined in accordance with the following market pricing principles on a reasonable basis, taking into account factors such as drying fees and transportation fees, as well as through arm's length negotiations by the parties:

- 1) the transaction prices for coal producers published on the open commodity market websites in the PRC;
- 2) the quoted prices of coal producers in nearby regions in terms of coal of comparable quality and quantity;
- 3) the quality and quantity of coal to be supplied by Guozhuang Mining; and
- 4) the bid prices of major coal customers of Guozhuang Mining for the same period, which shall be determined by the parties following arm's length negotiations through analysing the then coal prices in the market and conducting comparative analysis.

Labour outsourcing service fees shall be determined with reference to the fees charged by comparable independent third-party suppliers in the market, each determined by the parties following arm's length negotiations and under conditions no less favourable than those offered to or offered by independent third parties.

Within the term of the agreement, the parties shall, following discussion and arm's length negotiations, determine the price, quality, quantity, method of transportation and inspection and date of delivery of coal on a transaction-by-transaction basis, as well as the scope, price and method of labour outsourcing services to be provided, and shall enter into separate procurement and services agreements accordingly to implement the arrangements for payments.

Term: From January 1, 2025 to December 31, 2025.

Conditions precedent: The 2025 Coal and Labour Outsourcing Services Agreement will be executed from the date when both parties stamp with their respective company seals and comes into effect upon the approval of the estimated maximum amount of such agreement by the shareholders' meeting of Levima Advanced Materials.

Full text of the above continuing connected transaction is set out in the announcement dated December 20, 2024 issued by the Company. The capitalized terms set out in this paragraph shall have the same meanings as defined in the announcement unless the context otherwise requires.

Pursuant to the 2025 Coal and Labour Outsourcing Services Agreement, at any time during the period from January 1, 2025 to December 31, 2025, the total amount of coal and labour outsourcing services provided by Guozhuang Mining to Levima Advanced Materials was RMB280 million, which did not exceed relevant annual cap of RMB366 million prescribed in the Agreement.

On December 5, 2025, Guozhuang Mining and Levima Advanced Materials entered into the 2026 Coal and Labour Outsourcing Services Agreement, pursuant to which, from January 1, 2026 to December 31, 2026, Guozhuang Mining will provide coal and labour outsourcing services to Levima Advanced Materials and its subsidiaries at a total maximum consideration of RMB276 million (exclusive of tax). (For details, please refer to the announcement of the Company dated December 8, 2025. The capitalized terms set out in this paragraph shall have the same meanings as defined in the announcement unless the context otherwise requires.)

In accordance with Rule 14A.55 of the Listing Rules, the Independent Non-executive Directors had reviewed the continuing connected transactions as referred to in the paragraphs 1 to 2 above, and confirmed that those transactions had been entered into (i) in the ordinary and usual course of business of Legend Holdings; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them, the terms of which were fair and reasonable and in the interests of the Shareholders as a whole.

The Company has engaged an auditor to report on the continuing connected transactions of the Company and its subsidiaries in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has, in accordance with Rule 14A.56 of the Listing Rules, reviewed the continuing connected transactions referred to in the paragraphs 1 to 2 above and confirmed to the Board that nothing has come to their attention that causes them to believe that they have not been approved by the Board; that they were not, in all material respects, in accordance with the pricing policies of the Company and its subsidiaries if the transactions involve the provision of goods or services by the Company and its subsidiaries; that they were not entered into, in all material respects, in accordance with the agreements relating to the transactions; and that they have exceeded the caps.

During the year ended December 31, 2025, the Company and its subsidiaries have complied with the relevant policies and guidelines issued by the Hong Kong Stock Exchange when determining the price and terms of the continuing connected transactions and have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in relation to the connected transactions.

Save for the continuing connected transactions as disclosed above which also constitute the related party transactions, the related party transactions as set out in the note 53 to the financial statements do not constitute connected transactions under Chapter 14A of the Listing Rules.

MATERIAL TRANSACTIONS AND SIGNIFICANT INVESTMENTS HELD

As of December 31, 2025, the Company and its subsidiaries have entered into the following material transactions:

1. On May 28, 2024, Lenovo and Alat International Investments Company ("Alat"), a wholly owned subsidiary of the Public Investment Fund (the sovereign wealth fund of the Kingdom of Saudi Arabia), have entered into the Strategic Collaboration Framework Agreement, pursuant to which Lenovo and Alat will cooperate strategically to develop new business opportunities in the Middle East and Africa region. On the same date, Lenovo entered into the Bond Subscription Agreement with Alat, pursuant to which Alat has agreed to subscribe for the zero coupon Convertible Bonds in an aggregate principal amount of USD2,000,000,000 (equivalent to approximately HKD15,623 million) subject to the satisfaction or waiver of the conditions precedent as set out in the Bond Subscription Agreement. On May 28, 2024, Lenovo also proposed the issuance of 1,150,000,000 Lenovo Warrants at an issue price of HKD1.43 per Lenovo Warrant, and the total proceeds from the issue will be approximately HKD1,645 million (equivalent to approximately USD210 million). On July 15, 2024, Lenovo and the Initial Warrants Subscriber entered into the Warrants Subscription Agreement. The aforementioned transactions constitute a very substantial disposal, a very substantial acquisition, and a connected transaction of the Company. All the conditions precedent under the Bond Subscription Agreement and the Warrants Subscription Agreement have been satisfied and completion of the Bond Issue and the Warrants Issuance took place on January 8, 2025. For details of the aforementioned transactions, please refer to the announcements of the Company dated May 29, 2024, May 31, 2024, July 15, 2024 and August 20, 2024, and the circular to Shareholders dated August 22, 2024. The capitalized terms set out in this paragraph shall have the same meanings as defined in the announcements and circular unless the context otherwise requires.
2. On November 1, 2024, the Company (as Vendor I), Junchuang Financial Group Limited (君創金融集團有限公司, "Junchuang Group", an indirect wholly-owned subsidiary of the Company, as Vendor II, together with Vendor I, collectively as the Vendors), JC Finance & Leasing ("Target Company"), the remaining shareholders of the Target Company and certain subsidiaries of the Target Company entered into the Equity Transfer and Capital Increase Agreement with Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司, "Sunshine Life", as Purchaser), pursuant to which (i) Vendor I and Vendor II, respectively, conditionally agreed to sell and the Purchaser conditionally agreed to acquire the registered capital of the Target Company of RMB426,080,889 and RMB23,942,717 (representing approximately 14.51% and 0.82% of the enlarged registered capital of the Target Company, respectively) at a consideration of RMB474,088,964 and RMB26,640,430 respectively; (ii) Sunshine Life conditionally agreed to subscribe for the additional registered capital of the Target Company of RMB721,484,027 at a consideration of RMB802,776,242 (representing approximately 24.57% of the enlarged registered capital of the Target Company). The industrial and commercial change registration for the transaction has been completed on January 6, 2025. The Company, through Junchuang Group, indirectly holds 52.79% equity interests in the Target Company, and the Target Company remains a subsidiary of the Company. For details of the above discloseable transaction, please refer to the announcement of the Company dated November 1, 2024. The capitalized terms set out in this paragraph shall have the same meanings as defined in such announcement unless the context otherwise requires.

3. The Company, through Honorific Promise Limited, a wholly-owned subsidiary of the Company, has conducted a series of acquisitions on the open market during the period from November 21, 2025 to December 9, 2025 (both days inclusive) and acquired an aggregate of 115,174,000 Lenovo shares (representing approximately 0.9285% of the issued share capital of Lenovo as at the date of the announcement) at a total cash consideration (excluding the related transaction expenses) of approximately HKD1,124,707,943 (equivalent to approximately RMB1,023,270,534). The average price (excluding the related transaction expenses) for the acquisition of each Lenovo Share was approximately HKD9.7653 (equivalent to approximately RMB8.8846). Upon completion of the acquisitions, the Company, directly and indirectly through its subsidiaries, held an aggregate of approximately 32.34% of the issued share capital of Lenovo as at the date of the announcement, and Lenovo will remain as a subsidiary of the Company, and Lenovo's financial results, assets, liabilities and cash flows will continue to be consolidated into the Company's consolidated financial statements. For details of the above discloseable transaction, please refer to the Company's announcement dated December 9, 2025. Unless the context otherwise requires, terms used in this paragraph shall have the same meanings as defined in that announcement.
4. On July 11, 2025, Lenovo Computer AG, an indirect non wholly-owned subsidiary of the Company, entered into a sale and purchase agreement and a real property purchase and transfer agreement to dispose of its non-PC business including white goods for home appliances such as microwaves, fridges, and vacuum cleaners (the "Disposal"). The Company sought prior consent from the Hong Kong Stock Exchange for using alternative test for assessing the impact of the Disposal on the Company pursuant to Rule 14.20 of the Listing Rules.

The terms of the Disposal was determined after arm's length negotiations between the relevant parties with reference to, among other things, the net asset value and business prospects of the target company and the prevailing market conditions of the relevant real properties.

The Disposal was undertaken as part of the Lenovo's strategic realignment, as the business of the target company principally related to non-PC operations, which was considered non-core to the Lenovo's long term strategic focus. The Disposal was completed on August 15, 2025.

Saved as disclosed above, there was no other material transactions, nor any material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period. The Company did not hold any significant investment and had no specific plan for material investments or capital assets as at the date of this annual report.

RETIREMENT SCHEME ARRANGEMENT

The Company and its subsidiaries contribute towards retirement income protection for their employees through the provisions of defined benefit pension plans, defined contribution plans, and/or contributions to various public retirement schemes in certain jurisdictions. The retirement scheme arrangements are implemented in accordance with the specific policies of the countries or regions where the Company and its subsidiaries resides.

Details of pension benefit of the Company and its subsidiaries are set out in notes 9 and 45 to the financial statements, respectively.

AUDITOR

PricewaterhouseCoopers ("PricewaterhouseCoopers") has been appointed by the Company as the independent auditor for the year ended December 31, 2025. The consolidated financial statements for 2025 of the Company which were prepared in accordance with the IFRS Accounting Standards have been audited by PricewaterhouseCoopers. A resolution for the re-appointment of PricewaterhouseCoopers as the independent auditor of the Company will be proposed at the 2025 AGM. There has been no change of auditor of the Company during the three years preceding the date of this report.

EQUITY INCENTIVE PLANS

Shareholders of the Company approved the 2019 Medium and Long-Term Incentive Plan on June 13, 2019, the 2021 Medium and Long-Term Incentive Plan on June 10, 2021, and the 2024 Medium and Long-Term Incentive Plan on June 26, 2025, all of which did not involve the new shares issued by the Company. Unless the context requires otherwise, the terms and expressions used herein shall have the same meanings ascribed to them in the circulars dated April 18, 2019, April 23, 2021 and April 29, 2025. The effective equity incentive plans of the Company during the Reporting Period are as follows:

	2019 Medium and Long-Term Incentive Plan	2021 Medium and Long-Term Incentive Plan	2024 Medium and Long-Term Incentive Plan
Purposes	The plan aims to establish and improve the incentive and restraint mechanism for the Company, and to attract, retain and motivate the Company's senior management members and key business personnel to create corporate value and to share its value growth, thereby effectively aligning Shareholders' interests and the Company's interests with personal interests, so as to better support the effective implementation of the Company's strategic objectives, and ensure the long-term stable development of the Company.	The plan aims to establish and improve the incentive and restraint mechanism for the Company, and to attract, retain and motivate the Company's Executive Directors, senior management members and key business personnel to create corporate value and to share its value growth, thereby effectively aligning Shareholders' interests and the Company's interests with personal interests, so as to better support the effective implementations of the Company's strategic objectives, achieve the Company's performance-orientations and ensure its healthy, stable and sustainable development.	The plan aims to establish a sound, sustainable and stable long-term incentive and restraint mechanism and to bring sustainable returns to Shareholders, we fully mobilize the enthusiasm of core employees so as to attract, retain and motivate outstanding managers and key employees, to support the realization of the Company's strategy and long-term sound development, and to advocate the concept of joint and sustainable development of the Company and its employees.
Methods of incentives	There are two types of plan, namely the Restricted Shares Incentive Plan and the Share Options Incentive Plan.		Restricted Shares Incentive Plan.

	2019 Medium and Long-Term Incentive Plan	2021 Medium and Long-Term Incentive Plan	2024 Medium and Long-Term Incentive Plan
Incentive targets	Executive Directors, senior management members of the Company, and key personnel that the Company considers should be motivated, excluding those who are not eligible to become incentive targets in accordance with the requirements of relevant laws and regulations.	Executive Directors, senior management members of the Company, and key personnel that the Company considers should be motivated, excluding those who are not eligible to become incentive targets in accordance with the requirements of relevant laws and regulations.	Key personnel that the Company considers should be motivated, excluding Directors, Supervisors and senior management members of the Company appointed by the board of directors and those who are not eligible to become the Incentive Targets in accordance with the requirements of relevant laws and regulations.
Maximum number of shares	<p>The Company will entrust custodians to purchase certain numbers of H Shares in the secondary market for granting to the incentive targets.</p> <ul style="list-style-type: none"> Under the Restricted Shares Incentive Plan, the total number of H Shares to be granted to the incentive targets will not exceed 7.6 million H Shares, representing approximately 0.32% of the total issued Shares of the Company. Under the Share Options Incentive Plan, the total number of Share Options to be granted to the incentive targets will not exceed 15 million H Shares, representing approximately 0.64% of the total issued Shares of the Company. 	<p>The Company will entrust custodians to purchase certain numbers of H Shares in the secondary market for granting to the incentive targets.</p> <ul style="list-style-type: none"> Under the Restricted Shares Incentive Plan, the total number of H Shares to be granted to the incentive targets will not exceed 18.60 million H Shares, representing approximately 0.79% of the total issued Shares of the Company. Under the Share Options Incentive Plan, the total number of Share Options to be granted to the incentive targets will not exceed 12 million H Shares, representing approximately 0.51% of the total issued Shares of the Company. 	<p>The Company will entrust custodians to purchase certain numbers of H Shares in the secondary market for granting to the incentive targets.</p> <p>Under the Incentive Plan, the total amount of H Shares to be granted to the Incentive Targets will not exceed 12 million H Shares, representing approximately 0.51% of the total issued Shares of the Company.</p>

Director's Report

	2019 Medium and Long-Term Incentive Plan	2021 Medium and Long-Term Incentive Plan	2024 Medium and Long-Term Incentive Plan
Maximum number of Shares to be issued to each incentive target	There is no maximum limit for the entitlement of Shares for each qualified incentive target.		The cumulative number of Shares of the Company in respect of which benefits have been granted to any one of the Incentive Targets through all valid incentive plans shall not exceed 1% of the total share capital of the Company, unless approved by a special resolution at general meetings.
Exercise period and vesting period	Restricted Shares The lock-up period of Restricted Shares commenced from the date the Restricted Shares have been granted to the incentive targets and ended on December 31, 2020.	Restricted Shares The lock-up period of Restricted Shares commenced from the date the Restricted Shares are granted to the incentive targets and ended on December 31, 2023*.	Restricted Shares The lock-up period for each phase of the Incentive Plan is at least 12 months.

After the expiration of the Restricted Shares lock-up period, the authorized personnel of the Board or the Remuneration Committee of the Board (as the case may be) will determine whether vesting may occur based on the following conditions:

(a) the Company does not have any of the following circumstances: neither the auditor of the Company issues an adverse opinion or a disclaimer of an opinion in the Company's auditor's report; nor the Company has been penalized by the securities regulators or other relevant authorities due to material violations; (b) the overall performance of the Company meets the Board's expectations after assessment; and (c) relevant incentive targets are considered to be competent in the performance appraisal during the Restricted Shares lock-up period.

(a) the Company does not have any of the following circumstances: neither the auditor of the Company issues a negative opinion or a disclaimer of opinion on the Company's auditor report; nor the Company has been penalized by the securities regulations or any other relevant authorities due to material violations; (b) during the performance appraisal period corresponding to the Incentive Plan, whether the interests granted to the Incentive Targets can be vested and the amount of vesting will be determined in accordance with the Company's overall performance and performance appraisal management rules; (c) the relevant Incentive Targets achieve a performance evaluation rating of competent or above during the Restricted Shares lock-up period; and (d) a period of employment of more than 12 months is required to be satisfied prior to the vesting of each tranche of Restricted Shares granted to an Incentive Target.

***Note:** In December 2021, in order to motivate our employees, the management of the Company made a decision to alter the incentive cycle and vesting period of the Restricted Shares under the 2021 Medium and Long-Term Incentive Plan:

Original Plan: The lock-up period commences from the date on which the Restricted Shares are granted to the incentive targets and ends on December 31, 2023. Upon the expiry of the lock-up period, the Board or the Remuneration Committee of the Board of Directors (as the case may be) would authorize the management of the Company to determine the vesting based on the vesting conditions with effect from January 1, 2024.

New Plan: The Restricted Shares will be vested in two phases: Phase I: The lock-up period commences from the date on which the Restricted Shares were granted to the incentive targets and ended on December 31, 2022. Upon the expiry of the lock-up period, the Board or the Remuneration Committee of the Board of Directors (as the case may be) authorize the management of the Company to determine the vesting based on the vesting conditions with effect from January 1, 2023. Phase 2: The lock-up period commences from the date on which the Restricted Shares are granted to the incentive targets and ends on December 31, 2023. Upon expiry of the lock-up period, the Board or the Remuneration Committee of the Board of Directors (as the case maybe) will authorize the management of the Company to determine the vesting based on the vesting conditions with effect from January 1, 2024.

Except for the abovementioned alterations, other terms of the 2021 Medium and Long-Term Incentive Plan remained unchanged.

		2019 Medium and Long-Term Incentive Plan	2021 Medium and Long-Term Incentive Plan	2024 Medium and Long-Term Incentive Plan
Exercise period and vesting period	Share Options	The lock-up period of Share Options commenced from the date of granting Share Options to incentive targets and ended on December 31, 2020. The exercise period commenced from January 1, 2021 and ends on December 31, 2025.	The lock-up period of Share Options commenced from the date of granting Share Options to incentive targets and ended on December 31, 2023. The exercise period commenced from January 1, 2024 and ends on December 31, 2028.	N/A
		<p>The Board or the Remuneration Committee of the Board (as the case may be) may decide whether the incentive targets have the right to exercise the Share Options granted to them based on the following conditions: (a) the Company does not have any of the following circumstances: neither the auditor of the Company issues an adverse opinion or a disclaimer of an opinion in the Company's auditor's report; nor the Company has been penalized by the securities regulators or any other relevant authorities due to material violations; (b) the overall performance of the Company meets the Board's expectations after assessment; and (c) relevant incentive targets are considered to be competent in the performance appraisal during the Share Options lockup period. After the above conditions are met, the incentive targets may acquire the H Shares corresponding to the Share Options after payment of the exercise prices through the Company or the custodians selected by the Company.</p>		

Director's Report

		2019 Medium and Long-Term Incentive Plan	2021 Medium and Long-Term Incentive Plan	2024 Medium and Long-Term Incentive Plan
Exercise period and vesting period	Share Options	The incentive targets may purchase the H Shares of the Company at the option exercise price commencing from January 1, 2021 and ending on December 31, 2025, subject to the exercise conditions.	The incentive targets may purchase the H Shares of the Company at the option exercise price commencing from January 1, 2024 and ending on December 31, 2028, subject to the exercise conditions.	N/A

	2019 Medium and Long-Term Incentive Plan	2021 Medium and Long-Term Incentive Plan	2024 Medium and Long-Term Incentive Plan
Payment for the Acceptance of Restricted Shares/Share Options	No consideration will be required to be paid by the incentive targets for the acceptance of the grants of Restricted Shares or Share Options.		No consideration will be required to be paid by the incentive targets for the acceptance of the grants of Restricted Shares.
Determination of the exercise price	The option exercise price shall be determined by the Board based on the average of the closing prices of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant of the Share Options.		N/A
Remaining life of the Share Options Plan	The Share Options expired on December 31, 2025.	The remaining term of the Share Options Plan is 33 months.	A maximum period of not more than 81 months. ^(Note)

Note: The validity period of the 2024 Medium and Long-Term Incentive Plan is from the date of completion of the registration of the grant of Restricted Shares to the date on which all Restricted Shares granted to the Incentive Targets are released from restriction, a maximum period is not more than 84 months. Currently, the first tranche of Restricted Shares under the Incentive Plan was granted on December 31, 2025, so the remaining validity period is no more than 81 months.

Director's Report

During the Reporting Period, the movements in the share incentives granted to the Directors of the Company were as follows:

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	Vesting period (mm/dd/yyyy)
NING Min	Share Options	8/9/2019	16.856	N/A	-	-	-	1/1/2021-12/31/2021
	Share Options	6/19/2020	16.856	N/A	-	-	-	1/1/2021-12/31/2021
LI Peng	Share Options	8/9/2019	16.856	N/A	-	-	-	1/1/2021-12/31/2021
	Share Options	6/19/2020	16.856	N/A	-	-	-	1/1/2021-12/31/2021
ZHU Linan	Share Options	8/9/2019	16.856	N/A	-	-	-	1/1/2021-12/31/2021
ZHAO John Huan	Share Options	8/9/2019	16.856	N/A	-	-	-	1/1/2021-12/31/2021

Total:

Notes:

1. Mr. NING Min and Mr. LI Peng voluntarily waived the Restrictive Shares and Share Options granted to them under 2021 Medium and Long-Term Incentive Plan.
2. Save as disclosed above, there was no other information required to be disclosed in accordance with Rule 17.07 of the Listing Rules.

Exercise period (mm/dd/yyyy)	Total outstanding as at January 1, 2025	As at January 1, 2025 (vested)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Canceled/ lapsed during the period	Total outstanding as at December 31, 2025	As at December 31, 2025 (unvested)
1/1/2021-12/31/2025	1,900,000	1,900,000	-	-	-	-	1,900,000	-	-
1/1/2021-12/31/2025	850,000	850,000	-	-	-	-	850,000	-	-
1/1/2021-12/31/2025	1,900,000	1,900,000	-	-	-	-	1,900,000	-	-
1/1/2021-12/31/2025	650,000	650,000	-	-	-	-	650,000	-	-
1/1/2021-12/31/2025	3,600,000	3,600,000	-	-	-	-	3,600,000	-	-
1/1/2021-12/31/2025	1,200,000	1,200,000	-	-	-	-	1,200,000	-	-
	10,100,000	10,100,000					10,100,000		

Director's Report

During the Reporting Period, the movements in the share incentives granted to the other eligible participants of the Company were as follows:

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price ¹ (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)	Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	Vesting period (mm/dd/yyyy)
Employees	Restricted Shares	12/31/2025	N/A	0	8.82	55,872,960	-	1/1/2027-12/31/2029

Total:

Notes:

1. The grant price of the Restricted Shares of the Company was determined by the Board after considering factors such as the purpose of the incentives, the incentive targets and the prevailing closing price of shares;
2. Save as disclosed above, there was no other information required to be disclosed in accordance with Rule 17.07 of the Listing Rules.

Exercise period (mm/dd/yyyy)	Total outstanding as at January 1, 2025	As at January 1, 2025 (vested)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Canceled/ lapsed during the period	Total outstanding as at December 31, 2025	As at December 31, 2025 (unvested)
N/A	N/A	-	-	6,292,000	-	N/A	-	N/A	6,292,000
				6,292,000					6,292,000

Long-term incentive program of Lenovo

Lenovo operates a Long-Term Incentive Program ("LTI Program") which was adopted in 2005 and amended in 2008, 2016, and 2022 respectively. The purpose of the LTI Program is to attract, retain, reward and motivate executive and non-executive directors, senior management, consultants and selected top-performing employees of Lenovo ("Participants"), while reinforcing direct alignment with shareholders' interests. Unless early terminated by Lenovo, the LTI Program is valid for a period of 10 years from its adoption at the shareholders' general meeting of Lenovo held on July 9, 2019.

Under the LTI Program, Lenovo maintains two types of equity-based compensation vehicles: (i) share appreciation rights, and (ii) restricted share units. These vehicles are described in more detail below.

(i) Share Appreciation Rights ("SARs")

SARs entitle the holders to receive the appreciation in value of Lenovo's share price above a predetermined level. SARs are typically subject to a vesting schedule of up to three years.

(ii) Restricted Share Units ("RSUs")

Each RSU is equivalent to the value of one ordinary share of Lenovo. Once vested, an RSU is converted to an ordinary share, or its cash equivalent. RSUs are typically subject to a vesting schedule of up to three years. Dividends are typically not paid on RSUs before vesting date.

Lenovo reserves the right to settle any awards under the RSU Program in cash or in ordinary shares at its discretion. Lenovo has created and funded a trust to pay shares to eligible recipients.

There is no specific limit on the maximum number of SARs and RSUs which may be granted to each Participant under the SAR and RSU plans. The RSU program shall be valid within its term until termination by the board of directors of Lenovo. The validity and enforceability of any awards made before the date of termination shall not be affected by such termination.

The number of units awarded under the LTI Program is set and reviewed annually, by considering each individual's contribution to the long-term performance of Lenovo, Lenovo's performance, and competitive market positioning of their total compensation packages. In certain circumstances, awards under the LTI Program may be made to support strategic new hires.

During the Reporting Period, the movements in the share incentives granted to the directors of Lenovo were as follows:

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)
YANG Yuanqing	SAR	06/03/2019	5.79	-	-	-
YANG Yuanqing	SAR	06/01/2020	4.22	-	-	-
YANG Yuanqing	SAR	06/20/2022	7.34	-	-	-
YANG Yuanqing	SAR	06/01/2023	7.46	-	-	-
YANG Yuanqing	SAR	06/03/2024	11.34	-	-	-
YANG Yuanqing	SAR	06/03/2024	11.34	-	-	-
YANG Yuanqing	SAR	06/02/2025	8.93	-	9.04	23,531,073
YANG Yuanqing	SAR	06/02/2025	8.93	-	9.04	26,668,550
YANG Yuanqing	RSU	06/20/2022	-	7.54	-	-
YANG Yuanqing	RSU	06/20/2022	-	7.54	-	-
YANG Yuanqing	RSU	06/01/2023	-	7.57	-	-
YANG Yuanqing	RSU	06/01/2023	-	7.57	-	-
YANG Yuanqing	RSU	06/03/2024	-	11.24	-	-
YANG Yuanqing	RSU	06/03/2024	-	11.24	-	-
YANG Yuanqing	RSU	06/02/2025	-	9.54	9.04	35,296,612
YANG Yuanqing	RSU	06/02/2025	-	9.54	9.04	40,002,822

Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Total outstanding as at December 31, 2025	As at December 31, 2025 (unvested)
11.91	-	-	-	79,451,149	-	-
-	-	-	-	-	76,048,055	-
-	15,352,951	-	10,235,301	-	30,705,901	5,117,650
-	3,678,786	-	2,451,784	-	7,356,097	1,227,002
-	1,846,806	-	1,230,833	-	3,692,871	615,973
-	7,729,265	-	3,863,858	-	7,729,265	3,865,407
-	-	9,723,584	4,860,818	-	9,723,584	4,862,766
-	-	10,540,929	-	-	10,540,929	10,540,929
8.97	4,987,562	-	4,987,562	-	-	-
10.34	5,375,569	-	3,583,713	-	1,791,856	1,791,856
10.34	1,319,408	-	879,336	-	440,072	440,072
-	1,046,821	-	-	-	1,046,821	1,046,821
10.34	820,712	-	546,976	-	273,736	273,736
9.49	3,548,310	-	1,773,799	-	1,774,511	1,774,511
9.40	-	3,699,079	1,849,169	-	1,849,910	1,849,910
-	-	4,192,289	-	-	4,192,289	4,192,289

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)
ZHU Linan	RSU	09/14/2022	-	6.26	-	-
ZHU Linan	RSU	09/27/2023	-	8.00	-	-
ZHU Linan	RSU	09/27/2024	-	9.57	-	-
ZHU Linan	RSU	09/29/2025	-	11.84	11.51	1,867,622
ZHAO John Huan	SAR	08/17/2018	4.39	-	-	-
ZHAO John Huan	RSU	09/14/2022	-	6.26	-	-
ZHAO John Huan	RSU	09/27/2023	-	8.00	-	-
ZHAO John Huan	RSU	09/27/2024	-	9.57	-	-
ZHAO John Huan	RSU	09/29/2025	-	11.84	11.51	1,867,622
Wong Wai Ming	SAR	06/01/2020	4.22	-	-	-
Wong Wai Ming	SAR	06/01/2021	9.45	-	-	-
Wong Wai Ming	SAR	06/16/2022	7.13	-	-	-
Wong Wai Ming	SAR	06/01/2023	7.46	-	-	-
Wong Wai Ming	SAR	06/03/2024	11.34	-	-	-
Wong Wai Ming	SAR	06/03/2024	11.34	-	-	-
Wong Wai Ming	RSU	06/16/2022	-	7.62	-	-
Wong Wai Ming	RSU	06/01/2023	-	7.57	-	-
Wong Wai Ming	RSU	06/03/2024	-	11.24	-	-
Wong Wai Ming	RSU	06/03/2024	-	11.24	-	-
Wong Wai Ming	RSU	09/29/2025	-	11.84	11.51	1,867,622
Laura Green Quatela	SAR	06/03/2019	5.79	-	-	-
Laura Green Quatela	SAR	06/01/2020	4.22	-	-	-

Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Total outstanding as at December 31, 2025	As at December 31, 2025 (unvested)
11.83	100,356	-	100,356	-	-	-
11.51	156,365	-	78,182	-	78,183	78,183
11.51	195,060	-	65,020	-	130,040	130,040
-	-	157,765	-	-	157,765	157,765
12.52	-	-	-	1,125,232	-	-
11.83	100,356	-	100,356	-	-	-
11.51	156,365	-	78,182	-	78,183	78,183
11.51	195,060	-	65,020	-	130,040	130,040
-	-	157,765	-	-	157,765	157,765
-	-	-	-	-	2,154,619	-
-	-	-	-	-	12,160,642	-
-	2,129,767	-	2,129,767	-	8,519,069	-
-	1,904,314	-	1,269,157	-	3,807,862	635,157
-	534,840	-	356,451	-	1,069,465	178,389
-	2,500,645	-	1,250,073	-	2,500,645	1,250,572
10.37	712,717	-	712,717	-	-	-
10.34	682,989	-	455,185	-	227,804	227,804
10.34	158,453	-	105,604	-	52,849	52,849
9.49	765,322	-	382,584	-	382,738	382,738
-	-	157,765	-	-	157,765	157,765
-	-	-	-	-	13,711,578	-
-	-	-	-	-	2,084,885	-

Director's Report

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)
Laura Green Quatela	SAR	06/01/2021	9.45	-	-	-
Laura Green Quatela	SAR	06/01/2022	7.63	-	-	-
Laura Green Quatela	SAR	06/01/2023	7.46	-	-	-
Laura Green Quatela	SAR	06/03/2024	11.34	-	-	-
Laura Green Quatela	SAR	06/03/2024	11.34	-	-	-
Laura Green Quatela	RSU	06/01/2022	-	7.65	-	-
Laura Green Quatela	RSU	06/01/2023	-	7.57	-	-
Laura Green Quatela	RSU	06/03/2024	-	11.24	-	-
Laura Green Quatela	RSU	06/03/2024	-	11.24	-	-
Laura Green Quatela	RSU	09/29/2025	-	11.84	11.51	1,867,622
Amit Midha	RSU	09/29/2025	-	11.84	11.51	1,400,708
John Lawson Thornton	RSU	09/27/2023	-	8.00	-	-
John Lawson Thornton	RSU	09/27/2024	-	9.57	-	-
John Lawson Thornton	RSU	09/29/2025	-	11.84	11.51	1,867,622
Gordon Robert Halyburton Orr	RSU	09/14/2022	-	6.26	-	-
Gordon Robert Halyburton Orr	RSU	09/27/2023	-	8.00	-	-
Gordon Robert Halyburton Orr	RSU	09/27/2024	-	9.57	-	-
Gordon Robert Halyburton Orr	RSU	09/29/2025	-	11.84	11.51	1,867,622
Woo Chin Wan, Raymond	RSU	09/14/2022	-	6.26	-	-
Woo Chin Wan, Raymond	RSU	09/27/2023	-	8.00	-	-
Woo Chin Wan, Raymond	RSU	09/27/2024	-	9.57	-	-
Woo Chin Wan, Raymond	RSU	09/29/2025	-	11.84	11.51	1,867,622
YANG Lan	RSU	09/14/2022	-	6.26	-	-
YANG Lan	RSU	09/26/2022	-	6.09	-	-
YANG Lan	RSU	09/27/2023	-	8.00	-	-
YANG Lan	RSU	09/27/2023	-	8.00	-	-

Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Total outstanding as at December 31, 2025	As at December 31, 2025 (unvested)
-	-	-	-	-	6,920,466	-
-	640,694	-	640,694	-	3,841,086	-
-	676,248	-	450,697	-	1,352,224	225,551
-	146,805	-	97,811	-	293,551	48,994
-	710,410	-	355,133	-	710,410	355,277
10.79	331,696	-	331,696	-	-	-
10.34	440,644	-	323,287	-	117,357	117,357
10.34	123,506	-	86,933	-	36,573	36,573
9.49	622,384	-	326,066	-	296,318	296,318
-	-	157,765	-	-	157,765	157,765
-	-	118,323	-	-	118,323	118,323
11.51	117,274	-	58,637	-	58,637	58,637
11.51	195,060	-	65,020	-	130,040	130,040
-	-	157,765	-	-	157,765	157,765
11.83	100,357	-	100,357	-	-	-
11.51	156,365	-	78,182	-	78,183	78,183
11.51	195,060	-	65,020	-	130,040	130,040
-	-	157,765	-	-	157,765	157,765
11.83	100,356	-	100,356	-	-	-
11.51	156,365	-	78,182	-	78,183	78,183
11.51	195,060	-	65,020	-	130,040	130,040
-	-	157,765	-	-	157,765	157,765
11.83	100,356	-	100,356	-	-	-
11.61	32,204	-	32,204	-	-	-
11.51	48,864	-	24,432	-	24,432	24,432
11.51	156,365	-	78,182	-	78,183	78,183

Director's Report

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)
YANG Lan	RSU	09/27/2024	–	9.57	–	–
YANG Lan	RSU	09/27/2024	–	9.57	–	–
YANG Lan	RSU	09/29/2025	–	11.84	11.51	1,867,622
YANG Lan	RSU	09/29/2025	–	11.84	11.51	583,625
Cher Wang Hsiueh Hong	RSU	11/15/2022	–	6.31	–	–
Cher Wang Hsiueh Hong	RSU	09/27/2023	–	8.00	–	–
Cher Wang Hsiueh Hong	RSU	09/27/2024	–	9.57	–	–
Cher Wang Hsiueh Hong	RSU	09/29/2025	–	11.84	11.51	1,867,622
XUE Lan	RSU	09/14/2022	–	6.26	–	–
XUE Lan	RSU	09/27/2023	–	8.00	–	–
XUE Lan	RSU	09/27/2024	–	9.57	–	–
XUE Lan	RSU	09/29/2025	–	11.84	11.51	1,867,622
Kasper Bo Roersted	RSU	09/27/2024	–	9.57	–	–
Kasper Bo Roersted	RSU	09/29/2025	–	11.84	11.51	1,867,622

Total

Notes:

1. The vesting period for SARs and RSUs is between the first and third year of the date of grant.
2. The exercise period for SARs is seven years from the date of grant.
3. The pricing model adopted for the fair value of SARs is set out in note 32(a) to the financial statements.
4. No incentive shares were lapsed/nullified or canceled during the Reporting Period.
5. Total outstanding number of units includes vested but unexercised SAR units, and unvested SAR units and/or unvested RSU units.
6. Save as disclosed above, there was no other information required to be disclosed in accordance with Rule 17.07 of the Listing Rules.

Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Total outstanding as at December 31, 2025	As at December 31, 2025 (unvested)
11.51	195,060	–	65,020	–	130,040	130,040
11.51	60,956	–	20,318	–	40,638	40,638
–	–	157,765	–	–	157,765	157,765
–	–	49,301	–	–	49,301	49,301
10.50	99,235	–	99,235	–	–	–
11.51	156,365	–	78,182	–	78,183	78,183
11.51	195,060	–	65,020	–	130,040	130,040
–	–	157,765	–	–	157,765	157,765
11.83	100,356	–	100,356	–	–	–
11.51	156,365	–	78,182	–	78,183	78,183
11.51	195,060	–	65,020	–	130,040	130,040
–	–	157,765	–	–	157,765	157,765
11.51	243,825	–	81,275	–	162,550	162,550
–	–	157,765	–	–	157,765	157,765
	62,647,154	30,058,920	47,522,676	80,576,381	221,182,935	45,183,398

Director's Report

During the Reporting Period, the movements in the share incentives granted to the other eligible participants of Lenovo were as follows:

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)
Five highest paid individuals	SAR	2019	5.79	–	–	–
Five highest paid individuals	SAR	2022	7.34~7.63	–	–	–
Five highest paid individuals	SAR	2023	7.46	–	–	–
Five highest paid individuals	SAR	2024	11.34	–	–	–
Five highest paid individuals	SAR	2025	8.93	–	9.04	73,981,998
Five highest paid individuals	RSU	2022	–	7.54~7.65	–	–
Five highest paid individuals	RSU	2023	–	7.57	–	–
Five highest paid individuals	RSU	2024	–	9.10~11.24	–	–
Five highest paid individuals	RSU	2025	–	9.54	9.04	168,638,476
Other senior management and employees	SAR	2018	4.00	–	–	–
Other senior management and employees	SAR	2019	5.34~5.79	–	–	–
Other senior management and employees	SAR	2020	4.22~7.01	–	–	–
Other senior management and employees	SAR	2021	9.45	–	–	–
Other senior management and employees	SAR	2022	7.63	–	–	–
Other senior management and employees	SAR	2023	7.46	–	–	–
Other senior management and employees	SAR	2024	11.34	–	–	–
Other senior management and employees	SAR	2025	8.93	–	9.04	193,520,417
Other senior management and employees	RSU	2022	–	5.84~8.92	–	–
Other senior management and employees	RSU	2023	–	6.37~9.66	–	–
Other senior management and employees	RSU	2024	–	8.60~11.44	–	–
Other senior management and employees	RSU	2025	–	9.22~12.55	9.04~11.58	2,046,436,936
Other eligible participants	SAR	2018	4.00~4.39	–	–	–
Other eligible participants	SAR	2019	5.79	–	–	–

Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Canceled during the period	Lapsed during the period	As at December 31, 2025 (unvested)
11.92	–	–	–	83,451,149	–	–	–
12.19	19,235,940	–	14,118,290	1,488,660	–	–	5,117,650
12.27	6,675,009	–	4,448,663	693,110	–	–	2,226,346
–	14,347,716	–	7,628,310	–	–	–	6,719,406
12.56	–	29,782,794	6,219,072	371,294	–	–	23,563,722
9.67	12,014,529	–	10,222,673	–	–	–	1,791,856
10.34	4,515,436	–	2,311,707	–	–	–	2,203,729
9.72	19,952,731	–	9,610,925	–	–	–	10,341,806
9.42	–	17,673,284	2,882,591	–	–	–	14,790,693
11.93	–	–	–	7,279,489	–	16	–
11.54	–	–	–	11,703,797	–	–	–
11.92	–	–	–	12,106,350	–	–	–
12.70	–	–	–	18,994,150	–	–	–
11.80	21,743,082	–	21,743,082	28,964,172	–	–	–
11.62	31,087,352	–	20,748,671	15,050,275	–	–	10,338,681
11.80	41,488,873	–	21,558,950	3,261,435	–	–	19,929,923
11.45	–	77,158,922	7,687,734	1,634,117	–	–	69,471,188
10.37	34,287,558	–	34,287,558	–	–	–	–
10.35	95,495,453	–	64,393,868	–	30,836	–	31,070,749
9.68	156,121,594	–	77,888,884	–	58,864	–	78,173,846
9.47	–	212,450,501	3,292,917	–	510,080	–	208,647,504
10.64	–	–	–	6,948,868	–	–	–
11.73	–	–	–	1,885,739	–	–	–

Director's Report

Name	Type of incentive	Date of grant (mm/dd/yyyy)	Exercise price (HKD)	Grant price (HKD)	Closing price of shares immediately before the date of grant (HKD)	Fair value as at the date of grant (HKD)
Other eligible participants	SAR	2020	4.22~5.23	-	-	-
Other eligible participants	SAR	2021	9.45	-	-	-
Other eligible participants	SAR	2022	7.63	-	-	-
Other eligible participants	SAR	2023	7.46	-	-	-
Other eligible participants	SAR	2024	11.34	-	-	-
Other eligible participants	SAR	2025	8.93	-	9.04	2,255,058
Other eligible participants	RSU	2022	-	5.84~8.92	-	-
Other eligible participants	RSU	2023	-	6.37~9.66	-	-
Other eligible participants	RSU	2024	-	8.60~11.44	-	-
Other eligible participants	RSU	2025	-	9.22~12.55	9.04~11.58	45,367,090

Total

Notes:

1. The vesting period for SARs and RSUs is between the first and third year of the date of grant.
2. The exercise period for SARs is seven years from the date of grant.
3. Certain SARs and RSUs granted in FY2025/2026 are calculated based on a 2-year performance period (FY2023/2024 and FY2024/2025).
4. The pricing model adopted for the fair value of SARs is set out in note 32(a) to the financial statements.
5. During the Reporting Period, 16,809,742 incentive shares were canceled among the share incentives granted to other eligible participants of Lenovo, the purchase price of which was the exercise price. 661,768 incentive shares were lapsed.
6. Save as disclosed above, there was no other information required to be disclosed in accordance with Rule 17.07 of the Listing Rules.

Weighted average closing price of shares immediately before the date of incentives exercised or vested (HKD)	As at January 1, 2025 (unvested)	Newly granted during the period	Vested during the period	Exercised during the period	Canceled during the period	Lapsed during the period	As at December 31, 2025 (unvested)
12.07	–	–	–	6,174,235	–	–	–
11.13	–	–	–	17,980,162	–	281,213	–
11.08	5,335,769	–	5,296,202	19,489,437	39,567	–	–
11.20	5,797,498	–	3,440,011	4,867,058	1,011,861	–	1,345,626
12.02	3,193,924	–	1,415,976	751,470	1,060,869	380,539	717,079
11.31	–	895,273	50,913	30,247	707,948	–	136,412
10.36	5,978,624	–	5,623,446	–	355,178	–	–
10.39	11,201,708	–	6,191,622	–	3,666,994	–	1,343,092
9.77	12,033,953	–	4,936,550	–	5,602,833	–	1,494,570
9.46	–	4,618,377	142,995	–	3,764,712	–	710,670
	500,506,749	342,579,151	336,141,610	243,125,214	16,809,742	661,768	490,134,548

DIRECTORS' INTERESTS IN SECURITIES

As at December 31, 2025, the interests or short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register maintained by the Company under Section 352 of the SFO, or as notified to our Company and the Hong Kong Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules, were as follows:

(i) Interests in the Shares of the Company

Name of Director/ Chief Executive	Nature of interests	Class of Shares/ underlying Shares	Number of Shares/ underlying Shares held	Approximate percentage of holding in the relevant class of Shares ⁽ⁱ⁾	Approximate percentage of holding in the total issued Shares ⁽ⁱ⁾
NING Min	Beneficial owner	H Shares	37,400,000	2.94%	1.58%
ZHU Linan	Beneficial owner	H Shares	52,630,000	4.13%	2.23%
ZHAO John Huan	Beneficial owner	H Shares	600,000	0.04%	0.02%
YU Hao ⁽ⁱⁱ⁾	Beneficial owner	H Shares	158,000	0.01%	0.006%

Notes:

- (i) As of December 31, 2025, the number of H Shares issued was 1,271,853,990 and the number of Domestic Shares issued was 1,084,376,910 and the total Shares issued was 2,356,230,900.
- (ii) On November 17, 2025, Mr. YU Hao was appointed as the Chief Executive Officer of the Company.

(ii) Interests in our associated corporations

Name of Director	Name of associated corporation	Nature of interests	Long Position/ Short Position	Number of shares/ underlying shares held	Approximate percentage of shareholding in the total issued shares ^(c)
NING Min	Lenovo	Beneficial owner	Long Position	1,370,401	0.01%
ZHU Linan	Lenovo	Beneficial owner	Long Position	4,254,571 ^(a)	0.03%
ZHAO John Huan	Lenovo	Beneficial owner	Long Position	4,152,313 ^(b)	0.03%

Notes:

- (a) Mr. ZHU Linan owns 3,888,583 ordinary shares and 365,988 units of share awards which are convertible into ordinary shares.
- (b) Mr. ZHAO John Huan owns 3,786,325 ordinary shares and 365,988 units of share awards which are convertible into ordinary shares.
- (c) The calculation is based on the total number of 12,404,659,302 shares issued by Lenovo as at December 31, 2025.

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS

As at December 31, 2025, so far as the Directors are aware, the following persons or corporations had an interest and/or a short position in the Shares or underlying Shares of the Company which are required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and an interest and/or a short position as recorded by the Company in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Class of Shares/ underlying Shares	Nature of interests	Number of Shares/ underlying Shares held	Approximate percentage holding in the relevant class of Shares ⁽¹⁾	Approximate percentage holding in the total issued Shares ⁽²⁾
CAS Holdings	Domestic Shares	Beneficial owner	684,376,910	63.11%	29.04%
Beijing Lian Chi Zhi Yuan Management Consulting Center Limited Partnership (北京聯持志遠管理諮詢中心(有限合伙)) ("Lian Chi Zhi Yuan") ⁽³⁾	H Shares-Long Position	Beneficial owner	480,000,000	37.74%	20.37%
Beijing Lian Chi Zhi Tong Management Consulting Limited (北京聯持志同管理諮詢有限責任公司) ("Lian Chi Zhi Tong") ⁽³⁾	H Shares-Long Position	Interest in controlled corporation	480,000,000	37.74%	20.37%
LU Zhiqiang ⁽⁴⁾	Domestic Shares	Interest in controlled corporation	273,480,000	25.22%	11.60%
China Oceanwide	Domestic Shares	Beneficial owner	273,480,000	25.22%	11.60%

Director's Report

Name of Shareholder	Class of Shares/ underlying Shares	Nature of interests	Number of Shares/ underlying Shares held	Approximate percentage holding in the relevant class of Shares ⁽¹⁾	Approximate percentage holding in the total issued Shares ⁽²⁾
Oceanwide Group ⁽⁴⁾	Domestic Shares	Interest in controlled corporation	273,480,000	25.22%	11.60%
Tohigh ⁽⁴⁾	Domestic Shares	Interest in controlled corporation	273,480,000	25.22%	11.60%
Xiamen International Bank Co., Ltd. Beijing Branch (廈門國際銀行股份有限公司北京分行)	Domestic Shares	Beneficial owner	126,520,000	11.67%	5.37%
Beijing Lian Heng Yong Xin Investment Center Limited Partnership (北京聯恒永信投資中心(有限合夥)) ("Lian Heng Yong Xin") ⁽⁵⁾	H Shares-Long Position	Beneficial owner	88,968,400	6.99%	3.77%
Beijing Lian Heng Yong Kang Management Consulting Limited (北京聯恒永康管理諮詢有限公司) ("Lian Heng Yong Kang") ⁽⁵⁾	H Shares-Long Position	Interest in controlled corporation	88,968,400	6.99%	3.77%

Notes:

- (1) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares as at December 31, 2025. As of December 31, 2025, the Company has issued 1,271,853,990 H Shares and 1,084,376,910 Domestic Shares.
- (2) The calculation is based on the total number of 2,356,230,900 Shares in issue as at December 31, 2025.
- (3) Lian Chi Zhi Tong is the sole general partner of Lian Chi Zhi Yuan and has de facto control over it. Accordingly, Lian Chi Zhi Tong is deemed to be interested in the 480,000,000 H Shares.
- (4) Oceanwide Group and Tohigh are corporations controlled by Mr. LU Zhiqiang. Tohigh holds the entire equity interest in the Oceanwide Group which in turn holds 98% equity interest in China Oceanwide. Accordingly, Mr. LU Zhiqiang is deemed to be interested in the 273,480,000 Domestic Shares held by China Oceanwide.
- (5) Lian Heng Yong Kang is the sole general partner of Lian Heng Yong Xin and has de facto control over it. Accordingly, Lian Heng Yong Kang is deemed to be interested in 88,968,400 H Shares.

As at December 31, 2025, save as disclosed above, there was no other person or corporations who held interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or are required to be recorded in the register to be kept under section 336 of Part XV of the SFO, or was a substantial Shareholder of the Company.

By order of the Board
Legend Holdings Corporation
NING Min
Chairman

March 31, 2026

Supervisor's Report

The Board of Supervisors of Legend Holdings Corporation complies with the regulations of the Company Law of the PRC (《中華人民共和國公司法》), the requirements of the Company's Articles of Association, the Rules of Procedure of the Board of Supervisors and the Listing Rules, earnestly fulfilling their supervisory duties, safeguarding the interests of the Shareholders and the Company, observing the principles of integrity, trying their best to fulfill their duties, and discharging their duties with reasonable care, diligence and initiative.

As of the date of the report, the Board of Supervisors comprises three members. The Chairman of the Board of Supervisors is Mr. GAO Qiang (staff representative), the members of the Board of Supervisors are Mr. LUO Cheng (shareholder representative), and Ms. PEI Xiaofeng (shareholder representative).

The following matters were approved and passed by resolutions of the Board of Supervisors in 2025. The approval of such resolutions was in compliance with relevant laws, regulations and the provisions of the Company's Articles of Association:

1. On March 28, 2025, the audited consolidated financial statements of the Company for the year ended December 31, 2024 (prepared in accordance with the IFRS Accounting Standards), the Company's profit distribution plan for the year 2024 (i.e. no dividend being proposed), annual results announcement of the Company for the year ended 2024, the 2024 annual report of the Company, the Company's audited consolidated financial statements for the year 2024 (prepared in accordance with China Accounting Standards for Business Enterprises) as well as the 2024 Supervisor's Report of the Company were considered and passed; and
2. On August 29, 2025, the unaudited consolidated financial statements of the Company for the six months ended June 30, 2025 (prepared in accordance with the IFRS Accounting Standards), interim results announcement of the Company for the six months ended June 30, 2025, the 2025 interim report of the Company, the Company's unaudited consolidated financial statements for the six months ended June 30, 2025 (prepared in accordance with China Accounting Standards for Business Enterprises) as well as the 2025 half year report for the Company's corporate bonds were considered and passed.

In 2025, the members of the Board of Supervisors also attended all Board meetings as well as the annual general meeting of the Company for the year ended 2024, in order to supervise the lawfulness and the compliance procedures in relation to the matters considered in the respective meetings of the Board and the annual general meeting.

The Board of Supervisors is of the opinion that in 2025, the Board and management of the Company are both operating in strict compliance with the laws, regulations and the provisions of the Articles of Association of the Company; whereas the decision-making processes were legal, the principle of good faith and due diligence was complied, and the authority was exercised in good faith in the best interests of the Shareholders.

In 2026, the Board of Supervisors will continue to strictly abide by the Articles of Association of the Company and the relevant regulations, safeguard the interests of Shareholders and properly discharge its various duties.

By order of the Board of Supervisors
Legend Holdings Corporation
GAO Qiang
Chairman of the Board of Supervisors

March 31, 2026

Corporate Governance Report

The Company believes that effective corporate governance structure is the principal factor to promote and safeguard the rights and interests of Shareholders and other stakeholders and improve the values of Shareholders. Therefore, the Company strives to achieve and maintain a high corporate governance level which most satisfies the needs and interests of the Company and its subsidiaries.

During the year ended December 31, 2025, the Company complied with all code provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix C1 of the Listing Rules.

The Company reviews the compliance of the Corporate Governance Code on an annual basis in order to ensure that the Company has complied with the code provisions. Efforts have been made to continuously enhance our corporate governance standards with reference to the best recommended practices.

COMPOSITION OF THE BOARD

As at the date of this report, the Board comprises eight members, including one Executive Director, four Non-executive Directors and three Independent Non-executive Directors. Details are as follows:

Executive Directors:

Mr. NING Min (*Chairman*)

Mr. LI Peng (*Chief Executive Officer*) (*resigned on November 17, 2025*)

Non-executive Directors:

Mr. ZHU Linan

Mr. ZHAO John Huan

Ms. CHEN Jing

Ms. YANG Hongmei

Independent Non-executive Directors:

Ms. HAO Quan

Mr. YIN Jian'an

Mr. YUAN Li

Corporate Governance Report

Biographical details of members of the Board are set out on pages 48 to 55 in the section of “Biography of Directors, Supervisors and Senior Management” of this annual report. To the best knowledge of the Company, there are no financial, business, family or other significant relationships among members of the Board, the Board of Supervisors and senior management of the Company.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-executive Directors are independent during the year and up to the date of this report in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Listing Rules. The respective capacity of Independent Non-executive Directors has been expressly identified in all corporate communications that required to disclose the names of the Directors of the Company.

APPOINTMENT, RE-ELECTION AND RETIREMENT OF DIRECTORS

Each of the members of Directors (including Non-executive Directors) of the Company is elected or changed by the Shareholders’ general meeting for a term of three years, eligible for re-election upon completion of the term. The Nomination Committee is responsible for evaluating and advising to the Board the appointment of new directors, re-election of directors or filling the vacancies of directors, and submitting for approval at the Shareholders’ general meeting upon approval by the Board.

DUTIES AND AUTHORITIES OF THE BOARD AND MANAGEMENT

Pursuant to the Articles of Association of the Company, the Board is a standing decision-making body of the Company and its main duties include (but not limited to) the following:

- Convening Shareholders’ general meetings and reporting its work to the Shareholders’ general meetings;
- Implementing resolutions passed at such meetings;
- Determining medium to long-term development strategies;
- Deciding operating plans and investment plans, establishing internal management body and basic management systems;
- Formulating plans for annual financial budget, final accounts and profit distribution plans;
- Formulating plans for the increase or the reduction in the registered capital of the Company, plans for issuing bonds or other securities of the Company and plans for listing;
- Formulating plans for material asset purchase and disposal, or plans for merger, spin-off, dissolution and change of corporate form;
- Preparing and monitoring the financial systems and financial reports of the Company;
- Appointing or dismissing the Chief Executive Officer and core management personnel as the Board considers appropriate;
- Formulating plans for share buybacks by the Company and proposing appropriate resolutions;

- Making decisions on the investment, acquisition or disposal of assets, financing and connected transactions that require the decision of the Board pursuant to the Listing Rules;
- Authorizing the Chairman to participate in the consideration of important business and management affairs and related matters;
- Optimizing and improving corporate governance policies and standards of the Company; and
- Supervising the Company in respect of compliance and reviewing the effectiveness of internal control and risk management of the Company.

Save for the above-mentioned matters that are required to be considered and approved by the Board, the authorization and responsibilities of daily operational management of the Company are assigned to the Chief Executive Officer and the core senior management led by the Chief Executive Officer. Details of main duties of the Chief Executive Officer are set out in the paragraph of "Chairman of the Board and the Chief Executive Officer". In addition, the Board approved the delegation of authority to the Investment Decision-Making Committee, whose members include, but are not limited to executive Directors, to consider and approve on behalf of the Board the investment and financing projects, subject to the established strategic objectives of the Company or the development of the strategic plans formulated by the Strategy Committee from time to time. However, if the investments or financing transactions trigger disclosure obligations under the Listing Rules, such transactions shall be subject to the approval by the Board.

The Board also assigns certain specific responsibilities to its special committees in accordance with the corresponding Terms of Reference of respective committees under the Board. The Board established certain special committees including but not limited to the Audit Committee, Remuneration Committee and Nomination Committee. Their scope of responsibilities and Terms of Reference are stipulated in writing and published on the websites of the Hong Kong Stock Exchange and the Company. The Strategy Committee and the Environmental, Social and Governance Committee of the Board has also been established by the Board, its terms of reference have been published on the website of the Company.

The Board has put in place a mechanism for directors to seek independent professional advice in the performance of their duties when appropriate. On the premises that there is a reasonable ground, any director may request the secretary of the Board to arrange for the seeking of the views and opinions of independent professional consultants to assist him/her in performing his/her duties as a director of the Company. The reasonable expenses incurred in this respect will be borne by the Company. The secretary of the Board shall report to the Board the abovementioned arrangements. If the secretary of the Board considers that the request for independent advice is unreasonable, and/or the relevant director is dissatisfied with the response of the secretary of the Board and the arrangement suggested, either party may refer to the Chairman of the Board to further consider whether, as the case may be, to make any revision. If the relevant directors are still dissatisfied with such response or arrangement, the matter will be referred to a special committee of the Board, the members of which are all independent non-executive directors who are available and willing to handle the matter.

The Company has insured Director's liability insurances for the Directors, which provided protection to the Directors for liabilities that might arise in the course of their performance of duties according to laws and facilitate Directors to fully perform their duties.

CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

The positions of the Chairman of the Board and the Chief Executive Officer of the Company are assumed by Mr. NING Min and Mr. YU Hao respectively. They are two distinctly different positions, details of their duties and powers are set out in the Articles of Associations of the Company.

Corporate Governance Report

Pursuant to Article 80 of the Articles of Association of the Company, the duties and powers of the Chairman of the Board include convening and presiding over the Shareholders' general meetings, presiding over meetings of the Board, leading and organizing the formulation of various systems for the Board's operation, coordinating the operations of the Board, reviewing regular and non-regular work reports from the Company's senior management, and providing the Board with guidance on the execution of Board resolutions, supervising and reviewing the implementation of the Board resolutions, ensuring the Board to act in the best interests of the Company, nominating candidates of the Chief Executive Officer and secretaries to the Board of the Company. The Chairman of the Board actively encourages the Directors to fully participate in the Board's affairs, and contribute to the functions of the Board. He also encourages the Directors with different views to voice their concerns, and allows sufficient time for discussion to ensure the Boards' decisions can fairly reflect the consensus of the Board. In this regard, apart from regular Board meetings, the Chairman of the Board also holds meetings with Independent Non-executive Directors in the absence of other Directors at least annually, respectively. Under the leadership of the Chairman of the Board, the Board has adopted sound corporate governance practices and procedures and has taken appropriate steps to keep effective communications with the Shareholders, and to ensure Shareholders' opinions are delivered to the Board.

Pursuant to the Article 92 of the Articles of Association of the Company, the Chief Executive Officer of the Company is responsible to the Board. His duties and power include generally operating and managing the businesses of the Company, organizing the implementation of the resolutions of the Board of the Company and, annual operation plans and investment plans of the Company, determining those projects such as investment, acquisition or disposal, financing unless otherwise required the approvals of the Board meetings or Shareholders' general meetings. He has to ensure the Board's full understanding of the capital needs of the Company's business, formulate the proposed plans for annual financial budgets and final accounts of the Company and make recommendations to the Board. The Chief Executive Officer of the Company, with the assistance of the head of finance and the senior management, ensures there is a sufficient supply of capital to the businesses, while closely monitoring the operating and financial performance of the Company according to the relevant plans and budgets. The Chief Executive Officer of the Company will take remedial measures and propose to convene extraordinary meetings for reporting and make recommendations to the Board in respect of significant issues.

The Chief Executive Officer and Chairman of the Board of the Company maintain close communications with all Directors to ensure the Directors fully understand the Company's business development status in all aspects. They are responsible for building and maintaining an effective executive team in order to discharge their duties. The Chief Executive Officer of the Company is responsible for proposing to the Board for appointing or dismissing senior management; coordinating with other Executive Directors and management teams of various departments, formulating the proposed plans for basic management systems and internal management structures of the Company, and formulating specific rules and regulations of the Company. The Chief Executive Officer of the Company determines other issues of the Company within the scope authorised by the Board.

DIRECTORS' AND SUPERVISORS' PROFESSIONAL TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors and Supervisors have received training and have been given reference materials and guidelines upon joining the Company. These materials facilitate the Directors and Supervisors to get familiar with the history and business information of the Company, and understand all obligations they shall assume in accordance with the Company Law of the PRC, Listing Rules, applicable laws and other regulatory rules and the governance policies of the Company.

The Company encourages its Directors to participate in continuous professional development so as to update their knowledge and skills, and facilitate the discharge of their duties on a well-informed and satisfactory basis.

The Directors regularly receive the latest information on the businesses of the Company and its subsidiaries, its operating rules and regulations, information about industrial specific environment as well as the legal obligations and responsibilities of being directors. All Directors and Supervisors had been provided with learning materials for reading and learning by the Company, such as videos recorded by the Hong Kong Chartered Governance Institute, and bulletins and reports made by the Company. Summary of the contents of the Directors' training programs during the Reporting Period are as follows:

Name of Directors	Training Contents					Total Hours (h)
	Board and Director Responsibilities	Listing Rules and Hong Kong Legal Compliance	Corporate Governance and ESG	Risk Management and Internal Control	Industry and Latest Business Updates	
Executive Director						
NING Min	✓	✓	✓	✓	✓	23
Non-executive Directors						
ZHU Linan	✓	✓	✓	✓	✓	23
ZHAO John Huan	✓	✓	✓	✓	✓	23
CHEN Jing	✓	✓	✓	✓	✓	23
YANG Hongmei	✓	✓	✓	✓	✓	23
Independent Non-executive Directors						
HAO Quan	✓	✓	✓	✓	✓	23
YIN Jian'an	✓	✓	✓	✓	✓	23
YUAN Li	✓	✓	✓	✓	✓	23

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Board has adopted the Model Code for Securities Transactions by the Directors, Supervisors and the Senior Management (the "Model Code"), which is no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules.

Specific enquiry has been made to all the Directors and Supervisors, and all the Directors and Supervisors have confirmed that they had complied with the Model Code during the Reporting Period.

ACCOUNTABILITY OF DIRECTORS ON THE FINANCIAL STATEMENTS

The Directors are responsible for preparing financial statements for every financial year of the Company with the support of the finance team, and ensure that the preparation of financial statements has constantly adopted appropriate accounting policies and in accordance with the IFRS Accounting Standards so as to truly and fairly report the Company's status. In presenting the interim and annual financial statements of the Group, the Directors have considered whether suitable accounting policies have been applied consistently and that judgments and estimates are prudent and reasonable.

The management team recognizes the importance of providing the Board with sufficient explanations as well as appropriate and relevant information on an accurate and timely basis. Management presents to the Board the annual and interim business reviews and financial reports comparing the actual performance of the Group with the budgets and highlights of major relevant matters to enable the Board to make a well-informed assessment on the performance, positions and prospects of the Group.

The statement issued by the independent auditor on its reporting responsibilities is set out in the "Independent Auditor's Report" on pages 120 to 130 of this annual report.

APPOINTMENT AND REMUNERATION OF THE EXTERNAL INDEPENDENT AUDITOR

The external independent auditor currently appointed by the Company is PricewaterhouseCoopers. The Audit Committee is mandated to monitor the independence of the Company's external auditor, PricewaterhouseCoopers, to ensure objectivity in the financial statements.

During the year ended December 31, 2025, the remuneration paid and payable to the Company's external independent auditor, is set out below:

Type of Services	RMB'000
Audit services	111,729
Non-audit services	8,964

The above remuneration includes the charges paid for the provision of relevant services provided by the independent auditor to the Company and its subsidiaries whereas non-audit services are primarily tax consultation service, training service and other non-assurance services.

DIVERSITY

The Company believes that Board diversity is beneficial for enhancing the Company's comprehensive performance and operating capability, crucial to effective decision-making and maintaining the Company's sustainable and balanced development. Talent-based selection and value creation for the Company and Shareholders are the fundamental principles underlying the composition of the Board. The Company has adopted the board diversity policy. In selecting candidates for directors, diverse factors, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, core skills, knowledge and term of service will be considered. Candidates with management experience, technical specialty, legal, financial management and audit background will offer extensive diverse experiences to the Board. Meanwhile, based on its business model and strategies and specific needs, the Company will consider the aforesaid factors and make the ultimate decisions based on merits, values and contributions that the selected candidates will bring to the Board, with due regard to the benefits of Board diversity and the need for sustainable and successful growth of the Company.

During the year ended December 31, 2025, the Board of the Company comprised eight members, including three female member. The Nomination Committee reviewed the Board diversity policy and its effectiveness having considered the structure, size and composition of the Board and the skills, knowledge, experiences of the members of the Board at the relevant time and confirmed that the implementation of such policy had been in line with the Company's existing operations, assets size and shareholding structure. It confirmed that the Board has maintained a balanced and sufficiently diversified composition which enhanced the quality of its deliberation and decision-making and is able to discharge the Board's functions effectively.

Currently, female directors represent 37.5% of our Board, the highest level since the Company's listing. Looking forward, the Board will try to maintain a database of qualified female candidates (including internal and external candidates) considering the unique needs of the Company and the external evolving environment, and focus on a wider range of areas in order to strengthen our female talent pipeline of potential successors to the Board.

The Company promoted diversity at all levels of the workforce through the provision of equal opportunities for employment, training and career development. During the year ended December 31, 2025, the proportions of male and female employees (including senior management) of the Company and its subsidiaries (excluding Lenovo) are fairly balanced, at 55.58% and 44.42%, respectively.

AUDIT COMMITTEE

As of the end of the Reporting Period, the Audit Committee comprises three members and the majority are Independent Non-executive Directors. The Chairperson of the Audit Committee is Ms. HAO Quan, an Independent Non-executive Director, and the other two members are Ms. YANG Hongmei, a Non-executive Director, and Mr. YIN Jian'an, an Independent Non-executive Director. The Chairperson of the Audit Committee possesses accounting professional qualifications and has complied with the requirements of Rule 3.21 under the Listing Rules.

The main duties of the Audit Committee include but not limited to monitoring the truthfulness of financial reports and the financial reporting procedures, the effectiveness of risk management and internal control systems and the effectiveness of internal audit functions, monitoring the engagement of the external independent auditor and its qualification, assessment on its independence and work performance, regular review of the financial reports and monitoring of annual audit of the Group, compliance with applicable accounting standards as well as legal and regulatory requirements on financial disclosures. Details of the Terms of Reference of the Audit Committee are available on the websites of the Company and the Hong Kong Stock Exchange respectively.

Corporate Governance Report

Pursuant to the requirements of Terms of Reference of the Audit Committee, the Audit Committee held three meetings during the Reporting Period. The matters that the Audit Committee has to review, discuss, consider and propose for the Board's approval (if applicable) are set out as follows:

- The audit-related matters for 2024 (including but not limited to scope, audit method, principal accounting policies, key accounting estimates and assumptions, discussion on material accounting matters, and independent auditor's recommendation to the management);
- 2024 annual profit distribution plan (i.e. no dividend being proposed);
- The audit fee for 2024 and the re-appointment of the independent auditor for 2025;
- The annual results announcement for the year ended December 31, 2024 and the 2024 annual report of the Company and its subsidiaries;
- Connected transactions and continuing connected transactions in 2024;
- The unaudited consolidated financial statements for the three months ended March 31, 2025 and the nine months ended September 30, 2025 of the Company and its subsidiaries (prepared in accordance with China Accounting Standards for Business Enterprises);
- The interim results announcement for the six months ended June 30, 2025 and the 2025 interim report of the Company and its subsidiaries;
- Review on "Management's Statement of 2024 Annual Audit of the Company and Its Subsidiaries" and management's comment;
- Annual audit planning for the financial year ended December 31, 2025 presented by the independent auditor and audit schedule;
- The latest revision of relevant accounting/audit standards, Hong Kong Companies Ordinance and Listing Rules and significant differences in standards affecting financial statements of the Company;
- Independence statement letter from the independent auditor;
- Risk management and internal control structure, annual work plan for risk management and internal control as well as its summary;
- Annual work plan for internal audit and its summary;
- The resources, employees' qualifications and experience of the Company's accounting, risk control, internal audit and financial reporting functions, and whether their training programs and budgets are sufficient; and
- Confirmation on the effectiveness of risk control and management and internal control systems by management.

CONCEPTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The risk management and internal control system is designed to assist the Company in achieving its long-term vision and mission by identifying and evaluating the Company's risk exposures and formulating appropriate control measures to protect our business, the Shareholders, assets and capital. We believe that the risk management and internal control system embedded in each business will enhance its long-term Shareholders' values.

We pursue the core value of perspective of overall situation, pragmatic, ambitious and people-centric to lay the governing foundation for the Company's risk management and internal control with the cultural expression of accountability, professionalism, creativity and collaboration. The Company strongly believes that good corporate governance is usually related to the overall control environment. In order to ensure that each employee of the Company is also responsible for risk management, the Company has established formal codes of professional conduct and ethics to ensure that employees at all levels adhere to the business ethics and possess the corresponding competency.

The Company attaches great importance to preventing non-compliance risks and has formulated and continuously improved various management regulations and systems such as the Anti-corruption Management Policy and the Code of Ethics for Employees, striving to improve the systemic management of whole-process anti-fraud work, covering preventions, controls and accountability. The Company also requires its subsidiaries to operate legally and compliantly on the basis of integrity and honesty, improve the anti-fraud system to achieve coordination at all levels to jointly prevent individual acts of corruption. The Company has established various reporting channels, including email, telephone, website and WeChat official accounts, to strengthen the collection of risk and fraud clues within the Group, conduct investigations independently, legally and impartially, and deal with misconducts in accordance with relevant regulations. The Company prohibits all kinds of retaliation related to anti-fraud and has protection measures and working mechanisms in place. For details on anti-fraud, please refer to the Company's 2025 Environmental, Social and Governance Report.

The Company has formulated relatively comprehensive management policies and implementation rules of various functions of operation and management in order to formulate policies and procedures of various business functions and continue to streamline and improve the management policies standards according to the changes of internal and external business environment and the needs of business development, thereby ensuring the steady development of the Company. Currently, the governance rules and implementing regulations of the Company cover the key management areas of all business and supporting segments. The Company's risk management and internal control systems also include clear organizational structures and management responsibilities, reasonable and effective authorization mechanism, sound financial accounting system, regular performance analysis and review, and other control activities, as well as good information and communication mechanism, and ensures the Company's the stability and effective operation of risk management and internal control systems through continuous risk assessment and supervision.

MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Company formulated the risk management and internal control framework guided by the COSO framework:

1. Establish three lines of defence of risk management and internal control:

	For businesses of the headquarters of the Company	For businesses of subsidiaries	Duties
1 st Line of Defence	Business divisions	Subsidiaries	Integrate the risk management concepts and control measures into the daily business processes and undertake specific business risk prevention and control functions.
2 nd Line of Defence	Relevant functional departments	Business divisions and relevant functional departments	Organize and promote the risk management activities, identify and supervise risk management and monitoring activities in the course of conducting businesses and operations.
3 rd Line of Defence	Audit Department	Audit Department	Monitor and evaluate the effectiveness of risk management and identify areas for improvement.

2. Adopt the following multi-assurance mode:

	For business of the headquarters of the Company	For business of subsidiaries
Supervision of the Board and the Audit Committee	<ul style="list-style-type: none"> • The Board regards risk management as an important task, and believes that effective risk management and internal control systems are important foundations for good corporate governance. • The Board is fully responsible for the risk management and internal control systems, including assessing and determining the acceptable nature and extent of the risks in achieving the Company's strategic objectives, and is responsible for establishing and maintaining an appropriate and effective risk management and internal control systems to protect our business, the Shareholders, assets and capital. • Audit Committee is responsible for supervising and monitoring the overall effectiveness of the risk management and internal control systems. 	

	For business of the headquarters of the Company	For business of subsidiaries
Supervision and communication of the management	<ul style="list-style-type: none"> Assume the leadership role, and seek for the balance between risks and opportunities. Design, implement and review the risk management framework and systems. Report the effectiveness of risk management and internal control systems to the Board and the Audit Committee half-yearly. 	
Risk accountability of business divisions	<ul style="list-style-type: none"> Be responsible for identifying and assessing main risks within the scope of their duties, making effective risk management decisions and developing risk mitigation strategies. Execute and report work in daily operation, including identification of major risks and implementation of mitigation strategies. 	<ul style="list-style-type: none"> Develop relevant policies, standards, procedures and guidelines of Legend Holdings. Supervise over the risk management and monitoring activities of subsidiaries. Promote communication and reporting of risks.
Supervision and monitoring of relevant functional departments	<ul style="list-style-type: none"> Develop relevant policies, standards, procedures and guidelines of Legend Holdings. Supervise over the risk management and monitoring activities of business divisions in relation to relevant functions. Identify and evaluate the financial and other risks of the Company's different businesses from the aspects of strategic planning, investment review and legal compliance. 	
Independent Assurance of Audit Department	<ul style="list-style-type: none"> Adopt risk-oriented audit method, focus on areas with major risks or major changes in risks, and provide independent assurance on the adequacy and effectiveness of internal control to the Audit Committee. 	
Independent assurance supplement of external audit	<ul style="list-style-type: none"> Test the main monitoring measures on which external audit work relies, and report major risks that may affect the performance of the Company to the Audit Committee yearly. 	
Subsidiaries	–	<ul style="list-style-type: none"> Be responsible for identifying and assessing major risks in the company, making effective risk management decision, developing risk mitigation strategies, and making timely reports.

Corporate Governance Report

3. The features and responsibility of the Audit Department:

The Audit Department reports to the Chairman regularly and to the Audit Committee quarterly, develops rectification and improvement plans with each department and the subsidiaries of the Company for the identified issues and deficiencies and follows up the implementation of the proposals. The rectification efforts were in line with expectations. The features and responsibility of the Audit Department include:

- Being independent from the management of operations.
- To establish risk identifications and assessment methods, unify the standards and procedures of risk assessments, organize, coordinate and take the lead in establishing the risk management and internal control systems of the Group.
- The Audit Department is fully authorized with the access to all operating data and information of the Group during the ordinary course and internal audit projects.
- To conduct risk-oriented audit work and special reviews on areas of concern identified by the Audit Committee and the management. To provide the Company with internal, independent and objective confirmation and consulting services to evaluate and improve the effectiveness of risk management and internal control processes.
- Follow up and check the rectifications of the problems found in the audits by promoting rectifications or implementing follow-up audits.
- Establish various reporting channels, including email, telephone, website and official account reporting channels, strengthen the collections of risk items and fraud clues, investigate and deal with violations in an independent, lawful, and fair basis.

PROCEDURES ON IDENTIFYING, EVALUATING AND MANAGING SIGNIFICANT RISKS

Risk management is a continuous process and requires regular monitoring and review. The Company's procedures on identifying, evaluating and managing significant risks are as follows:

- Determination of scope: determine the scope of risk management.
- Identification and analysis: identify risks that may potentially affect the businesses and operations; analyze potential consequences and probability of occurrence.
- Evaluation: use the evaluation standards developed by the management to evaluate risk level and take into account the impact of risks on the operations and the likelihood of occurrence, and consider whether existing monitoring measures are adequate; prioritize risks through comparing risk evaluation results.
- Mitigation and monitoring: develop monitoring and mitigation plan, to prevent, avoid or reduce risks; perform ongoing and periodic monitoring of the risks and ensure that appropriate internal control procedures are in place; revise the risk management policies and internal control procedures in case of any significant changes.

- Monitoring and reporting: regular monitoring and review as well as reporting based on established risk management procedures.
- Integration: the above risk management processes are incorporated into our operations, including strategic planning, investment decisions, capital management, internal controls and other business or operational management.

We strive to enhance the Company's risk management and internal control structures and capability to ensure long-term growth and sustainable development for the Company's businesses. In this regard, we are required to implement consistently an effective risk management and internal control structures. We will continue to move towards the same direction, aiming to integrate risk management and internal control into our daily operations.

RISK REVIEW PROCEDURES AND CONTROL EFFECTIVENESS

1. Effectiveness and scope of review procedures

The Board is of the view that, based on the review performed by the Audit Committee on the results submitted by management, the risk management and internal control systems of the Company for the Reporting Period ended December 31, 2025 were effective and adequate and no material issues were identified.

The Audit Committee reviews the effectiveness of the risk management and internal control system annually, covering the Board opinions and the audit findings of the Audit Department of the entire fiscal year. The scope of review covers the controls in all significant aspects, including financial controls, operational controls and compliance controls. Meanwhile, the review also covers major changes in risks, the resources, employees' qualifications and experiences of the Company's internal audit, accounting and financial reporting functions as well as the employee training programs and budget.

Internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. In addition, it provides only a reasonable but not an absolute assurance on matters with no significant misrepresentations or losses.

2. Objectives of review procedures

Review procedures adopt a top-down and bottom-up approach to fully identify all major risks within the Group, and prioritize such risks; report major risks to appropriate management levels; facilitate effective communications among the management on risks; appropriately supervise risk mitigation work.

3. Implementation process of review procedures

The top-down procedures include:

- At the quarterly business review meetings, the management of the Company, as the holding company, discuss and consider the business development, risk management and internal control of the subsidiaries, to early identify and respond to new risks and issues concerned.
- Major risks identified will be further evaluated and monitored by business divisions and relevant functional departments of the Company.

The bottom-up procedures include:

- Subsidiaries report the list of major risks identified to the Audit Department semi-annually, and review the effectiveness of risk mitigation measures.
- The Audit Department submits the reminders of major risks in each business segment to the Audit Committee semi-annually after summarizing, screening, evaluating and consulting processes, and submits detailed reports or conducts in-depth discussions on individual risks.
- The operational and functional departments report to the management on a timely basis the material risks identified in their areas of responsibility and the implementation of the mitigation strategies in their daily operations.

For main risk exposures of the Company, and adverse impacts of such risks on business and financial positions, and the measures already taken, please refer to corresponding specific contents set out in the section Management Discussion and Analysis.

PROCEDURES ON AND INTERNAL CONTROL OF HANDLING AND DISSEMINATING INSIDE INFORMATION

In order to regulate its information disclosures, the Company strengthens the management of information disclosure and has developed the management system of information disclosures (the "System") in accordance with the principles and requirements under the applicable laws and regulations such as the SFO, the Listing Rules and other Hong Kong Listing Regulatory Rules, as well as the Securities Law, the Measures for the Administration of the Issuance and Trading of Corporate Bonds, the Rules of Listing of Corporate Bonds on the Shanghai Stock Exchange and other domestic bond regulatory rules, as well as the Articles of Association together with the actual conditions of the Company, and implements the System accordingly. The System is applicable to the Directors, Supervisors, Chief Executive Officer, secretary to the Board, senior management, responsible person of each department and subsidiary, other persons having the duty for information disclosures and staff who can access to such inside information by virtue of his/her office or capacity. The System provides detailed guidelines on the appropriate timing, contents, formats, internal vetting processes and disseminating procedures of information under different circumstances, the review and disclosure procedures of releasing results announcements, various announcements, regular reports and circulars, duties of, confidentiality and penalty provisions for all management staff who are responsible for information disclosures. The "Code of Conduct for Employees" of the Company also explicitly requires that all staff be obliged to information confidentiality and comply with the System. In addition, the Company provides training to relevant staff on the System so as to ensure effective implementation.

During the Reporting Period, the Company sought for advice from the compliance advisor in accordance with the requirements of information disclosures under the SFO and the Listing Rules from time to time. The Board is of the view that the Company's procedures on and internal control of handling and disseminating inside information are effective.

REMUNERATION COMMITTEE

As of the end of the Reporting Period, the Remuneration Committee comprises three members and the majority of them are Independent Non-executive Directors. The Chairman of the Remuneration Committee is Mr. YIN Jian'an, an Independent Non-executive Director, and the other two members are Ms. CHEN Jing, a Non-executive Director, and Mr. YUAN Li, an Independent Non-executive Director.

The Remuneration Committee is principally responsible for researching the remuneration strategies and policies, performance appraisal and incentive mechanism and other matters regarding the remuneration of Directors, Supervisors and senior management, and making relevant recommendations to the Board. Details of the scope of responsibilities of the Remuneration Committee of the Board are available on the websites of the Hong Kong Stock Exchange and the Company.

In accordance with the provision of Terms of Reference of the Remuneration Committee, the Remuneration Committee convened two meetings during the Reporting Period, and discussed, considered and recommended the Board to grant approval on the following matters:

- The performance appraisal and bonus implementation in 2024 for senior management;
- Remuneration of the Company's Directors, Supervisors and senior management for 2024;
- Performance evaluation and distribution plan for the Company's senior management for the 2021–2024 term;
- Equity incentive grants to Directors and senior management of the Company and its subsidiaries and disclosures in the 2024 annual report;
- Performance assessment metrics for the Company's senior management for 2025; and
- Remuneration standards for the Company's Directors, Supervisors and senior management for 2025.

For the year ended December 31, 2025, the remuneration categories of the senior management of the Company (excluding the senior management members who concurrently also serve as the Directors and Supervisors) are as follows:

Remuneration categories (RMB)	Number of staff
RMB3,000,001 – RMB3,500,000	1
RMB4,000,001 – RMB4,500,000	1

The details of remuneration of the Directors and Supervisors for the year ended December 31, 2025 are set out in note 50(a) to the financial statements.

NOMINATION COMMITTEE

As of the end of the Reporting Period, the Nomination Committee comprises five members and the majority of them are Independent Non-executive Directors. The Chairman of the Nomination Committee is Mr. NING Min, the Chairman of the Board, and the other four members are Ms. CHEN Jing, a Non-executive Director, and Ms. HAO Quan, Mr. YIN Jian'an, and Mr. YUAN Li, who are Independent Non-executive Directors.

The Nomination Committee is principally responsible for making recommendations on the appointment, reappointment and succession plan of the Directors, reviewing the structure, size, composition and diversity policy of the Board and assessing the independence of Independent Non-executive Directors, as well as fulfilling the relevant responsibilities with regard to corporate governance functions of the Board. Details of the scope of responsibilities of the Nomination Committee are available on the websites of the Company and the Hong Kong Stock Exchange.

In accordance with the provisions of Terms of Reference of the Nomination Committee, the Nomination Committee convened two meetings in the year. The members of the Nomination Committee carried out the following:

- Identified and reviewed Chief Executive Officer candidate based on the Company's business needs, and made appointment recommendations to the Board;
- Assessed the independence of Independent Non-executive Directors and confirmed that the structure of the Board was in compliance with the governing requirements of the Company and no existence of impacts affecting the independence of Independent Non-executive Directors; and
- Reviewed and assessed the current structure, size, composition and diversity policy of the Board (including the skills, knowledge, and experiences of the members of the Board).

Meanwhile, each member of the Nomination Committee also reviewed the following:

- The Corporate Governance Policies and Practices, the compliance with "Corporate Governance Code" and the disclosures in "Corporate Governance Report";
- The implementation of the professional trainings for Directors and Supervisors and continuing professional development program; and
- The policies regarding the compliance with laws and regulatory requirements and its implementation.

Candidate recommended by Directors shall firstly be nominated by the Nomination Committee according to the nomination and succession plan for Board members. The Nomination Committee will make a preliminary evaluation of each candidate through individual or collective interviews with the candidate to ensure that all members of the Nomination Committee unanimously agrees that such candidate has met the required selection criteria. In selecting candidate for Directors, diverse factors, including but not limited to, gender, age, cultural and educational backgrounds, ethnicity, professional experience, core skills, knowledge, term of service, management experience, technical specialty (legal, financial, management and audit backgrounds) will be considered. Thereafter, the Nomination Committee will arrange the candidate to meet with the rest of the Board members for another evaluation mainly to consider whether the candidate joining the Board will bring the most benefits to the Board and the Company as the priority judgment criterion. The Board will propose the election of such candidate as a Director, if identified to be suitable, at the Shareholders' general meeting in accordance with Articles of Association of the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Nomination Committee of the Company is responsible for performing the duties of corporate governance functions set out below:

- a. Formulating the Company's corporate governance policies and practices, monitoring its implementation and making recommendations to the Board;
- b. Reviewing and monitoring the training and continuous professional development plans of the Directors, the Supervisors and senior management;
- c. Reviewing and monitoring the Company's policies and practices regarding compliance with laws and regulatory rules as well as their implementation;
- d. Formulating, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the employees and Directors; and
- e. Reviewing the Company's compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, together with the information disclosures in the Corporate Governance Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

As of the end of the Reporting Period, the Environmental, Social and Governance Committee ("ESG Committee") comprises two members. The Chairman of the ESG Committee is Mr. YUAN Li, an Independent Non-executive Director, and the member is Mr. NING Min, the Executive Director.

The ESG Committee mainly performs the functions of assisting the Board in guiding and monitoring sustainability-related policies and objectives, continuously exploring sustainability trends in the domestic and international capital markets and the industry, and reviewing the progress of sustainability-related issues and matters.

Corporate Governance Report

The key responsibilities of the ESG Committee are set out in the Company's 2025 Environmental, Social and Governance Report. The ESG Committee convened one meeting in the year to review, discuss, consider and approve the following matters:

- Reviewed the progress of the implementation of the Company's ESG objectives for 2024;
- Disclosed the 2024 ESG Report;
- Engaged in assessing climate-related risks and opportunities, including their impact on the entity's business, strategy, and financial planning, as well as on the preparation of financial statements and the ESG report; and
- Tracked the latest ESG trends at home and abroad.

STRATEGY COMMITTEE

As of the end of the Reporting Period, the Strategy Committee is composed of three members, and is chaired by Mr. NING Min, the Chairman, and the rest of the members are Mr. ZHU Linan and Mr. ZHAO John Huan.

The principal responsibilities of the Strategy Committee include:

- Conduct research and review on the Company's medium to long-term strategic development plans;
- Conduct research and review on material investment financing plans, business reorganization, external acquisitions, mergers and transfer of assets which are subject to approval of the Board as required by the Articles of Association;
- Conduct research and review on major capital operations and asset management projects which are subject to approval of the Board as required by the Articles of Association;
- Conduct research and review on other significant matters affecting the development of the Company;
- Guide, supervise and inspect the implementation of relevant resolutions of the Board; and
- Other matters authorized by the Board.

BOARD, BOARD COMMITTEES AND GENERAL MEETINGS

The Board has convened meetings regularly, of which at least four times every year. The Directors may attend meetings in person or through other means of electronic communication in accordance the Articles of Association of the Company. The Board has convened four meetings during the Reporting Period. All decisions made by the Board are voted by the Board and supplemented by circulating resolutions in writing during the periods between Board meetings. Upon signing by Directors in accordance with requirements of Articles of Association of the Company, the resolutions would become resolutions resolved by the Board.

The attendance at the Board meetings, the meetings of the Board Committee and general meetings for each Director during the Reporting Period is as follows:

	Number of attendance/Number of meetings being convened				
	The Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting ^{Note}
Executive Directors					
Mr. NING Min	4/4	–	–	2/2	1/1
Mr. LI Peng (resigned on November 17, 2025)	3/3	–	–	–	1/1
Non-executive Directors					
Mr. ZHU Linan	2/4	–	–	–	1/1
Mr. ZHAO John Huan	4/4	–	–	–	1/1
Ms. CHEN Jing	3/4	–	2/2	2/2	0/1
Ms. YANG Hongmei	2/4	2/3	–	–	0/1
Independent Non-executive Directors					
Ms. HAO Quan	4/4	3/3	–	2/2	1/1
Mr. YIN Jian'an	3/4	3/3	2/2	2/2	1/1
Mr. YUAN Li	4/4	–	2/2	2/2	1/1

Note: The Company convened the Annual General Meeting of 2024 on June 26, 2025.

BOARD OF SUPERVISORS

The Board of Supervisors comprises three members. The Chairman of the Board of Supervisors is Mr. GAO Qiang (staff representative), and the other two members are Mr. LUO Cheng (shareholder representative) and Ms. PEI Xiaofeng (shareholder representative).

In accordance with the Articles of Association of the Company, the Board of Supervisors is responsible for the Shareholders' general meeting, which is principally responsible for conducting supervision on compliance regarding the Directors, Chief Executive Officer and other senior management when carrying out their duties, reviewing the Company's financial situation and auditing financial information such as financial reports, business reports and profit distribution plan submitted to the Shareholders' general meeting and requiring for rectification when the behaviors acted by the Directors and senior management damage the interest of the Company, and proposing to convene extraordinary board meetings and Shareholders' general meetings.

During the Reporting Period, the Board of Supervisors performed its duties and safeguarded the legitimate interest of the Shareholders, Company and staff. For details of its work, please refer to the "Supervisor's Report" from page 98 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Board is fully aware of the significance of maintaining clear, timely and effective communication with the Shareholders and potential investors of the Company. With the publication of annual reports, interim reports, announcements, circulars and press releases, the Group is committed to ensuring that the Shareholders and potential investors receive the information in a timely manner. All relevant contacts are made available to the Shareholders through publications on the Company's website.

The Company is of view that the Shareholders' general meetings provide a good opportunity for direct communication between the Board and the Shareholders. The Company encourages and welcomes the questions raised at the Shareholders' general meetings. The Company has formulated the Shareholders' Communications policy, ensuring to maintain ongoing communication between the Company and the Shareholders and the Board had reviewed the implementation and effectiveness of the Shareholders' Communication policy during the Reporting Period.

INVESTOR RELATIONS

We attach great importance to the communication with investors. We maintain good interactions with the capital market and investors through a variety of means, such as results presentations, non-deal roadshows, participation in strategy conferences of investment banks and other investor communication activities, acceptance of survey by analysts and investors, immediate delivery of the Company's updates, etc.

The investor relations team of the Company is committed to connecting the Company with the capital market, promoting the Company's value and facilitating its capitalization. In 2025, the investor relations team continued to promote communication with the investors, broaden investor coverage through performance roadshows, strategic meetings of investment banks and other activities. The team intensified the active communication with analysts from leading investment banks at home and abroad to broaden the coverage of intermediary resources. It kept up with the business development by updating the latest news of the Company frequently to ensure the investors' understanding of the business development of the Company. In the future, we aim to maintain adequate and smooth communication and establish deep trust with investors through clear strategies, efficient implementation, impressive operating results, transparent information disclosures, extensive channel coverages and innovative contents and means.

ARTICLES OF ASSOCIATION

The Shareholders approved the amendment to the Articles of Association of the Company at the Annual General Meeting of the Company on June 26, 2025. For detailed information on the amendments, please refer to Appendix I of the circular dated April 29, 2025.

The latest version of Articles of Association has been published on the websites of the Hong Kong Stock Exchange and the Company.

SHAREHOLDERS' RIGHTS

Extraordinary General Meeting upon the Shareholders' Requests

Pursuant to the Articles of Association of the Company, Shareholders individually or collectively holding in aggregate 10% or more of the Shares carrying the voting right at the proposed meeting shall sign one or more written requisitions in the same format and with the same content, requiring the Board to convene an extraordinary Shareholders' general meeting, and stating the matters to be discussed at the proposed meeting.

Written notice of general meeting stating proposed matters to be discussed and the date and venue of the Shareholders' annual general meeting shall be dispatched to all Shareholders listed in the register of members no less than 21 days prior to the date of such meeting.

Proposing Motions at the Shareholders' General Meeting

When the Company convenes a Shareholders' general meeting, Shareholders individually or collectively holding in aggregate of 1% or more of the Shares carrying the voting rights shall be entitled to propose new motions to the Company and submitting the motions to the convener in writing no less than 10 days prior to such meeting. The convener shall serve a supplementary notice of Shareholders' general meeting within two days after receipt of such proposals, inform other Shareholders and list the motions which are within the authorities of the Shareholders' general meeting in the agenda of the meeting and submit them to the general meeting for consideration. The contents of the proposed motions shall fall into the authority of the Shareholders' general meeting, have definite topics and concrete issues for resolution and shall comply with relevant provisions of laws, regulations and the Articles of Association of the Company.

Shareholders' Proposals and Inquiries to the Board of Directors and Delivery Method

Shareholders can put forward proposals, inquiries and issues of concern to the Board and/or relevant specialized committees under the Board (if appropriate) in writing, state contact details and deliver to the registered office of the Company in Beijing, PRC (Room 1701, 17/F, Block 1, Court No. 2, Ke Xue Yuan Nanlu, Haidian District, Beijing 100190, PRC) or the principal place of business in Hong Kong (Suite 06, 70/F Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong). The investor relations team of the Company assists the Board in handling inquiries from the Shareholders and potential investors. The Company's website also contains the contact details of the Company for the Shareholders and potential investors to put forward inquiries. In 2026, under the continuously updating regulatory requirements, development trends of the Company and the feedback from the Shareholders, the Company will continue to focus on enhancing the Company's governance, ensuring steady development of the Company and creating values for the Shareholders.

Independent Auditor's Report



羅兵咸永道

To the Shareholders of Legend Holdings Corporation

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

OPINION

What we have audited

The consolidated financial statements of Legend Holdings Corporation (the "Company") and its subsidiaries (the "Group") which are set out on pages 131 to 315, comprise:

- the consolidated income statement for the year ended 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated balance sheet as at the date;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of goodwill and intangible assets with indefinite useful lives
- Fair value measurement using of level 3 inputs for financial assets and financial liabilities
- Recognition of deferred income tax assets
- Measurement of expected credit loss of loans to customers of subsidiaries engaged in banking business

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of goodwill and intangible assets with indefinite useful lives</p> <p>Refer to note 2.10, note 4.1(b) and note 19 to the consolidated financial statements.</p> <p>As at December 31, 2025, the Group had goodwill of RMB37,454 million and intangible assets with indefinite useful lives of RMB13,821 million, and in respect of which management is required to perform annual impairment assessment. For the purpose of assessing impairment, goodwill and intangible assets with indefinite useful lives were allocated to the lowest level of identifiable cash generating units ("CGUs"). The recoverable amount of CGU is determined by the higher of the fair value less disposal cost and value in use.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the management's process and internal control of impairment assessment of goodwill and intangible assets with indefinite useful lives and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias; • We obtained the management's calculation sheets of impairment assessment to assess reasonableness of the classification of CGUs or groups of CGUs by business lines and allocation of goodwill and intangible assets with indefinite useful lives by CGUs at suitable level; • We evaluated the independent external valuers' competence, capability and objectivity;

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of goodwill and intangible assets with indefinite useful lives (Continued)</p> <p>For calculation of recoverable amount, when the model of fair value less disposal cost was used, management made significant judgment over the active market price or adjusted amount based on the observable data; when the model of value in use was used, management made significant assumptions and judgements in determining the appropriate CGUs related to goodwill and determining key assumptions such as revenue growth rates, gross margin and discount rates, etc. Management believes that the impairment of goodwill and intangible assets with indefinite useful lives of RMB644 million occurred during the year was mainly due to the decrease in recoverable amount of individual business caused by lower-than-expected performance. The remaining goodwill and intangible assets with indefinite useful lives were not subject to impairment during the year.</p> <p>Management engaged independent external valuers to assist in performing impairment assessments when necessary.</p> <p>Management made significant estimation and judgements to perform impairment assessments of goodwill and intangible assets with indefinite useful lives under different models. In view of these reasons, we identified this as a key audit matter.</p>	<ul style="list-style-type: none">• In the cases of impairment assessment using the model of fair value less disposal cost, we agreed the fair value to observable unadjusted price in the active market, and agreed the input data to observable referenced data in the active market;• In the cases of impairment assessment using the model of value in use calculation performed by management, we challenged the appropriateness of the key assumptions including expected revenue growth rates, expected profit margins and discounted rates and other key parameters, with reference to the business and industry circumstances, including:<ul style="list-style-type: none">– We reconciled the input data of expected revenue growth rates, expected profit margins, expected changes of working capital and expected capital expenditure to the management's future profit forecast and strategic plans, and compared the input data with the history data;– We compared the discount rate with the comparable companies in the open market;• We assessed sensitivity analysis around the key assumptions made by management when assuming expected revenue growth rates, discount rates, etc., to ascertain the extent to which adverse changes within a reasonable range, both individually and in aggregate, might impact on the outcome of the impairment assessment of the goodwill and intangible assets with indefinite useful lives;• We tested the mathematical accuracy of management's calculation sheet of impairment assessment;• We examined the adequacy of the Group's disclosure of goodwill and intangible assets with indefinite useful lives.

Based on the procedures performed, we found that the judgements made by management in relation to the assessment of impairment of goodwill and intangible assets with indefinite useful lives were supported by the evidence we obtained.

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Fair value measurement using of level 3 inputs for financial assets and financial liabilities</p> <p>Refer to note 2.13, 2.20, 3.3, 4.1(c) and 4.1(d) to the consolidated financial statements.</p> <p>As at December 31, 2025, the Group has financial assets measured at fair value with level 3 inputs of RMB46,060 million, mainly including associates measured at fair value through profit or loss, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income; financial liabilities measured at fair value with level 3 inputs of RMB15,906 million, including, derivative financial liabilities and financial liabilities at fair value through profit or loss.</p> <p>Level 3 inputs for financial assets and liabilities were not based on active market prices, nor based on observable market data.</p> <p>Management assessed and measured the level 3 fair value of financial assets and financial liabilities using particular valuation techniques, with assistance from external valuers if necessary, by using the models of market approach and discounted cash flow calculation. The determination of the model adopted, input data and key assumptions require significant management judgement and estimation. In view of these reasons, we identified this as a key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the relevant process and internal control of fair value measurement using of level 3 inputs for financial assets and financial liabilities and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias; • We obtained the calculation sheets of fair value estimation of financial assets and financial liabilities measured at fair value of level 3 inputs, evaluated the appropriateness of the model used and tested the mathematical accuracy; • We evaluated the independent external valuers' competence, capability and objectivity; • In the cases of fair value estimation using market approach, we selected samples to assess the appropriateness of the methodologies and key assumptions adopted by management through comparing with fair value used in the latest financing activities, etc; • In the cases of fair value estimation using the model of discounted cash flow, we challenged the appropriateness of the key assumptions on a sample basis. We reconciled the input data of expected revenue growth rates and expected profit margins to the management's future profit forecast and strategic plans, and compared the input data with the historical data. We compared the discounted rate with the comparable companies in the open market to assess the reasonableness of the key input data used. <p>Based on the procedures performed, we found that the valuations made by management in the fair value assessment using of level 3 inputs for financial assets and financial liabilities were supported by the evidence we obtained.</p>

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p data-bbox="165 470 644 491">Recognition of deferred income tax assets</p> <p data-bbox="165 541 766 599">Refer to note 2.24(b), 4.1(e) and note 44 to the consolidated financial statements</p> <p data-bbox="165 642 766 806">As at December 31, 2025, the Group had deferred income tax assets of RMB27,742 million. In addition, the Group had unrecognized temporary difference and tax loss of RMB23,580 million and RMB37,832 million respectively as at December 31, 2025.</p> <p data-bbox="165 849 766 1084">The recognition of deferred income tax assets involves significant management judgement as to the likelihood and the period of its realization that is dependent on a number of factors, including future profit forecast of related entities, and existence of sufficient taxable profits and taxable temporary differences, group relief and tax planning strategies based on management's judgement.</p>	<p data-bbox="794 541 1054 562">Our procedures included:</p> <ul data-bbox="794 605 1396 1638" style="list-style-type: none"><li data-bbox="794 605 1396 879">• We obtained an understanding of the relevant process and internal control of recognition of deferred income tax assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias;<li data-bbox="794 922 1396 1015">• We obtained management's calculation sheets of deferred income tax assets and tested the accuracy of the calculation sheets;<li data-bbox="794 1058 1396 1187">• We tested and agreed available deductible tax losses, including the respective expiry periods, to tax returns and tax correspondences of the relevant subsidiaries on a sample basis;<li data-bbox="794 1231 1396 1638">• We challenged the appropriateness of the input data, such as the significant assumptions of forecast revenue growth rates and forecast profit margins, etc. We reconciled the input data of forecast revenue growth rates and forecast profit margins to the management's future profits forecast, strategic plan and tax planning strategies, and compared the input data with the historical data and industry data. We tested the reasonableness of management's reconciliations of forecasted profits to forecasted taxable profits on a sample basis;

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of deferred income tax assets (Continued)	
<p>Management has performed its assessment on the recognition of deferred income tax assets as at December 31, 2025 and considers that the realization of such assets is probable.</p> <p>Significant management's judgement and estimation are involved in forecasting future taxable profits and period of future reversals of taxable temporary differences and deductible tax losses. In view of these reasons, we identified this as a key audit matter.</p>	<ul style="list-style-type: none"> • We evaluated the reasonableness of the deferred tax assets by comparing the estimation of taxable profits in future periods to deductible temporary differences and tax losses as at December 31, 2025, with the consideration of the expiry periods of the deductible tax losses; • We tested the calculation of deferred income tax assets by reference to tax rates enacted or substantively enacted at the balance sheet date.

Based on the procedures performed, we found that the forecast of taxable profits in future periods, calculation of taxable temporary differences and the estimation of reversal periods of such deductible tax losses were supported by the evidence we obtained.

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Measurement of expected credit loss of loans to customers of subsidiaries engaged in banking business</p>	<p>We evaluated and tested the design and operating effectiveness of key controls across the processes relevant to the ECL calculation, including:</p>
<p>Refer to note 2.13.4, 3.1(b) and 26(a) to the consolidated financial statements.</p>	<ul style="list-style-type: none"> • Entity level controls (including IT controls) and governance process over the ECL modelling process, including model review as well as the review of back-testing ECL model components (Probability of Default, macro-economic projection, loss rates) and ECL level;
<p>At December 31, 2025, the gross balance of loans to customers of the subsidiaries engaged in banking business of RMB134,728 million against which a corresponding allowance for expected credit loss ("ECL") of RMB1,892 million was recorded.</p>	<ul style="list-style-type: none"> • Controls over the incorporation of multiple economic scenarios related to ECL models and quarterly ECL variation analysis;
<p>The measurement of ECL allowance under IFRS 9 "Financial Instruments" involves complex and subjective judgments and estimation by management. The subsidiaries engaged in banking business used the following methods to assess the ECL allowance;</p>	<ul style="list-style-type: none"> • Controls over the loan origination and monitoring processes;
<ul style="list-style-type: none"> • The ECL allowance was measured for all loans based on the principles laid down by IFRS 9 and adapted by the subsidiaries engaged in banking business in its ECL calculation process, model and tool; and 	<ul style="list-style-type: none"> • Controls over the specific provision and monitoring processes;
<ul style="list-style-type: none"> • For defaulted and credit-impaired loans, impairment was assessed individually on a regular basis. 	<ul style="list-style-type: none"> • Controls over the monitoring of internal credit limits, loans in litigation and credit watch list;
	<ul style="list-style-type: none"> • Controls over the monitoring of credit collateral coverage;
	<ul style="list-style-type: none"> • Controls over the computation of ECL management "overlays" adjustments.
	<p>We also performed the following substantive audit procedures:</p>
	<ul style="list-style-type: none"> • With the support of our internal modelling specialists, we tested the assumptions, inputs and formulas used in ECL models. This included assessing the appropriateness of model design and formulas used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default of models on a sample basis, as well as challenging the forward looking macro-economic scenarios;
	<ul style="list-style-type: none"> • We verified some key parameters to ensure accuracy of data inputs supporting the ECL models used;

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Measurement of expected credit loss of loans to customers of subsidiaries engaged in banking business (Continued)</p>	
<p>The determination of ECL against loans to customers required judgments and estimation:</p>	<ul style="list-style-type: none"> • We tested loans to customers (including but not only an extended sample of loans included into the credit watch list and/or classified on stage 3) on a sample basis to: <ul style="list-style-type: none"> – Perform testing over the accuracy of related key input data (including nominal and interest rates, etc.); – Perform the assessment as to whether the loans to customers were classified in the appropriate bucket; – Perform testing over the allocation of loans to customers into stages, including quarterly movements between stages, and the identification of defaulted and credit-impaired loans; – Perform testing on the validity of guarantees and the valuation and collateral received;
<ul style="list-style-type: none"> • Designation and setup of the internal rating system and the basis of the allocation of loans to customers within the 3 stages; • Accounting interpretations and modelling assumptions used to build the models that serve as a basis to calculate the ECL; • Assumptions and inputs used to estimate the impact of multiple economic scenarios and related weightings; • The amount and timing of future cash flows as well as the value and recoverability of related collateral for defaulted and credit-impaired loans; • Management “overlays” adjustments have been made for significant uncertainties not covered by the model. 	
<p>We identified the measurement of ECL of loans to customers of subsidiaries engaged in banking business as a key audit matter due to the significant amount and high degree of estimation uncertainty, the use of complex models, the application of extensive parameters and information, and the significant management judgments and assumptions involved, which carry significant inherent risks.</p>	<ul style="list-style-type: none"> • We assessed the reasonableness of ECL management “overlays” and post-model adjustments methodology and results performed by the management. <p>Based on the procedures performed, the models, key parameters and data, significant judgement and assumptions adopted by management for measuring ECL and the measurement results were supported by the evidence we obtained.</p>

Independent Auditor's Report

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, March 31, 2026

Consolidated Income Statement

For the year ended December 31, 2025

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Sales of goods and services	5	602,011,900	508,951,647
Interest income	5	11,182,463	13,151,583
Interest expense	5	(7,249,242)	(9,296,795)
Net interest income		3,933,221	3,854,788
Total revenue	5	605,945,121	512,806,435
Cost of sales and services	8	(509,807,228)	(427,071,274)
Gross profit		96,137,893	85,735,161
Selling and distribution expenses	8	(29,309,531)	(26,306,656)
General and administrative expenses	8	(46,683,075)	(42,500,545)
Expected credit loss	8	(2,217,301)	(1,649,846)
Investment income and gains	6	3,727,038	600,822
Other (losses)/gains – net	7	(1,700,623)	(554,396)
Finance income	10	1,249,287	1,482,890
Finance costs	10	(8,274,161)	(9,396,569)
Share of profit of associates and joint ventures accounted for using the equity method		582,792	281,338
Profit before income tax		13,512,319	7,692,199
Income tax expense	13	(3,713,334)	(9,035)
Profit for the year		9,798,985	7,683,164
Profit attributable to:			
– Equity holders of the Company		1,060,796	133,231
– Other non-controlling interests		8,738,189	7,549,933
		9,798,985	7,683,164
Earnings/(Losses) per share for the profit attributable to the equity holders of the Company (expressed in RMB per share)			
Basic earnings per share	14	0.45	0.06
Diluted earnings/(losses) per share	14	0.32	(0.01)

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2025

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Profit for the year		9,798,985	7,683,164
Other comprehensive income/(loss):			
Items that will not be reclassified to income statement:			
Change in fair value of non-trading equity securities measured at fair value through other comprehensive income, net of taxes	13	296,893	(758,642)
Changes in credit risk on financial liabilities measured at fair value through profit or loss, net of taxes	13	(1,543)	(4,108)
Share of other comprehensive income of associates using equity accounting, net of taxes	13	1,406	5,138
Remeasurements of post-employment benefit obligation, net of taxes	13	20,793	(61,805)
Revaluation of investment properties upon reclassification from property, plant and equipment, net of taxes	13	–	656
Items that may be reclassified subsequently to income statement:			
Change in fair value of debt securities measured at fair value through other comprehensive income, net of taxes	13	11,976	(12,145)
Currency translation differences	13	4,779,128	(6,591,775)
Share of other comprehensive (loss)/income of associates using equity accounting, net of taxes	13	(53,831)	53,096
Fair value change on cash flow hedges, net of taxes	13	(997,382)	1,572,962
Other comprehensive income/(loss) for the year, net of taxes		4,057,440	(5,796,623)
Total comprehensive income for the year		13,856,425	1,886,541
Attributable to:			
– Equity holders of the Company		3,032,260	(2,129,234)
– Other non-controlling interests		10,824,165	4,015,775
		13,856,425	1,886,541

Consolidated Balance Sheet

As at December 31, 2025

		As at December 31,	
		2025	2024
		RMB'000	RMB'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	15	43,270,700	35,126,468
Right-of-use assets	16	6,139,477	5,220,550
Investment properties	17	15,205,729	15,233,388
Intangible assets	19	66,637,014	69,121,296
Associates and joint ventures using equity accounting	12	14,657,735	15,062,666
Associates measured at fair value through profit or loss	12	11,833,773	13,340,631
Financial assets at fair value through other comprehensive income	21	4,618,079	5,685,069
Financial assets at fair value through profit or loss	30	16,563,456	12,992,915
Loans to customers	26	105,059,350	92,717,892
Amount due to credit institutions	27	494,089	–
Derivative financial assets	22	2,447,708	3,069,100
Other financial assets at amortised cost	28	71,564,957	59,162,601
Deferred income tax assets	44	27,741,845	26,898,503
Other non-current assets	23	11,235,051	14,288,921
Total non-current assets		397,468,963	367,920,000
Current assets			
Inventories	29	67,623,627	69,029,553
Consumable biological assets	18	1,245,056	1,036,182
Properties under development		–	19,252
Accounts and notes receivables	24	112,468,583	83,747,440
Prepayments, other receivables and other current assets	25	58,139,132	43,619,801
Loans to customers	26	31,431,348	32,317,267
Loans to credit institutions	27	4,626,223	2,606,559
Derivative financial assets	22	1,121,974	2,334,842
Financial assets at fair value through profit or loss	30	16,792,003	16,762,809
Financial assets at fair value through other comprehensive income	21	–	69,312
Other financial assets at amortised cost	28	7,319,400	9,741,293
Balances with central banks	31	864,728	1,392,255
Restricted deposits	31	2,568,674	4,359,161
Bank deposits	31	268,510	44,270
Cash and cash equivalents	31	72,254,243	60,967,998
Total current assets		376,723,501	328,047,994
Assets classified as held for sale	11(b)	331,997	–
Total assets		774,524,461	695,967,994

Consolidated Balance Sheet

As at December 31, 2025

	Note	As at December 31,	
		2025 RMB'000	2024 RMB'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	33	2,356,231	2,356,231
Reserves		53,442,985	52,022,885
Total equity attributable to equity holders of the Company		55,799,216	54,379,116
Perpetual securities	34	2,288,200	1,363,701
Other non-controlling interests		54,357,578	45,536,558
Put option written on non-controlling interests	39(b)(1)	(3,633,810)	(3,633,810)
Total equity		108,811,184	97,645,565
LIABILITIES			
Non-current liabilities			
Borrowings	43	85,580,914	71,896,889
Lease liabilities	16	2,748,899	2,057,001
Amounts due to credit institutions	40	465,028	525,055
Amounts due to customers	41	4,307,621	4,936,174
Derivative financial liabilities	22	2,659,967	2,429,229
Deferred revenue	36	13,363,886	11,105,675
Retirement benefit obligations	45	1,534,668	1,660,593
Provisions	46	1,439,265	1,445,647
Financial liabilities at fair value through profit or loss	42	18,620,399	16,970,623
Deferred income tax liabilities	44	7,903,055	9,626,032
Other non-current liabilities	39	7,817,032	6,265,175
Total non-current liabilities		146,440,734	128,918,093

Consolidated Balance Sheet

As at December 31, 2025

	Note	As at December 31,	
		2025 RMB'000	2024 RMB'000
Current liabilities			
Trade and notes payables	35	124,060,209	104,394,698
Other payables and accruals	37	116,850,785	114,121,609
Amounts due to credit institutions	40	25,833,202	20,514,453
Amounts due to customers	41	150,004,822	136,233,685
Financial liabilities at fair value through profit or loss	42	10,698,254	8,666,316
Derivative financial liabilities	22	2,048,823	786,682
Provisions	46	6,818,005	6,319,826
Advance from customers	38	3,919,778	2,386,518
Deferred revenue	36	13,309,820	11,585,917
Income tax payables		6,391,961	4,213,956
Lease liabilities	16	1,047,110	832,136
Borrowings	43	58,092,413	59,348,540
Total current liabilities		519,075,182	469,404,336
Liabilities classified as held for sale	11(b)	197,361	–
Total liabilities		665,713,277	598,322,429
Total equity and liabilities		774,524,461	695,967,994

The consolidated financial statements on pages 131 to 315 were approved by the Board of Directors on March 31, 2026 and were signed on its behalf.

NING Min
Director

ZHU Linan
Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to the equity holders of the Company													Total
	Share capital	Share premium	Statutory	Revaluation reserve	Share-based	Shares held	Hedging reserve	Exchange reserve	Other reserve	Retained earnings	Perpetual securities	Other non-	Put option	
			surplus reserve		compensation reserve	for share scheme						controlling interests	written on non-controlling interests	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As at December 31, 2024	2,356,231	11,281,940	1,006,310	465,226	4,796,531	(146,665)	317,413	(5,222,647)	(4,296,522)	43,821,299	1,363,701	45,536,558	(3,633,810)	97,645,565
Profit for the year	-	-	-	-	-	-	-	-	-	1,060,796	-	8,738,189	-	9,798,985
Other comprehensive income/(loss)														
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	206,725	-	-	-	-	-	-	-	102,144	-	308,869
Credit risk changes on financial liabilities measured at fair value through profit or loss	-	-	-	(1,388)	-	-	-	-	-	-	-	(155)	-	(1,543)
Share of other comprehensive loss of associates using equity accounting	-	-	-	(52,425)	-	-	-	-	-	-	-	-	-	(52,425)
Fair value change on cash flow hedges	-	-	-	-	-	-	(336,003)	-	-	-	-	(661,379)	-	(997,382)
Currency translation differences	-	-	-	-	-	-	-	2,155,852	-	-	-	2,623,276	-	4,779,128
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	-	-	(1,297)	-	-	22,090	-	20,793
Total comprehensive income/(loss) for the year	-	-	-	152,912	-	-	(336,003)	2,155,852	(1,297)	1,060,796	-	10,824,165	-	13,856,425
Total transfer to retained earnings	-	-	-	48,401	-	-	-	-	-	(48,401)	-	-	-	-
Total transactions with owners, recognised directly in equity														
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(63,061)	-	-	(139,155)	-	(202,216)
Transaction with other non-controlling interests (Note 52)	-	-	-	-	-	-	-	-	(2,117,339)	(529,578)	-	(1,766,920)	-	(4,413,837)
Contribution from other non-controlling interests	-	-	-	-	-	-	-	-	28,513	-	-	918,792	-	947,305
Issuance of convertible bonds (Note 43)	-	-	-	-	-	-	-	-	654,924	-	-	1,430,372	-	2,085,296
Issuance of perpetual capital (Note 34)	-	-	-	-	-	-	-	-	-	-	2,288,200	-	-	2,288,200
Repurchase of perpetual capital (Note 34)	-	-	-	-	-	-	-	-	-	-	(1,388,407)	-	-	(1,388,407)
Transfer to reserve	-	-	-	-	-	-	-	-	(12,638)	(3,467)	-	(7,246)	-	(23,351)
Share of other reserve of associates	-	-	-	-	-	-	-	-	30,801	-	-	(27)	-	30,774
Share-based compensation (Note 32)	-	-	-	-	552,594	-	-	-	-	-	-	1,195,401	-	1,747,995
Transfer to statutory surplus reserve	-	-	57,292	-	-	-	-	-	-	(57,292)	-	-	-	-
Dividends paid and declared (Note 47)	-	-	-	-	-	-	-	-	-	-	-	(3,617,470)	-	(3,617,470)
Coupon paid/interest adjustment holders of perpetual securities	-	-	-	-	-	-	-	-	-	(152,909)	24,706	(16,892)	-	(145,095)
Total transactions with owners, recognised directly in equity	-	-	57,292	-	552,594	-	-	-	(1,478,800)	(743,246)	924,499	(2,003,145)	-	(2,690,806)
As at December 31, 2025	2,356,231	11,281,940	1,063,602	666,539	5,349,125	(146,665)	(18,590)	(3,066,795)	(5,776,619)	44,090,448	2,288,200	54,357,578	(3,633,810)	108,811,184

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

Attributable to the equity holders of the Company

	Share capital	Share premium	Statutory surplus reserve	Revaluation reserve	Share-based compensation reserve	Shares held for share scheme	Hedging reserve	Exchange reserve	Other reserve	Retained earnings	Perpetual securities	Other non-controlling interests	Put option written on non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023	2,356,231	11,281,940	919,845	(345,153)	4,529,793	(207,195)	(191,466)	(3,050,202)	(3,507,370)	45,178,145	1,361,913	45,426,285	(3,633,810)	100,118,956
Profit for the year	-	-	-	-	-	-	-	-	-	133,231	-	7,549,933	-	7,683,164
Other comprehensive (loss)/income														
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	(645,073)	-	-	-	-	-	-	-	(125,714)	-	(770,787)
Credit risk changes on financial liabilities measured at fair value through profit or loss	-	-	-	(3,696)	-	-	-	-	-	-	-	(412)	-	(4,108)
Share of other comprehensive income of associates using equity accounting	-	-	-	58,234	-	-	-	-	-	-	-	-	-	58,234
Fair value change on cash flow hedges	-	-	-	-	-	-	508,879	-	-	-	-	1,064,083	-	1,572,962
Currency translation differences	-	-	-	-	-	-	-	(2,172,445)	-	-	-	(4,419,330)	-	(6,591,775)
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	-	-	(8,954)	-	-	(52,851)	-	(61,805)
Revaluation of investment properties upon reclassification from property, plant and equipment	-	-	-	590	-	-	-	-	-	-	-	66	-	656
Total comprehensive (loss)/income for the year	-	-	-	(589,945)	-	-	508,879	(2,172,445)	(8,954)	133,231	-	4,015,775	-	1,886,541
Total transfer to retained earnings	-	-	-	1,400,324	-	-	-	-	-	(1,400,324)	-	-	-	-
Total transactions with owners, recognised directly in equity														
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(30,613)	-	-	(165,015)	-	(195,628)
Transaction with other non-controlling interests (Note 52)	-	-	-	-	-	-	-	-	(732,645)	-	-	(1,625,570)	-	(2,358,215)
Contribution from other non-controlling interests	-	-	-	-	-	-	-	-	18,110	-	-	773,924	-	792,034
Transfer to reserve	-	-	-	-	-	-	-	-	(65,419)	62,943	-	3,091	-	615
Share of other reserve of associates	-	-	-	-	-	-	-	-	30,369	-	-	-	-	30,369
Share-based compensation (Note 32)	-	-	-	-	266,738	60,530	-	-	-	-	-	707,067	-	1,034,335
Transfer to statutory surplus reserve	-	-	86,465	-	-	-	-	-	-	(86,465)	-	-	-	-
Dividends paid and declared (Note 47)	-	-	-	-	-	-	-	-	-	-	-	(3,591,624)	-	(3,591,624)
Coupon paid/interest adjustment holders of perpetual securities	-	-	-	-	-	-	-	-	-	(66,231)	1,788	(7,375)	-	(71,818)
Total transactions with owners, recognised directly in equity	-	-	86,465	-	266,738	60,530	-	-	(780,198)	(89,753)	1,788	(3,905,502)	-	(4,359,932)
As at December 31, 2024	2,356,231	11,281,940	1,006,310	465,226	4,796,531	(146,665)	317,413	(5,222,647)	(4,296,522)	43,821,299	1,363,701	45,536,558	(3,633,810)	97,645,565

Consolidated Cash Flow Statement

For the year ended December 31, 2025

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	48	30,901,228	30,781,218
Income tax paid		(4,982,853)	(3,704,353)
Net cash generated from operating activities		25,918,375	27,076,865
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(17,137,263)	(12,781,328)
Proceeds from sale of property, plant and equipment and intangible assets		434,561	266,731
Purchase of financial assets at fair value through profit or loss		(42,920,529)	(9,993,363)
Proceeds from the disposal of financial assets at fair value through profit or loss		40,672,206	11,775,753
Dividends from financial assets at fair value through profit or loss		544,822	211,370
Capital injection in associates measured at fair value through profit or loss		(598,886)	(982,533)
Distributions from associates measured at fair value through profit or loss		1,705,315	1,943,644
Acquisition of and capital injection in associates and joint ventures using equity accounting		(568,477)	(88,648)
Proceeds from disposal of associates using equity accounting		730,023	399,870
Dividends from associates using equity accounting		414,246	422,683
Purchase of financial assets at fair value through other comprehensive income		(16,347)	(56,828)
Disposal of financial assets at fair value through other comprehensive income		36,753	293,971
Dividends from financial assets at fair value through other comprehensive income		3,536	448
Acquisition of subsidiaries, net of cash acquired		(2,770)	(158,834)
Disposal of subsidiaries, net of cash disposed		210,384	89,623
Loans granted to related parties and third parties		(236,637)	(16,923)
Interest received		830,945	723,336
Decrease/(Increase) in fixed deposits for more than 3 months		1,782,748	(2,113,697)
(Purchase)/Disposal of financial assets at amortized cost and derivative financial instruments		(179,797)	121,615
Net cash used in investing activities		(14,295,167)	(9,943,110)

Consolidated Cash Flow Statement

For the year ended December 31, 2025

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
Proceeds from borrowings		162,822,988	185,787,933
Repayments of borrowings		(170,579,875)	(187,453,976)
Repurchase of perpetual capital		(1,410,942)	–
Repayments of lease liabilities		(1,000,715)	(1,085,631)
Issue of other bonds, net of issuance costs		22,227,932	3,094,850
Proceeds from warrants subscription		686,089	822,062
Issuance of perpetual capital		2,288,200	–
Capital injections from other non-controlling interests		1,839,343	883,481
Distribution to other non-controlling interests		(3,555,526)	(3,508,412)
Transaction with other non-controlling interests		(5,315,829)	(1,608,092)
Dividends paid to equity holders of the Company		–	(136,875)
Interest paid		(9,970,175)	(10,922,115)
Net cash used in financing activities		(1,968,510)	(14,126,775)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		60,967,998	59,571,033
Exchange gains/(losses) on cash and cash equivalents		1,631,547	(1,610,015)
Cash and cash equivalents at end of year	31	72,254,243	60,967,998

Notes to Financial Statements

1. GENERAL INFORMATION

Legend Holdings Corporation (the “Company”) is a joint stock company with limited liability under Company Law of the People’s Republic of China (“PRC”). It was incorporated in November 1984 under the name of Chinese Academy of Sciences Computer Technology Research Institute New Technology Development Company (中國科學院計算技術研究所新技術發展公司), as an enterprise owned by the whole people (全民所有制企業). Since then, the Company has completed a series of reorganizations and was converted into a joint stock limited liability company on February 18, 2014, the registered capital is RMB2,356 million now. The Company’s H shares have been listed on the Main Board of the Hong Kong Stock Exchange since June 29, 2015.

The registered address of the Company is Room 1701, 17/F, Block 1, Court No. 2, Ke Xue Yuan Nanlu, Hai Dian District, Beijing, PRC.

The Company operates its business through two sectors: diversified-industries operation and industrial incubations and investments.

The diversified-industries operation consist of operations in: (a) Lenovo Group Limited (“Lenovo”), which is primarily engaged in providing innovative intelligent devices and infrastructure, and creates intelligent solutions, services and software; (b) Levima Group Limited (“Levima Group”), which mainly engaged in the research and development, production and sales of advanced material products; (c) Joyvio Group Co., Ltd. (“Joyvio Group”), which operates mainly to engaged in modern agriculture and food related business; and (d) Banque Internationale à Luxembourg S.A. (“BIL”), which mainly offers integrated banking services, including corporate and institutional banking, retail banking, private banking, capital markets, etc.

The industrial incubations and investments sector conducts investment in private equity funds (“PE Funds”) and venture capital funds (“VC Funds”) as a limited partner and holds interest in the general partners of certain funds. The Group also makes early stage or “angel” investments in technology start-ups and minority investments in other entities. It also invests in aviation logistics, financial services, medical and health care, and office leasing services, etc.

2. SUMMARY OF ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Material Accounting Policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") and requirements of the Hong Kong Companies Ordinance (Cap. 622) under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets and financial liabilities at fair value through profit or loss (including derivative instruments), associates measured at fair value through profit or loss, investment properties and biological assets measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involve a higher degree of judgment or complexity, or the areas where assumptions and estimates that are significant to the consolidated financial statements are disclosed in note 4.

2.2 Amended standards adopted

The following amended standards are mandatory for the first time for the Group financial year beginning on January 1, 2025 and are applicable for the Group:

International Accounting Standards (IAS) 21 (Amendments)	Lack of exchangeability
--	-------------------------

Amendments to IAS effective for the financial year beginning on January 1, 2025 do not have a material impact on the Group's consolidated financial statements.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.3 New and amended standards not yet adopted

The following are new and amended standards that have been issued but are not yet effective for the financial year beginning on January 1, 2025 and have not been early adopted.

		Effective for financial year beginning on or after
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 9 and IFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual Improvement to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be Determined

The Group will apply the above new and amended standards when they become effective.

Impact of standard released not yet adopted

Certain new and amended standards have been published that are not mandatory for the financial year beginning on January 1, 2025 and have not been early adopted by the Group. The Group's assessment of the impact of these new and amended standards is still in progress.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.4 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combination

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. The seller in a business combination may contractually indemnify the acquirer for the outcome of a contingency or uncertainty related to all or part of a specific asset or liability. The acquirer shall recognise an indemnification asset at the same time that it recognises the indemnified item measured on the same basis as the indemnified item, subject to the need for a valuation allowance for uncollectible amounts. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated income statement.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.4 Subsidiaries (Continued)

(a) Business combination (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group will report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group will retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the Group will also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period does not exceed one year from the acquisition date.

Any contingent consideration is recognised as equity or financial liability. Subsequent changes to the fair value of the contingent consideration that is classified as liability is recognised in income statement. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements have the same reporting date.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.4 Subsidiaries (Continued)

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid/received and the relevant share acquired/dispensed of the carrying value of net assets of the subsidiary is recorded in equity.

The potential cash payments related to put options issued by the Group over the equity of a subsidiary are accounted for as liabilities. The amount that may become payable under the option on exercise is initially recognised at the present value of redemption amount as a written put option liability with a corresponding charge directly to equity.

Written put option liability is subsequently re-measured as a result of the change in the expected performance at each balance sheet date, with any resulting gain or loss recognised in income statement. In the event that the option expires unexercised, the written put option liability is derecognised with a corresponding adjustment to equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset at fair value. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities, amounts previously recognised in other comprehensive income are reclassified to income statement.

(d) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries accounted for at cost is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.5 Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

(a) Equity method of accounting

Investments in associates other than those investments in VC Funds, PE Funds and preferred shares investments of the Group are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the income statement of the investee after the date of acquisition. The Group's investment in associates using equity accounting includes goodwill identified on acquisition, net of any accumulated impairment losses.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to income statement where appropriate.

The Group's share of its associates' post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in the associates' other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "general and administrative expenses" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated income statement only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.5 Associates (Continued)

(b) Fair value through profit or loss

The Group has invested as a limited partner in certain VC Funds and PE Funds and exerted significant influence. The Group has applied the measurement exemption within IAS 28 "Investment in Associates and Joint Ventures" for mutual funds, unit trusts and similar entities and such investments are measured at fair value through profit or loss, and presented as "associates measured at fair value through profit or loss" in the consolidated balance sheet.

The Group has invested in preferred shares of associates, which are designated at fair value through profit or loss at initial recognition and presented as "financial assets at fair value through profit or loss" in the consolidated balance sheet.

2.6 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income of the joint ventures. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably (if applicable). The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation of buildings, building-related equipment and leasehold improvements is calculated using the straight-line method to allocate their costs to their estimated residual values over the unexpired periods of the leases or their expected useful lives to the Group whichever is shorter.

Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate their costs to their estimated residual values over their estimated useful lives to the Group. The principal annual rates used for this purpose are:

– Land and buildings	10-50 years
– Machinery and equipment	2-12 years
– Motor & Vehicles	2-6 years
– Furniture	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains or losses on disposals of assets are determined by comparing the proceeds with the carrying amount and are recognised within "other (losses)/gains – net" in the consolidated income statement.

Construction-in-progress represents buildings, plant and machinery and internal use software under construction and pending installation and is stated at historical cost, less any accumulated impairment losses. Historical cost comprises all direct and indirect costs of acquisition or construction or installation of buildings, plant and machinery or internal use software as well as interest expenses and exchange differences on the related funds borrowed during the construction, installation and testing periods and prior to the date when the assets were available for use. No depreciation or amortization is provided for construction-in-progress. On completion, the carrying values of the buildings, plant and machinery or internal use software are transferred from construction-in-progress to property, plant and equipment or intangible assets.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.9 Lease

As lessee:

The Group leases various lands, buildings and equipments. Rental contracts are typically made for fixed periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease are recognised as a right-of-use asset and a lease liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.9 Lease (Continued)

As lessee: (Continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

As lessor:

The Group continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently which is same as IAS 17.

2.10 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the non-controlling interest in the acquiree. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investments in associates and joint ventures.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment tests are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. As for intangible assets like trademarks that have conclusive evidence that the useful life can not be estimated, they are subject to impairment testing annually. The Group have indefinite use rights to these trademarks.

(c) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their estimated lives, which are not more than 15 years.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.10 Intangible assets (Continued)

(d) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Development costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Acquired computer software licences costs and computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 5 years.

(e) Patents, technology and marketing right

Expenditures on acquired patents, technology and marketing rights are capitalised at historical cost which is the fair value at acquisition and amortised using the straight-line method over their estimated useful lives of not more than 10 years.

(f) Aquaculture franchise and water right

Aquaculture franchise and water right acquired in business combination shall be recognized at fair value on the date of purchase. Aquaculture franchise and water right acquired individually is recognized at historical cost. Aquaculture franchise and most water right is intangible assets with indefinite useful life. Intangible assets with indefinite useful life shall not be amortized, whether there is any sign of impairment, impairment test shall be conducted at least annually.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.11 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met.

Investment property is initially measured at cost, including related transaction costs and borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as part of a valuation gain or loss in "other (losses)/gains – net".

Property that is being constructed or developed as investment property is carried at fair value. Where fair value is not reliably determinable, such property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market condition.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

When the owner-occupied properties transferring to investment properties, a revaluation surplus is credited to other comprehensive income and accumulated in equity under the heading of revaluation surplus. The revaluation surplus included in equity may be transferred directly to retained earnings when the surplus is realised.

2.12 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal cost and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.13 Investment and other financial assets

2.13.1 Classification and measurement

The Group classifies its financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

- those to be measured at amortised cost;
- those to be measured subsequently at fair value through OCI; and
- those to be measured subsequently at fair value through profit or loss.

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

The contractual cash flow characteristics of financial assets refer to contractual terms as agreed in the financial instrument contracts that reflect the economic characteristics of the financial assets, i.e., the contractual cash flows arising at a specified date from the financial assets are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Of which, the principal is the fair value of the financial asset at initial recognition, and the amount of the principal may change over the life of the financial asset, if, e.g., there are repayments of principal; and the interest includes consideration for the time value of money, and credit risk, other basic lending risks and costs associated with holding the financial asset for a particular period of time.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures a financial asset at its fair value. For financial assets that are at FVPL, the transaction costs are expensed in profit or loss; for financial assets with other categories, the transaction costs are recognised in the initial carrying amounts. For trade and other receivables arising from rendering goods or services with no significant financing component, the Group measures their initial carrying amount as the cash flows that the Group is entitled and expected to receive.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.13 Investment and other financial assets (Continued)

2.13.1 Classification and measurement (Continued)

(a) *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other (losses)/gains – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **Fair value through other comprehensive income ("FVOCI"):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "other (losses)/gains – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other (losses)/gains – net" and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Investment income and gains" in the period in which it arises.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.13 Investment and other financial assets (Continued)

2.13.1 Classification and measurement (Continued)

(b) *Equity instruments*

The Group subsequently measures all equity investments at FVPL, except where the Group has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is made, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and reversal of impairment losses are not reported separately from other changes in fair value.

For the Group's equity instruments not held for trading purposes and those designated at FVOCI, when they are derecognised, the difference between the carrying amount and the consideration is recognised in retained earnings, also, the cumulative gains or losses previously recognised in other comprehensive income are recycled to the retained earnings; for other financial assets measured at FVOCI, the difference between the carrying amount and the consideration is recognised in profit or loss, also, the cumulative gains or losses previously recognised in other comprehensive income are recycled to profit or loss.

2.13.2 Recognition and de-recognition

The Group derecognises a financial asset if one of the following conditions is met:

- The contractual rights to receive the cash flows from the financial asset expire;
- The financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of such financial asset;
- The financial asset has been transferred, the Group has not retained any control over the financial asset, even if the Group neither transfers nor retains substantially all the risks and rewards of ownerships of the financial asset.

For the Group's equity instruments not held for trading purposes and designated at FVOCI, when they are derecognised, the difference between the carrying amount and the consideration is recognised in retained earnings, also, the cumulative gains or losses previously recognised in other comprehensive income are recycled to the retained earnings; for other financial assets measured at FVOCI, the difference between the carrying amount and the consideration is recognised in profit or loss, also, the cumulative gains or losses previously recognised in other comprehensive income are recycled to profit or loss.

The de-recognition of financial assets sold on condition of repurchase is determined by the economic substance of the transaction. If a financial asset is sold under an agreement to repurchase the same or substantially the same asset at a fixed price or at the sale price plus a reasonable return, the Group will not derecognise the asset. If a financial asset is sold together with an option to repurchase the financial asset at its fair value at the time of repurchase, the Group will derecognise the financial asset.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.13 Investment and other financial assets (Continued)

2.13.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.13.4 Impairment

The Group assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its loans to customers (including advances), debt instrument assets carried at FVOCI, accounts and other receivables, lease receivable, other financial assets at amortised cost, contract assets, loan commitments and financial guarantee contracts for the issuer which are not measured at fair value through profit or loss.

When calculating the probability-weighted present value of the difference between the contractual and forecasted cash flows to be received, the Group takes reasonable and supportable information such as the past events, current conditions and forecasts of future economic conditions into consideration and uses probabilities of default as the weightings. The difference is recognised as the ECL.

At each balance sheet date, the Group calculates the ECL of financial instruments in different stages. Stage 1 refers to financial instruments that have not had a significant increase in credit risk since initial recognition; Stage 2 refers to financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment; Stage 3 refers to financial assets for which there are objective evidence of impairment at the reporting date since initial recognition. For these assets at Stage 1, 12-month ECL are recognised and for assets at stage 2 and 3, life-time ECL are recognised. For financial instruments with lower credit risk at the balance sheet date, the Group assume that the credit risk has not increased significantly since initial recognition and measure the loss allowance based on the expected credit losses over the next 12 months.

For financial assets in stage 1 and stage 2, interest income is calculated based on the gross carrying amount of the asset, that is, without deduction for credit allowance, and the effective interest rates. For financial assets in stage 3, interest income is calculated on the net carry amount, that is, net of credit allowances, and the effective interest rates.

The Group recognises the provision and reversal of ECL in profit or loss. For debt instrument at FVOCI, the Group makes relevant adjustments to other comprehensive income at the same time as recognizing ECL in profit or loss.

For accounts receivables, whether there is significant financial component or not, the Group recognises life-time ECL.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.14 Derivative financial instruments and hedging activities

The Group chose to continue to apply the hedging accounting requirements of IAS 39 to all their hedging relationships in the first adoption of IFRS 9 on January 1, 2018, until the adoption of new macro hedging standards.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge);
- hedges of a net investment in a foreign operation.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 22. Movements on the hedging reserve in shareholders' equity are shown in consolidated statements of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.14 Derivative financial instruments and hedging activities (Continued)

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the consolidation income statement within "other (losses)/gains – net".

Amounts accumulated in equity are reclassified to income statement in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the consolidated income statement within "finance cost". The gain or loss relating to the ineffective portion is recognised in the consolidated income statement within "other (losses)/gains – net".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss on the hedging instrument that has been recognised as other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss on the hedging instrument that has been recognised as other comprehensive income from the period when the hedge was effective shall be immediately reclassified from equity to the consolidated income statement within "other (losses)/gains – net".

(c) Net investment hedges in foreign operation

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement. Gains and losses accumulated in equity are reclassified to the consolidated income statement when the foreign operation is partially disposed of or sold.

Hedge of the interest-rate risk exposure of a portfolio

The Group performs an overall analysis of interest-rate risk exposure. This involves assessing fixed-rate exposure, taking into account all the exposure coming from balance sheet and off-balance sheet items. This global analysis may exclude certain components of the exposure, such as financial market activities, provided that the risk exposure stemming from the excluded activities is monitored on an activity-by-activity basis.

The Group applies the same methodology to select which assets and/or liabilities will be entered into the portfolio's hedge of interest-rate risk exposure. Assets and liabilities are included in all the time buckets of the portfolio. Hence, when they are removed from the portfolio, they must be removed from all the time buckets in which they had an impact. Demand deposits and savings accounts may be included in the portfolio, based on behavioural study to estimate expected maturity date. The Group may designate as qualifying hedged items different categories of assets or liabilities.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.14 Derivative financial instruments and hedging activities (Continued)

(c) Net investment hedges in foreign operation (Continued)

Hedge of the interest-rate risk exposure of a portfolio (Continued)

On the basis of this gap analysis, which is carried out on a gross basis, the Group defines, at conception, the risk exposure to be hedged, the length of the time bucket, the test method and the frequency of the tests.

The hedging instruments are a portfolio of derivatives, which may contain offsetting positions. The Group recognizes the hedging items at fair value with adjustments accounted for in the consolidated income statement.

2.15 Precious metals

Precious metals include gold and other precious metals. Precious metals acquired by the Company and its subsidiaries for trading purposes are initially recognized at fair value at the date of acquisition, subsequently measured at fair value, with changes in fair value recognized in profit or loss for the current period. Precious metals acquired by the Company and its subsidiaries for non-trading purposes are stated at the lower of cost and net realizable value.

2.16 Biological assets

The biological assets of the Group mainly include consumable biological assets.

(a) Classification of consumable biological assets

The Group's consumable biological assets mainly include Atlantic salmon, which can be classified into roe, fry and juvenile fish in fresh water and fish on fatten stage in sea water by stage of production.

The Group shall recognise consumable biological assets when, and only when:

- The Group controls the asset as a result of past events;
- It is probable that future economic benefits associated with the assets will flow to the Group; and
- The fair value or cost of the assets can be measured reliably.

(b) Initial recognition of consumable biological assets

The consumable biological assets acquired by the Group are measured as its acquisition cost. The cost of purchased consumable biological assets consists of the purchase price, the relevant taxes, freights, insurance and other expenses that is directly attributable to the purchase of the biological assets.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.16 Biological assets (Continued)

(c) Subsequent measurement of consumable biological assets

The biological assets including roe, fry and juvenile fish in fresh water are measured as cost since no active market for selling such assets. For fish on fattening stage in sea water less than the minimum weight is measure at cost since the fair value cannot be determined reliably.

The biological assets, salmon, in the fattening stage in seawater are measured at the net value of fair value less the estimated costs at the point of sale applying the weight criteria, except when the fair value cannot be determined reliably.

The calculation of the fair value is based on market prices for harvested fish, adjusted for their own differences in total weight, gauge and quality distribution and weight ranges of the fish harvested, taking into account the weight criteria set out in the table below, and then adjusted by the cost for selling, including harvest cost, process costs and freight costs to destination.

The Group reviews the fair value of the biological asset in each feeding centre at the end of each reporting period. The fair value change of the biological assets measured at fair value is recognised in the consolidated income statement.

The measurement mode and weight criteria of biological assets of salmons are as follows:

Stage	Assets	Accounting measurement
Fresh water	Roe	Measured at direct and indirect costs incurred
Fresh water	Fry and juvenile fish	Measured at direct and indirect costs incurred
Sea water	Fish on fattening process	Criteria for fair value measurement mode: Atlantic salmon, with average harvest weight more than 4 kilos, by average price of HON (Head on, Gutted) and Trim.

More information on relevant assumptions to confirm the fair value of salmon is set out in Note 4.1(l).

The consumable biological assets are transferred to finished products of inventory at the carrying value when harvest. When finished products are sold, the carrying value of the inventory is transferred to cost of sales and services, and the accumulated fair value change of the inventory is transferred to "other (losses)/gains – net" from cost of sales and services.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.16 Biological assets (Continued)

(d) impairment of biological assets

The Group reviews the consumable biological assets measured at cost at least annually at the end of each year. If there is conclusive evidences that the net realisable value of the consumable biological assets is lower than its carrying value due to natural disasters, pests or market demand changes, the provision for impairment of biological assets shall be recognised in the consolidated income statement at the amount of the differences between the carrying value and the net realisable value.

The provision of impairment of consumable biological assets shall be reversed through profit or loss limited to impairment made if the impairment factors of consumable biological assets has disappeared.

2.17 Inventories and properties under development

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined on a weighted average basis. The cost of finished goods (except for trading products) and work-in-progress comprises direct materials, direct labor and an attributable proportion of production overheads. For trading products, cost represents invoiced value on purchases, less purchase returns and discounts. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

Development cost of properties under development comprise land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, all development costs of the properties are transferred to completed properties held for sale. Net realisable value of properties under development is determined by reference to estimated sales proceeds of the properties sold in the ordinary course of business less costs to complete development and estimated selling expenses.

2.18 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. The majority of other receivables are arising from IT business and represent amounts due from subcontractors for part components sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables are initially measured at consideration amounts with no additional conditions, with the exception that receivables containing material financing component should be initially measured at fair value. Receivables' cash flows represent SPPI. Trade and notes receivables that are held for collection of contractual cash flows and for selling the assets shall be measured at FVOCL. Receivables that are held for collection of contractual cash flows are measured at amortised cost using effective interest rate method. For more information on accounting treatment of account receivables of the Group, please see Note 24.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to equity holders of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental costs and the related income tax effects is included in equity attributable to the Company's equity holders.

2.20 Financial liabilities

2.20.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through the profit or loss include those classified as held for trading, and those designated by the Group upon recognition as at fair value through the profit or loss.

A financial liability is classified as held for trading if it is: (i) acquired or incurred principally for the purpose of repurchasing it in the near term; (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or (iii) a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial liabilities are designated at fair value through the profit or loss upon initial recognition when: (i) the financial liabilities are managed, evaluated and reported internally on a fair value basis; (ii) the designation eliminates or significantly reduces an accounting mismatch in the gain and loss recognition arising from the difference in measurement bases of the financial liabilities; or (iii) a contract contains one or more embedded derivatives, i.e. an entire hybrid (combined) contract, unless: the embedded derivative does not significantly modify the cash flows that otherwise would be required by the hybrid (combined) contract; or it is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative is prohibited.

2.20.2 Other financial liabilities

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, are measured at amortised cost using the effective interest method.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.21 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates and joint venture are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.22 Employee benefits

The Group operates various post-employment schemes. The schemes are generally funded through payments to insurance companies or trustee-administrated funds, which are measured by periodic actuarial calculation. The Group has both defined benefit and defined contribution plans.

(a) Pension obligations

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past service costs. Significant portion of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the consolidated income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive loss in the period in which they arise.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.22 Employee benefits (Continued)

(a) Pension obligations (Continued)

Past service costs are recognised immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are reduced by employer's portion of voluntary contributions forfeited by those employees who leave the scheme prior to vesting fully. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group's contributions to local municipal government retirement schemes in connection with retirement benefit schemes in the Chinese Mainland are expensed as incurred. The local municipal governments in the Chinese Mainland assume the retirement benefit obligations of the qualified employees.

(b) Post-employment medical benefits

The Group operates a number of post-employment medical benefit schemes, the largest being in the United States. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised as other comprehensive loss in the period in which they arise. The obligations of these schemes in the United States are valued annually by independent qualified actuaries.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.23 Provisions

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

(a) Warranty provision

The Group records warranty liabilities at the time of sale for the estimated costs that will be incurred under its basic limited warranty. The specific warranty terms and conditions vary depending upon the product and the country in which it was sold, but generally includes technical support, repair parts and labour associated with warranty repair actions. The period ranges from one to three years. The Group reevaluates its estimates on a quarterly basis to assess the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

(b) Provision for loans commitments and financial guarantee contracts

For loans commitments and financial guarantee contracts, impairment losses are recognized as provisions.

(c) Other provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring costs provision comprises lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.24 Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries or regions where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equivalent taxable and temporary differences. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.25 Revenue recognition

(a) Sales of goods

Revenue from sale of hardware, software and peripherals, mobile devices, chemicals and energy materials, agriculture products and other products is recognised, net of value-added tax, an allowance for estimated returns, rebates and discounts, when the right of control is effectively transferred to customer, generally when there is a persuasive evidence that a sales arrangement exists, the price is fixed or determinable, collectability is reasonably assured and delivery has occurred. The Group enters into different shipping terms with customers. Delivery is generally considered as occurred once the goods are shipped. For certain transactions, the Group defers the recognition of revenue and cost of shipped products until the goods are delivered to designated locations and the transfer of right of control is completed.

The contract liability will continue for a period, the related revenue will be deferred and amortised as earned over the contract period ranging from one to four years. At the end of the reporting period, the excess of the cumulative consideration received from the contracted customer over the cumulative revenue recognized is recognized as a contract liability recorded in deferred revenue. Please refer to Note 36 for more information.

(b) Rental income

Revenue is recognised on a time proportion basis over the lease terms.

(c) Provision of service

Revenues from the provision of logistic services, property management services, dental care services, consultancy and commission income and management fees are all recognised in the accounting period in which the services are rendered. Revenues from provision of system integration services and IT technical services are recognised over the term of contract or when services are rendered.

(d) Guarantee income

Guarantee income is determined based on the total agreed fee in the guarantee contracts and is recognised in the consolidated income statement over the period of guarantee.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Material Accounting Policies (Continued)

2.25 Revenue recognition (Continued)

(e) Interest income

Interest income is recognised using the effective interest method. When a financial asset is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(f) Fee and commission income

Commissions and fees are recognised on an accrual basis over the life of the underlying transaction. Commissions and fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of loans, equity securities or other securities or the purchase or sale of businesses, are recognised when the significant act has been completed. For asset management operations, revenue consists principally of unit trust and mutual fund management and administration fees. Revenue from asset management is recognised as earned when the service is provided. Performance fees are recognized when all underlying conditions are met and thus acquired.

(g) Contractual assets/liabilities

The excess of the cumulative revenue recognized over the cumulative consideration received and due from the contracted customer is recognized as a contract asset on the consolidated balance sheet. On the contrary, the excess of the cumulative consideration received from the contracted customer over the cumulative revenue recognized is recognized as a contract liability and recorded in deferred revenue or advances from customers is recognized. As at December 31, 2025, the contract asset and the contract liability of the Group are classified as current and non-current portions based on their respective recovery or settlement periods. The time that the Group has the right to unconditionally obtain the consideration of the goods and service committed in the contract is almost the same as the time that right of control of the goods and service. Thus, as at December 31, 2025, the contract assets of the Group are not material.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Accounting Policies

2.26 Foreign currency translation

(a) **Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional currency.

(b) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to monetary assets and liabilities denominated in foreign currency are presented in the consolidated income statement within "other (losses)/gains – net".

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Accounting Policies (Continued)

2.26 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement presented are translated at average exchange rates which calculated on the basis of the corresponding risk management model (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.27 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.28 Trade payables

Trade payables are amounts paid for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Accounting Policies (Continued)

2.29 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for capital services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.30 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2.31 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation can not be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Accounting Policies (Continued)

2.32 Share-based payments

The Group operates a number of equity-settled compensation plans, including the long-term incentive program adopted by a principal subsidiary, Lenovo, and the restricted shares granted by the Company (collectively referred to as "Incentive Awards") under which the Group receives services from employees as consideration for the Incentive Awards granted. The fair value of the employee services received in exchange for the grant of the Incentive Awards is recognised as employee benefit expense.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the Incentive Awards granted, including any market performance conditions (for example, an entity's share price); and non-vesting conditions, but excluding the impact of any non-market performance vesting conditions (for example, profitability and sales growth targets); and including the impact of non-vesting conditions. Non-market performance and service conditions are included in assumptions about the number of Incentive Awards granted that are expected to become exercisable/vested. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At each balance sheet date, the Group revises its estimates of the number of Incentive Awards granted that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to share-based compensation reserve under equity.

2.33 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.34 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised as "other (losses)/gains – net" in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to assets are recognised in the consolidated income statement on a systematic basis over the periods in which the entity recognises as expenses the related assets for which the grants are intended to compensate.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Accounting Policies (Continued)

2.35 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the Group and a related party of the Group, regardless of whether a price is charged.

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- has control or joint control over the Company;
 - has significant influence over the Company; or
 - is a member of the key management personnel of the Company.
- (b) An entity is related to the Group if any of the following conditions applies:
- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - One entity with one entity of the Group are both joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third party;
 - The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - The entity is controlled or jointly controlled by a person identified in (a) above;
 - A person, or a close member of that person's family, who has control or joint control over the Company, has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Accounting Policies (Continued)

2.36 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has implemented a unified and multi-tiered financial control management system. The Company guides and supervises major aspects of financial management of its subsidiaries and each subsidiary manages its financial risks locally. Certain subsidiaries of the Company use derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollar ("USD"), Renminbi ("RMB"), Euro ("EUR") and Swiss Franc ("CHF"). Foreign exchange risk arises from the future business transactions, recognised assets and liabilities and net investment in foreign operations denominated in a currency other than the functional currency of the Group's subsidiaries. Each subsidiary of the Group monitors the amount of assets and liabilities and transactions denominated in foreign currencies closely in order to minimise the foreign exchange risk and enter into forward exchange contracts to mitigate the foreign currency risk as appropriate.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The carrying amount in RMB equivalents of the financial assets and liabilities held by the Group denominated in the currencies other than their respective functional currencies are summarised below:

	As at December 31, 2025					
	USD RMB'000	RMB RMB'000	EUR RMB'000	CHF RMB'000	Other RMB'000	Total RMB'000
Account and other receivables	5,739,032	353,233	3,406,140	1,611	388,578	9,888,594
Cash and cash equivalents, bank deposits, restricted deposits and balances with central banks	2,981,503	474,230	319,167	7,163,169	1,334,379	12,272,448
Loans to customers and credit institutions	4,303,853	-	1,327,691	4,637,936	1,913,354	12,182,834
Other financial assets at amortized cost	8,749,900	-	304,033	-	-	9,053,933
Financial assets at fair value through profit or loss	146,575	-	-	-	2,253	148,828
Financial assets at fair value through other comprehensive income	9,400	-	-	13,886	-	23,286
Derivative financial assets	423,039	21,659	49,451	29,216	270,248	793,613
Other assets	347,730	12,733	6,407	(7)	1,607	368,470
Trade and other payables	(6,080,661)	(1,598,109)	(493,141)	(3,726)	(3,374,982)	(11,550,619)
Amount due to customers and credit institutions	(27,629,837)	-	(1,129,673)	(647,037)	(6,541,735)	(35,948,282)
Borrowings	(2,770,877)	-	(2,468,351)	-	(3,426,341)	(8,665,569)
Financial liabilities at fair value through profit or loss	(7,711,180)	-	-	(1,964,776)	(1,492,799)	(11,168,755)
Derivative financial liabilities	(368,293)	(22,970)	(154,673)	(57,450)	(82,354)	(685,740)
Other liabilities	(1,028,645)	(303,579)	(1,187)	(44,315)	(100,381)	(1,478,107)
Intercompany balances before elimination	11,328,882	30,948,392	(6,189,362)	-	(4,215,139)	31,872,773
Gross exposure	(11,559,579)	29,885,589	(5,023,498)	9,128,507	(15,323,312)	7,107,707
Notional amounts of contracts used as economic hedge	51,919,460	9,581,541	(13,368,107)	-	(3,117,963)	45,014,931
Net exposure	40,359,881	39,467,130	(18,391,605)	9,128,507	(18,441,275)	52,122,638

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	As at December 31, 2024					
	USD RMB'000	RMB RMB'000	EUR RMB'000	CHF RMB'000	Other RMB'000	Total RMB'000
Account and other receivables	4,970,312	208,573	1,425,918	8,352	234,312	6,847,467
Cash and cash equivalents, bank deposits, restricted deposits and balances with central banks	2,586,507	1,844,678	563,517	4,662,385	1,471,092	11,128,179
Loans to customers and credit institutions	5,118,401	-	1,284,611	1,508,555	1,519,176	9,430,743
Other financial assets at amortized cost	9,396,983	-	-	-	209,182	9,606,165
Financial assets at fair value through profit or loss	136,259	-	-	-	5,767	142,026
Financial assets at fair value through other comprehensive income	1,424	-	-	11,494	-	12,918
Derivative financial assets	553,369	-	497,920	21,164	497,802	1,570,255
Other assets	1,452	12,536	1,951	1,038	7,863	24,840
Trade and other payables	(3,697,536)	(705,298)	(784,795)	(3,369)	(3,025,593)	(8,216,591)
Amount due to customers and credit institutions	(21,817,423)	-	(1,082,957)	(909,111)	(5,165,812)	(28,975,303)
Borrowings	(1,653,319)	-	(1,754,426)	-	(2,839,992)	(6,247,737)
Financial liabilities at fair value through profit or loss	(5,836,161)	-	-	(1,750,760)	(1,673,188)	(9,260,109)
Derivative financial liabilities	(458,401)	-	(31,846)	(82,600)	(108,690)	(681,537)
Other liabilities	(1,167,841)	(1,121)	(11,087)	(1,446,239)	(402,564)	(3,028,852)
Intercompany balances before elimination	11,341,167	27,416,658	(4,336,855)	-	256,791	34,677,761
Gross exposure	(524,807)	28,776,026	(4,228,049)	2,020,909	(9,013,854)	17,030,225
Notional amounts of contracts used as economic hedge	40,097,646	2,505,351	(18,387,461)	-	1,474,221	25,689,757
Net exposure	39,572,839	31,281,377	(22,615,510)	2,020,909	(7,539,633)	42,719,982

As at December 31, 2025, if RMB had weakened/strengthened by 5% against the major currencies with all other variables held constant, the Group would generate extra exchange losses or gains of approximately RMB1,341 million (As at December 31, 2024, RMB992 million).

The analysis above is based on the assumption that RMB weakened or strengthened against all other currencies in the same direction and magnitude, but it may not be necessarily true in reality.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(II) Interest rate risk

The Group's interest rate risk arises from the mismatches between contractual maturities or re-pricing dates of interest-generating assets and interest-bearing liabilities. Each of the Group's operating entities has formulated its own interest risk management policies and procedures covering identification, measurement, monitoring and control of risks. The Group manages interest rate risk based on market conditions to control potential loss from interest rate risk at an acceptable level.

The tables below summarize the contractual maturity or re-pricing date of the interest-generating assets and interest-bearing liabilities at the end of each reporting period.

(A) Interest-generating assets

	As at December 31, 2025					
	Less than 3 months (i)	3 months to 1 year	1 year to 5 years	Over 5 years	No due time	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents, bank deposit, restricted deposit and balances with central banks (Note 31)	75,138,020	818,135	-	-	-	75,956,155
Financial assets at fair value through other comprehensive income (ii) (Note 21)	-	-	776,737	360,748	-	1,137,485
Financial assets at fair value through profit or loss (iii) (Note 30)	803,600	820,184	-	-	-	1,623,784
Other financial assets at amortised cost (Note 28)	15,904,572	5,874,700	34,257,555	22,847,530	-	78,884,357
Loans to customers (Note 26)	55,701,448	22,486,432	8,537,150	49,765,668	-	136,490,698
Loans to credit institutions (Note 27)	5,120,312	-	-	-	-	5,120,312
Derivative financial assets (iii)	-	-	-	-	3,197,963	3,197,963
Receivables (iv)	18,834,137	1,526,581	951,237	635,456	-	21,947,411
Total	171,502,089	31,526,032	44,522,679	73,609,402	3,197,963	324,358,165

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(II) Interest rate risk (Continued)

(A) Interest-generating assets (Continued)

	As at December 31, 2024					Total RMB'000
	Less than 3 months (i)	3 months to 1 year	1 year to 5 years	Over 5 years	No due time	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Cash and cash equivalents, bank deposit, restricted deposit and balances with central banks (Note 31)	65,560,641	1,203,043	-	-	-	66,763,684
Financial assets at fair value through other comprehensive income (ii) (Note 21)	13,531	55,780	2,146,244	523,144	-	2,738,699
Financial assets at fair value through profit or loss (ii) (Note 30)	488,435	128,240	1,110,005	-	-	1,726,680
Other financial assets at amortised cost (Note 28)	13,701,387	6,577,853	26,955,046	21,669,608	-	68,903,894
Loans to customers (Note 26)	68,128,810	6,239,309	5,758,327	44,908,713	-	125,035,159
Loans to credit institutions (Note 27)	733,598	1,872,961	-	-	-	2,606,559
Derivative financial assets (iii)	25,362	-	-	-	3,866,600	3,891,962
Receivables (iv)	15,665,129	1,185,105	1,391,568	3,800	-	18,245,602
Total	164,316,893	17,262,291	37,361,190	67,105,265	3,866,600	289,912,239

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(II) Interest rate risk (Continued)

(B) Interest bearing liabilities

	As at December 31, 2025					
	Less than 3 months (i)	3 months to 1 year	1 year to 5 years	Over 5 years	No due time	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to customers (Note 41)	137,765,291	12,239,531	4,193,789	113,832	-	154,312,443
Amount due to credit institutions (Note 40)	20,526,842	5,306,360	22,904	442,124	-	26,298,230
Financial liabilities at fair value through profit or loss (Note 42)	3,521,874	7,180,632	15,617,074	1,587,141	-	27,906,721
Borrowings (Note 43)	16,789,316	74,008,847	43,704,685	9,170,479	-	143,673,327
Derivative financial liabilities (iii)	-	-	-	-	3,019,951	3,019,951
Payables (iv)	2,975,001	2,018,824	991,309	951,213	-	6,936,347
Total	181,578,324	100,754,194	64,529,761	12,264,789	3,019,951	362,147,019

	As at December 31, 2024					
	Less than 3 months (i)	3 months to 1 year	1 year to 5 years	Over 5 years	No due time	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to customers (Note 41)	130,386,223	5,821,665	4,813,275	148,696	-	141,169,859
Amount due to credit institutions (Note 40)	15,546,727	4,967,726	19,100	505,955	-	21,039,508
Financial liabilities at fair value through profit or loss (Note 42)	1,897,046	6,769,270	13,880,041	1,676,331	-	24,222,688
Borrowings (Note 43)	7,973,261	80,622,912	28,074,151	14,575,105	-	131,245,429
Derivative financial liabilities (iii)	21,292	6	-	-	2,929,756	2,951,054
Payables (iv)	3,381,521	2,768,129	512,388	6,900	-	6,668,938
Total	159,206,070	100,949,708	47,298,955	16,912,987	2,929,756	327,297,476

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(II) Interest rate risk (Continued)

(C) Interest rate risk gap

	As at December 31, 2025				
	Less than 3 months (i)	3 months to 1 year	1 year to 5 years	Over 5 years	No due time
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Sensitivity gap	(10,076,235)	(69,228,162)	(20,007,082)	61,344,613	178,012

	As at December 31, 2024				
	Less than 3 months (i)	3 months to 1 year	1 year to 5 years	Over 5 years	No due time
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Sensitivity gap	5,110,823	(83,687,417)	(9,937,765)	50,192,278	936,844

- (i) Including at sight and on demand.
- (ii) These financial assets are debt securities.
- (iii) Derivative financial instruments are mainly interest rate swap.
- (iv) Receivables are mainly composed of accounts and notes receivables, other receivables and long-term receivables.
- (v) Payables are mainly composed of trade and notes payables, other payables and long-term payables.

(III) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated balance sheets either at fair value through profit or loss (Note 3.3) or at fair value through other comprehensive income (Note 3.3). The commodity price risk the Group exposed is not material. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The Group's investments in equity of other entities that are publicly traded in the following capital markets: Chinese Mainland, Hong Kong, Europe, United States and Japan.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(III) Price risk (Continued)

The table below summarises the impact of increases/decreases of the mainly capital markets on the Group's profit before income tax and other comprehensive income for the year. The analysis is based on the assumption that the equity indexes had increased/decreased by 5% with all other variables held constant.

Listed equity securities at fair value through profit or loss:

	Impact on profit before income tax Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Listed equity securities:		
Equity securities – Chinese Mainland	235,771	145,418
Equity securities – Hong Kong, China	98,174	11,673
Equity securities – Europe	16,400	11,082
Equity securities – United States	14,089	18,646
Fair value change of listed equity securities	364,434	186,819

Listed equity securities at fair value through other comprehensive income:

	Impact on other comprehensive income Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Listed equity securities:		
Equity securities – Japan	5,557	4,917
Equity securities – Hong Kong, China	2,061	1,915
Equity securities – Others	16,963	12,416
Fair value change of listed equity securities	24,581	19,248

Profit before income tax for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive income would increase/decrease as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

Other market price risk also arises from the Group's investments in unlisted equity securities, including VC Funds and PE Funds.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

(i) *Credit risk management*

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from exposure of loans to customers raised by BIL and non-banking subsidiaries, and credit risk exposure of receivables.

The Group is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities including non-equity trading portfolio assets and derivatives as well as reverse repurchase agreements and settlement balances with market counterparties.

In addition, the Group provides off-balance sheet commitment and guarantee business to customers, so it is possible for the Group to make payment on behalf of the customer in case of customer's default and bear risks similar to the loan. Therefore, the Group applies similar risk control procedures and policies to such business to reduce the credit risk.

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The Group is also confronted with credit risk resulting from receivables that arising from sale of goods and rendering of services within the non-financial services business. The relevant subsidiaries have established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and their bank credit records where available. For other receivables, the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and forward-looking information.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement*

Models

In accordance with IFRS 9 “Financial instruments”, the Group applies the expected credit loss (“ECL”) model to measure the impairment of debt instruments at amortized cost and debt securities at fair value through other comprehensive income.

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to ‘Stage 3’.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

The following diagram summarises the impairment measurement (other than purchased or originated credit-impaired financial assets).

Change in credit quality since initial recognition		
Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
Next 12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) Expected credit loss measurement (Continued)

Models (Continued)

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- The EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- The LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD. LGD is calculated on a 12-month or lifetime basis.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a periodic basis.

Key Judgements and assumptions

The Group applies IFRS 9 to measuring ECL. Different judgements and assumptions are adopted by the subsidiaries engaged in different business.

(1) BIL

A SICR

Since December 31, 2023, BIL has implemented a new quantitative SICR mechanism – instead of a purely rating-based approach – between the origination and a given reporting date. Following this new (PD-based) approach, a SICR will be triggered if the (annualized) IFRS 9 Lifetime PD has increased by more than a pre-determined threshold which depends on the type of exposure. Those thresholds correspond to the expected average PD multiples (in case of deteriorated creditworthiness between the origination and the reporting date) that have been determined by means of a statistical approach on historical data.

Moreover, some qualitative elements and backstop indicators are also used to determine the SICR of a particular exposure, counterparty, portfolio or sub-portfolio as set-out in the BIL Group IFRS 9 Staging policy. These qualitative and/or backstop indicators are based on internal credit risk management practices which aim at targeting exposures that are subject to (i) forbearance measures, (ii) the occurrence of past-due events (higher than 30 days), and (iii) potential financial difficulties. In particular, the client outreach programmes and other proactive credit risk management measures aim to identify qualitative elements that could trigger a SICR.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

B Low credit risk exemption

In parallel with the implementation of the (PD-based) SICR mechanism, BIL has introduced a low credit risk exemption (LCRE) which allows to maintain an exposure in Stage 1 even though a SICR has occurred between the origination and a given reporting date. The LCRE is effective as soon as one of the two following conditions is satisfied (at the reporting date): (i) The (annualized) IFRS 9 Lifetime PD is lower than 30bps; (ii) The external rating (if available) is higher than BBB – (i.e. within the investment-grade category).

C Definition of default and credit-impaired assets

Default is defined as the inability of a borrower or guarantor to meet his/ its obligations vis-à-vis one or more creditors at a given moment or on a lasting basis. BIL must include all products and positions that are potentially at risk. A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place: (i) BIL considers that the obligor is unlikely to pay its credit obligations to the banking group in full, without recourse by the bank to actions such as realizing security. (ii) The obligor is past due more than 90 days on the absolute or relative components of any material credit obligation to the bank group. The absolute component is set at: EUR 100 for retail exposures; EUR 500 for exposures other than retail exposures. The relative component is set at 1%.

As for the SICR (or Stage 2) assessment, some qualitative or backstop indicators aim at identifying credit-impaired (or Stage 3) exposures. Basically, two cases can be distinguished: (i) the exposure is in default (or non-performing) considering the trigger of unlikeliness-to-pay (UTP) criteria, and (ii) a past-due event (higher than 90 days) occurs.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

D Forward-looking Information in the ECL model

BIL considers forward-looking information for measuring ECL. Basically, this consists in using a combination of relevant macro-financial indicators and several representative macroeconomic scenarios that are regularly updated over time. BIL has mainly identified strong dependencies between certain macroeconomic factors and historical default rates (or PD models) by distinguishing high- and low-default risk portfolios. High Default Portfolios (HDP) consider retail counterparts and small and mid-size enterprises using internal default data. The main macroeconomic indicators for forecasting the occurrence of default events for the HDP segment being (i) labour market indicators (unemployment) and (ii) opinion surveys data from Luxembourgish private economic agents (households and manufacturing sector). Low Default Portfolios (LDP) consider two distinct types of exposures (large corporates and banking institutions) using external default data (source: Moody's Analytics). In this regard, the cyclical dynamics of corporate and banking default rates can be apprehended by means of equity prices measured at both the Eurozone and US levels, as well as by using monetary aggregates and market-based risk measures reflecting the build-up or the materialisation of financial vulnerabilities in the euro area notably.

Additional forward-looking components are considered in the ECL modelling process. Specifically, collateral valuation is directly impacted over time by residential property prices that are forecasted for these different countries (or zone): Luxembourg, Germany, France, Belgium and the euro area as a whole.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

D Forward-looking Information in the ECL model (Continued)

Macroeconomic scenarios

BIL use external macroeconomic scenarios. These scenarios are built according to a combination of statistical and econometric methods and compared with other external sources (e.g. European Central Bank, European Commission and International Monetary Fund, etc.).

In order to measure ECL as a probability-weighted amount of expected losses, BIL uses 3 distinct macroeconomic scenarios covering a wide range of potential future economic conditions:

- a baseline (or central) scenario which describes the most likely path of the economy over the projection horizon.
- a downside (or adverse) scenario which describes the impact of the materialisation of some of the risks weighing on the baseline scenario, resulting in a much less favourable economic path. More precisely, this downside scenario corresponds to a recession period which is characterized by the following sequence of events: financial asset prices plummet, real GDP growth becomes negative and labour market conditions strongly deteriorate with a surge in unemployment.
- an upside (or optimistic) scenario which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a much more favourable economic path than in the baseline scenario.

According to the Moody's statistical methodology, the scenarios have a constant weight (or probability of occurrence) over time: 60% for the baseline scenario and 20% for each of the 2 alternative ones. Accordingly, these are the macroeconomic forecasts – i.e. the dynamics of the projected indicators – which are regularly updated in light of the business cycle fluctuations and the most recent economic events or assumptions.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) Expected credit loss measurement (Continued)

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

D Forward-looking Information in the ECL model (Continued)

Macroeconomic scenarios (Continued)

The following table presents the macroeconomic indicators for each scenario (%):

Year 2025 (Prediction period)

	LUXEMBOURG						EUROZONE					
	December 2025			December 2024			December 2025			December 2024		
	Baseline	Upside	Downside	Baseline	Upside	Downside	Baseline	Upside	Downside	Baseline	Upside	Downside
Real GDP	0.6	0.6	0.6	1.5	3.3	(2.1)	1.4	1.4	1.4	1.2	2.8	(2.4)
Unemployment	5.9	5.9	5.9	5.5	5.5	6.2	6.4	6.4	6.4	6.4	6.2	7.1
Consumer Prices	2.5	2.5	2.5	1.9	2.1	1.2	2.1	2.1	2.1	2.0	2.3	1.3
Stock Prices	12.7	12.7	12.7	9.4	21.7	(25.7)	16.8	16.8	16.8	2.9	12.1	(25.4)
Residential Property Prices	3.6	3.6	3.6	3.2	4.7	(1.2)	5.1	5.1	5.1	3.3	4.4	(0.8)

Year 2026 (Prediction period)

	LUXEMBOURG						EUROZONE					
	December 2025			December 2024			December 2025			December 2024		
	Baseline	Upside	Downside	Baseline	Upside	Downside	Baseline	Upside	Downside	Baseline	Upside	Downside
Real GDP	2.3	4.1	(1.1)	2.2	2.7	0.0	1.1	2.7	(2.3)	1.3	1.9	(0.9)
Unemployment	5.8	5.8	6.1	5.5	5.4	6.8	6.4	6.0	7.0	6.4	5.9	7.9
Consumer Prices	2.1	2.3	1.2	2.4	2.6	1.8	1.7	2.1	0.9	1.9	2.1	1.1
Stock Prices	14.3	24.7	(16.8)	7.5	8.5	12.8	7.0	15.2	(18.8)	1.0	2.1	2.3
Residential Property Prices	2.1	3.7	(2.3)	4.4	4.5	0.9	3.6	5.0	(0.1)	3.4	4.8	(1.8)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

E ECL Post-Model Adjustment – Adjustment of the weighting of Macroeconomic Scenarios

Since 30 June 2022 and until 31 December 2024, BIL has implemented a Post-Model Adjustment (PMA) on its modelled ECL where it reviewed the weighting of each macroeconomic scenario (Baseline, Upside and Downside) from 60%/20%/20% to 60%/10%/30%. The implementation of an ECL PMA on macroeconomic scenario weighting is supported by the current macroeconomic outlook which is surrounded by heightened uncertainty and risks predominantly tilted to the downside, notably with the Russia-Ukraine conflict and high interest rates despite the downward trend. The impact of the PMA on the modelled ECL (stage 1 and stage 2 exposures) as at December 31, 2024 amounts to RMB14.1 million. As at 31 December 2025, BIL has decided to remove this PMA and to remove the overweight of the downside scenario. The ECL reported are calculated by applying following weightings to the three macroeconomic scenarios: 60% for the baseline scenario and 20% for each of the 2 alternative ones, aligned with the model principles.

The removal of the PMA is motivated by the fact that the Russia-Ukraine conflict and the challenging macroeconomic environment are now considered as a key assumption fully integrated in the Baseline scenario. An increase in the weight of the downside scenario to 30% is deemed inappropriate given the revision of the scenarios.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) Expected credit loss measurement (Continued)

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

F ECL Sensitivity

The following table compares the reported ECL by stage and by different weighting of scenarios:

	Scenarios weights			As at December 31, 2024		
	Baseline	Upside	Downside	Stage 1 RMB'000	Stage 2 RMB'000	Total RMB'000
Reported ECL (i)	60%	10%	30%	184,828	132,792	317,620
Modelled ECL	60%	20%	20%	175,100	128,391	303,491
Stressed ECL	100%	-	-	159,119	122,369	281,488
	-	100%	-	150,240	115,653	265,893
	-	-	100%	247,904	159,273	407,177
	80%	-	20%	176,876	129,781	306,657
	60%	5%	35%	189,769	134,954	324,723
	60%	-	40%	194,633	137,116	331,749

	Scenarios weights			As at December 31, 2025		
	Baseline	Upside	Downside	Stage 1 RMB'000	Stage 2 RMB'000	Total RMB'000
Reported ECL (i)	60%	20%	20%	148,269	163,266	311,535
Stressed ECL	100%	-	-	135,692	156,654	292,346
	-	100%	-	122,550	146,496	269,046
	-	-	100%	211,641	199,789	411,430
	80%	-	20%	150,849	165,281	316,130
	60%	10%	30%	157,138	168,587	325,725
	60%	5%	35%	161,572	171,248	332,820
	60%	-	40%	166,088	173,908	339,996

(i) Reported ECL excluding the impact of ECL management overlays adjustment.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

G ECL Post – Model Adjustment Mortgage LGD

In December 2025, BIL introduced a new PMA related to the modelled mortgage LGD parameters. The introduction of this adjustment was prompted by successive decreases in the forecasted mortgage LGDs observed during the second half of 2025, which were not aligned with credit risk experts' assessments. Further analysis revealed that these decreases were caused by a change, implemented by the external scenario provider, in the forecasting methodology for one of the macroeconomic variables used as an input to the Mortgage LGD model. In response, BIL decided to calibrate the PMA as a parameter floor, set equal to the stable parameter values observed in September 2025, i.e., prior to the methodological change. As at 31 December 2025, this post-model adjustment amounts to RMB54.6 million of which RMB51.1 million for Stage 3 exposures.

H Management Overlays

ECL Management Overlay (Minimum Disposable Income)

In 2023, BIL has chosen to implement a management overlay, as an additional layer of prudence to anticipate potential credit losses on clients with an insufficient minimum disposable income, or for which BIL is currently unable to determine the minimum disposable income due to a lack of sufficient data in the information system. During the year 2024, actions were taken to remedy this, leading to a significant decrease of this management overlay. As at 31 December 2024, the amount is RMB12.8 million. As at 31 December 2025, BIL has chosen to remove this management overlay following remediation measures to collect lacking information on clients.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) Expected credit loss measurement (Continued)

Key Judgements and assumptions (Continued)

(1) BIL (Continued)

H Management Overlays (Continued)

ECL Management Overlay (Outreach programme – bridge loans and maturing fixed-rate loans)

In 2023, BIL has chosen to implement a management overlay, as an additional layer of prudence to anticipate potential credit losses on clients with a fixed-rate loan whose terms will be reset to current market conditions, and clients with a bridge loan that is approaching maturity. As at 31 December 2024, the total amount is RMB13.5 million. As at 31 December 2025, BIL has chosen to remove this management overlay as the interest rates have significantly decreased compared to the period when this management overlay was implemented.

ECL Management Overlay (Acquisition, Development and Construction (ADC) portfolio)

In 2024, BIL introduced a new management overlay within the ADC portfolio targeted at property developers. The rationale behind the introduction of this overlay was based on the uncertainty on near-term recovery prospects for off-plan sales. As at 31 December 2025, the situation of the real estate development sector in Luxembourg is still complex and uncertain. For this reason, BIL has decided to maintain this management overlay. The impact of this management overlay amounts to RMB133.4 million as at 31 December 2025, including Stage 3 exposures for RMB98.0 million (RMB115.1 million as at 31 December 2024 of which Stage 3 exposures for RMB72.3 million).

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

(2) Subsidiaries engaged in the financial services other than banking business

A SICR

The subsidiaries engaged in the financial services other than banking business considers a financial instrument to have experienced a SICR if the borrower meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans
- Credit risk level falls 2 levels compared to the initial recognition of financial instruments

For the debtor's contractual payments (including principal and interest) that more than 30 days past due, the subsidiaries engaged in the financial services other than banking business considers a financial instrument to have experienced a SICR, and classifies it into Stage 2.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

(2) Subsidiaries engaged in the financial services other than banking business (Continued)

B Definition of default and credit-impaired assets

The subsidiaries engaged in the financial services other than banking business define a financial instruments as in default, which is fully aligned with the definition of credit-impaired when one or more of the following criteria have been met. Evidence that a financial instrument is default/credit-impaired include observable data about the following events:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses
- The borrower is more than 90 days past due on its contracted payments

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(II) *Expected credit loss measurement (Continued)*

Key Judgements and assumptions (Continued)

- (2) Subsidiaries engaged in the financial services other than banking business (Continued)

C Forward-looking Information

The subsidiaries engaged in the financial services other than banking business have performed historical analysis and identified the key economic variables impacting credit risk and ECL for each portfolio. These economic variables and their associated impact on the PD and LGD vary by financial instrument. Expert judgment has also been applied in this process. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of PD and LGD.

In addition to providing a baseline economic scenario, the subsidiaries engaged in the financial services other than banking business combines statistical analysis with experts' judgement to determine the weight of upside and downside scenarios. Following this assessment, the Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). The weighted average credit loss is calculated by multiplying the ECL for each scenario by the weight of the corresponding scenario.

- (3) Other subsidiaries

Besides BIL and the subsidiaries engaged in the financial services other than banking business, the other subsidiaries of the Company applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, accounts receivables have been grouped based on shared credit risk characteristics and the days past due. In the provision of ECL on a group basis, the other subsidiaries of the Company have obtained sufficient information to ensure statistical reliability and has classified exposures with similar risk characteristics.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The other subsidiaries of the Company has identified the GDP and the unemployment rate, etc of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure

Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Maximum exposure to credit risk of the Group				
	Year 2025				
	Stage 1 12 months expected credit loss RMB'000	Stage 2 Lifetime expected credit loss RMB'000	Stage 3 Lifetime expected credit loss RMB'000	Trade and note receivables Lifetime expected credit loss RMB'000	Total RMB'000
Receivables (i)	51,586,429	1,916,261	3,866,413	105,496,570	162,865,673
Loans to credit institutions (Note 27)	5,120,373	–	2	–	5,120,375
Loans to customers (Note 26)	116,582,556	15,252,475	8,324,573	–	140,159,604
Other financial assets at amortised cost (Note 28)	78,890,364	–	28,078	–	78,918,442
Financial assets at fair value through other comprehensive income (ii)	1,137,485	–	–	–	1,137,485
Gross balance	253,317,207	17,168,736	12,219,066	105,496,570	388,201,579
Allowance for impairment losses	(659,324)	(722,547)	(4,751,717)	(2,134,983)	(8,268,571)
Net balance	252,657,883	16,446,189	7,467,349	103,361,587	379,933,008

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

	Maximum exposure to credit risk of the Group				
	Year 2024				
	Stage 1 12 months expected credit loss RMB'000	Stage 2 Lifetime expected credit loss RMB'000	Stage 3 Lifetime expected credit loss RMB'000	Trade and note receivables Lifetime expected credit loss RMB'000	Total RMB'000
Receivables (i)	42,072,110	1,552,565	1,481,384	77,510,037	122,616,096
Loans to credit institutions (Note 27)	2,607,107	7	–	–	2,607,114
Loans to customers (Note 26)	105,070,129	14,522,899	8,727,697	–	128,320,725
Other financial assets at amortised cost (Note 28)	68,913,962	–	28,587	–	68,942,549
Financial assets at fair value through other comprehensive income (ii)	2,738,699	–	–	–	2,738,699
Gross balance	221,402,007	16,075,471	10,237,668	77,510,037	325,225,183
Allowance for impairment losses	(626,242)	(386,357)	(3,511,240)	(1,943,903)	(6,467,742)
Net balance	220,775,765	15,689,114	6,726,428	75,566,134	318,757,441

(i) Receivables mainly composed of trade and note receivables, receivables generated from finance leasing, other receivables, long-term receivables, other current assets and other non-current assets.

(ii) These financial assets are debt securities.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

IFRS 9 has been adopted by the Group to measure provisions for loans commitments and financial guarantees etc. As at December 31, 2025, the maximum exposure to credit risk of the commitments in respect of loans granted and commitments in respect of guarantee given is RMB33,210 million (As at December 31, 2024, RMB33,869 million), ECL provision recognized is RMB87 million (As at December 31, 2024, RMB98 million).

Maximum exposure to credit risk – Financial instruments not subject to impairment

The following table contains an analysis of the credit risk exposure of financial assets at fair value through profit or loss and derivatives financial assets that are not subject to impairment:

	As at December 31, 2025	As at December 31, 2024
	Maximum exposure to credit risk RMB'000	Maximum exposure to credit risk RMB'000
Financial assets at fair value through profit or loss (i) (Note 30)	1,623,784	1,726,680
Derivative financial assets (Note 22)	3,569,682	5,403,942

(i) These financial assets are debt securities.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Collateral and other credit enhancements

The Group uses a series specific policies and practice to reduce credit risk, among which the most widely use is collateral. The Group makes policies related acceptance of specific collateral and slow release of credit risk.

The overdue loans are listed as follows according to the guarantee method and overdue situation:

	As at December 31, 2025		
	Overdue 1-90 days RMB'000	Overdue over 91 days RMB'000	Total RMB'000
Unsecured	290,186	1,400,077	1,690,263
Guaranteed	15,161	433,238	448,399
Secured by collateral	783,531	1,480,562	2,264,093
Secured by pledge	21,340	167,163	188,503
	1,110,218	3,481,040	4,591,258

	As at December 31, 2024		
	Overdue 1-90 days RMB'000	Overdue over 91 days RMB'000	Total RMB'000
Unsecured	221,388	1,183,599	1,404,987
Guaranteed	5,266	667,076	672,342
Secured by collateral	1,162,889	1,572,986	2,735,875
Secured by pledge	8,587	296,618	305,205
	1,398,130	3,720,279	5,118,409

As at December 31, 2025 and 2024, the Group's maximum exposure covered by the fair value of collateral held of overdue loans is RMB4,502 million and RMB5,208 million.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Credit risk exposure of BIL:

Stage 1 Credit Risk Exposure	As at December 31, 2025					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Commitments in respect of guarantees given	249,359	1,991,485	1,346,261	2,145,494	-	5,732,599
Commitments in respect of loans granted	3,456,425	6,264,663	6,133,433	8,606,513	-	24,461,034
Financial assets at FVOCI (debt instruments only)	414,439	554,716	-	-	-	969,155
Loans and advances	16,612,034	51,275,790	33,463,110	27,673,946	-	129,024,880
Other financial assets at amortised cost	47,930,376	30,360,191	332,564	1,286,405	-	79,909,536
Stage 1 Total Credit Risk Exposures	68,662,633	90,446,845	41,275,368	39,712,358	-	240,097,204

Stage 2 Credit Risk Exposure	As at December 31, 2025					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Commitments in respect of guarantees given	-	14,618	282,826	273,450	-	570,894
Commitments in respect of loans granted	35	538,280	1,425,363	154,200	-	2,117,878
Loans and advances	129,944	2,337,581	8,211,114	3,868,549	-	14,547,188
Other financial assets at amortised cost	-	123,002	-	-	-	123,002
Stage 2 Total Credit Risk Exposures	129,979	3,013,481	9,919,303	4,296,199	-	17,358,962

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Credit risk exposure of BIL (Continued):

Stage 3 Credit Risk Exposure	As at December 31, 2025					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Commitments in respect of guarantees given	1,775	-	-	-	323,343	325,118
Commitments in respect of loans granted	-	-	-	-	2,378	2,378
Loans and advances	103,415	-	-	-	4,126,279	4,229,694
Other financial assets at amortised cost	-	-	-	-	74,832	74,832
Stage 3 Total Credit Risk Exposures	105,190	-	-	-	4,526,832	4,632,022

Other Credit Risk Exposure	As at December 31, 2025					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Derivatives	282,051	1,760,983	94,280	285,962	2,221	2,425,497
Total other Credit Risk Exposures	282,051	1,760,983	94,280	285,962	2,221	2,425,497
Total Credit Risk Exposures	69,179,853	95,221,309	51,288,951	44,294,519	4,529,053	264,513,685

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Credit risk exposure of BIL (Continued):

Stage 1 Credit Risk Exposure	As at December 31, 2024					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Commitments in respect of guarantees given	105,933	2,008,300	3,234,172	2,072,977	-	7,421,382
Commitments in respect of loans granted	3,505,230	5,702,361	7,088,927	6,655,339	-	22,951,857
Financial assets at FVOCI (debt instruments only)	468,240	246,838	-	-	-	715,078
Loans and advances	18,498,441	44,595,276	44,713,157	11,184,063	-	118,990,937
Other financial assets at amortised cost	49,641,643	17,004,306	683,422	5,570,520	-	72,899,891
Stage 1 Total Credit Risk Exposures	72,219,487	69,557,081	55,719,678	25,482,899	-	222,979,145

Stage 2 Credit Risk Exposure	As at December 31, 2024					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Commitments in respect of guarantees given	7,526	34,867	592,904	565,707	-	1,201,004
Commitments in respect of loans granted	31	419,490	1,570,130	20,067	-	2,009,718
Loans and advances	130,969	2,699,992	10,172,787	474,353	-	13,478,101
Other financial assets at amortised cost	-	764	-	-	-	764
Stage 2 Total Credit Risk Exposures	138,526	3,155,113	12,335,821	1,060,127	-	16,689,587

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Credit risk exposure of BIL (Continued):

Stage 3 Credit Risk Exposure	As at December 31, 2024					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Commitments in respect of guarantees given	-	-	-	-	281,005	281,005
Commitments in respect of loans granted	-	-	-	-	4,490	4,490
Loans and advances	97,260	-	-	2,182	4,664,172	4,763,614
Stage 3 Total Credit Risk Exposures	97,260	-	-	2,182	4,949,667	5,049,109

Other Credit Risk Exposure	As at December 31, 2024					
	AAA to AA- RMB'000	A+ to BBB- RMB'000	Non investment grade RMB'000	Unrated RMB'000	Default RMB'000	Total RMB'000
Derivatives	133,548	1,701,848	43,430	77,315	1,908	1,958,049
Total other Credit Risk Exposures	133,548	1,701,848	43,430	77,315	1,908	1,958,049
Total Credit Risk Exposures	72,588,821	74,414,042	68,098,929	26,622,523	4,951,575	246,675,890

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(III) Credit risk exposure (Continued)

Credit risk exposure of BIL (Continued):

Credit risk exposure is shown as follows:

- Balance sheet assets other than derivative contracts are valued at their net value (i.e. the carrying value after deduction of any provision);
- Derivative contracts are recorded at their mark-to-market value plus add-on (“add-on” is an estimate of potential future exposure, this value is not recorded but is added on for regulatory purposes);
- Off-balance sheet items are shown in terms of total commitment.

The total amount of off-balance sheet commitments corresponds to unused lines of credit or to the maximum amount of guarantees granted by BIL to third parties.

(IV) Write-off policy

Problem loans are written-off, in full or in part, as soon as the Bank considers that there is no reasonable expectation of recovery of the balance outstanding (or part thereof) whether the legal claim against the borrower remains or not. Relevant loans will be written off after approval. Write-off will ordinarily be accommodated via utilization of loan loss provisions raised previously.

The Group may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended December 31, 2025 and 2024 is RMB101 million and RMB530 million. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

(c) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group. The Group monitors its subsidiaries’ rolling forecasts of short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institution so that it does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The following tables provide an analysis of financial assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the year:

As at December 31, 2025	Less than 3 months (i) RMB'000	3 months to 1 year RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Assets					
Cash and cash equivalents, bank deposit, restricted deposit and balances with central banks (Note 31)	74,962,471	993,684	–	–	75,956,155
Financial assets at fair value through other comprehensive income (ii) (Note 21)	–	–	776,737	360,748	1,137,485
Financial assets at fair value through profit or loss (ii) (Note 30)	340,898	1,282,886	–	–	1,623,784
Other financial assets at amortised cost (Note 28)	2,720,170	4,599,230	38,325,160	33,239,797	78,884,357
Loans to customers (Note 26)	21,951,821	9,479,527	29,182,560	75,876,790	136,490,698
Loans to credit institutions (Note 27)	4,626,134	89	494,089	–	5,120,312
Receivables (iii)	140,311,244	11,185,325	9,335,703	872,511	161,704,783
Total	244,912,738	27,540,741	78,114,249	110,349,846	460,917,574
Liabilities					
Amount due to customers (Note 41)	137,765,291	12,239,531	4,193,789	113,832	154,312,443
Amount due to credit institutions (Note 40)	20,526,842	5,306,360	22,904	442,124	26,298,230
Financial liabilities at fair value through profit or loss (Note 42)	3,521,874	7,176,380	15,669,877	2,950,522	29,318,653
Borrowings (Note 43)	16,789,316	41,303,097	68,410,130	17,170,784	143,673,327
Lease liabilities (Note 16)	384,269	662,841	1,745,814	1,003,085	3,796,009
Payables (iv)	200,667,799	12,835,083	4,817,007	136,069	218,455,958
Total	379,655,391	79,523,292	94,859,521	21,816,416	575,854,620
Net liquidity exposure	(134,742,653)	(51,982,551)	(16,745,272)	88,533,430	(114,937,046)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at December 31, 2024	Less than 3 months (i) RMB'000	3 months to 1 year RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Assets					
Cash and cash equivalents, bank deposit, restricted deposit and balances with central banks (Note 31)	65,526,840	1,236,844	–	–	66,763,684
Financial assets at fair value through other comprehensive income (ii) (Note 21)	13,532	55,780	2,146,243	523,144	2,738,699
Financial assets at fair value through profit or loss (ii) (Note 30)	82,350	534,325	1,110,005	–	1,726,680
Other financial assets at amortised cost (Note 28)	3,094,276	6,647,017	28,281,099	30,881,502	68,903,894
Loans to customers (Note 26)	22,555,995	9,761,272	23,592,194	69,125,698	125,035,159
Loans to credit institutions (Note 27)	1,710,743	895,816	–	–	2,606,559
Receivables (iii)	102,057,952	8,463,475	9,454,942	133,104	120,109,473
Total	195,041,688	27,594,529	64,584,483	100,663,448	387,884,148
Liabilities					
Amount due to customers (Note 41)	130,386,895	5,846,790	4,787,478	148,696	141,169,859
Amount due to credit institutions (Note 40)	15,546,727	4,967,726	19,100	505,955	21,039,508
Financial liabilities at fair value through profit or loss (Note 42)	1,897,046	6,769,270	13,907,569	3,063,054	25,636,939
Borrowings (Note 43)	7,973,261	51,375,279	50,272,518	21,624,371	131,245,429
Lease liabilities (Note 16)	246,953	585,183	1,798,179	258,822	2,889,137
Payables (iv)	181,951,080	16,543,268	4,348,243	742,686	203,585,277
Total	338,001,962	86,087,516	75,133,087	26,343,584	525,566,149
Net liquidity exposure	(142,960,274)	(58,492,987)	(10,548,604)	74,319,864	(137,682,001)

(i) Including at sight and on demand.

(ii) These financial assets are debt securities.

(iii) Receivables mainly composed of accounts and note receivables, other receivables and long-term receivables.

(iv) Payables mainly composed of trade and notes payables, other payables and long-term payables.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of total debt to total capital ratio. The ratio is calculated by dividing total debt by total equity and total debt. And total debt is the total borrowings of the Group at the end of each financial period. The Group's total debt to total capital ratios as at December 31, 2025 and 2024 are as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Total borrowings (Note 43)	143,673,327	131,245,429
Total equity	108,811,184	97,645,565
Total debt to total capital ratio	56.90%	57.34%

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2025 and 2024.

	As at December 31, 2025			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Associates measured at fair value through profit or loss	–	–	11,833,773	11,833,773
Financial assets at fair value through profit or loss				
– Listed equity securities	1,936,554	327,990	5,024,135	7,288,679
– Unlisted equity securities	–	–	24,442,996	24,442,996
– Listed debt securities	3,859	–	–	3,859
– Unlisted debt securities	–	116,032	1,503,893	1,619,925
Derivative financial assets	–	3,303,695	265,987	3,569,682
Financial assets at fair value through other comprehensive income				
– Listed equity securities	491,612	–	–	491,612
– Unlisted equity securities	–	–	2,988,982	2,988,982
– Listed debt securities	1,137,485	–	–	1,137,485
Accounts and notes receivable	–	96,686,059	–	96,686,059
Total	3,569,510	100,433,776	46,059,766	150,063,052
Liabilities				
Financial liabilities at fair value through profit or loss	–	14,921,252	14,397,401	29,318,653
Derivative financial liabilities	–	3,200,090	1,508,700	4,708,790
Total	–	18,121,342	15,906,101	34,027,443

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

	As at December 31, 2024			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Associates measured at fair value through profit or loss	–	–	13,340,631	13,340,631
Financial assets at fair value through profit or loss				
– Listed equity securities	1,855,005	221,640	1,659,735	3,736,380
– Unlisted equity securities	–	–	24,292,664	24,292,664
– Listed debt securities	3,867	4,907	–	8,774
– Unlisted debt securities	–	209,867	1,508,039	1,717,906
Derivative financial assets	–	5,238,263	165,679	5,403,942
Financial assets at fair value through other comprehensive income				
– Listed equity securities	384,953	–	–	384,953
– Unlisted equity securities	–	–	2,630,729	2,630,729
– Listed debt securities	2,738,699	–	–	2,738,699
Accounts and notes receivable	–	71,396,770	–	71,396,770
Total	4,982,524	77,071,447	43,597,477	125,651,448
Liabilities				
Financial liabilities at fair value through profit or loss	–	15,047,261	10,589,678	25,636,939
Derivative financial liabilities	–	2,695,022	520,889	3,215,911
Total	–	17,742,283	11,110,567	28,852,850

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. According to the restriction and reduction rules of the stock exchange for the original shares held before listing, shares of some new listed companies need to wait for a certain period of time to be sold, which is regarded as restricted shares. The fair value of these restricted shares is determined based on the closing price on the valuation date with consideration of the discount for lack of marketability, and such instrument is included in level 3.

The significant non-observable input for the restricted shares is the discount for lack of marketability, which ranges from 0% to 33%. The balance of assets of this category was RMB5,024 million as at December 31, 2025. (The significant non-observable input for the restricted shares is the discount for lack of marketability, which ranges from 1% to 11.8% in 2024. The balance of assets of this category was RMB1,660 million as at December 31, 2024).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swap is calculated as the present value of estimated future cash flow based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

As at December 31, 2025 and December 31, 2024, associates measured at fair value through profit or loss comprise investments in VC funds and PE funds, which are subject to the terms and conditions set forth in the offering prospectus of each fund. The fair value of the investments in these associates is based primarily on the portion of the net asset value (“NAV”) reported by the fund that is attributable to the Group. The NAV is derived from the fair value of these investments at the reporting date of the Group (the vast majority of the financial assets reported by the Fund are measured at fair value), and the Group understand and evaluate the valuations provided by the general partners of the associates and make necessary adjustments based on the results of the evaluation. The Group have not made any adjustments to the underlying values.

These investments in associates that are measured at fair value through profit or loss are included in level 3. Unobservable inputs that would significantly affect the fair value are the net asset value of the associate as reported by the general partner and adjustments made by the Group (if applicable).

The Group’s certain business combination activities involved post-acquisition performance-based contingent considerations. The Group recognises contingent considerations and the corresponding written put option liabilities at their fair values, which is determined based on the terms of agreements and with reference to the estimated post-acquisition performance of the acquired subsidiaries/businesses. Judgment is required to determine key assumptions (such as growth rate, margins and discount rate) adopted in the estimation of post-acquisition performance of the acquired subsidiaries/businesses. Changes to key assumptions can significantly affect the amounts of considerations to be paid. Contingent considerations shall be re-measured at their fair value resulting from events or factors emerge after the acquisition date, with any resulting gain or loss recognised in the consolidated income statement.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the changes in level 3 financial assets for the year ended December 31, 2025 and 2024, respectively.

	Associates measured at fair value through profit or loss <i>RMB'000</i>	Financial assets at fair value through profit or loss <i>RMB'000</i>	Financial assets at fair value through other comprehensive income <i>RMB'000</i>	Derivative financial assets <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2025	13,340,631	27,460,438	2,630,729	165,679	43,597,477
Additions/capital contributions	576,486	5,318,203	16,226	212,863	6,123,778
Disposals/return of capital	(609,885)	(2,273,259)	(41,199)	–	(2,924,343)
Transfers out to level 1 (i)	–	(637,243)	–	–	(637,243)
Transfers in from level 1(i)	–	150	–	–	150
Fair value (losses)/gains recognised in income statement	(1,309,501)	1,059,778	–	(129,960)	(379,683)
Gains recognised in other comprehensive income	–	–	194,625	–	194,625
Exchange adjustment	(163,958)	42,957	188,601	17,405	85,005
At December 31, 2025	11,833,773	30,971,024	2,988,982	265,987	46,059,766
At January 1, 2024	14,778,452	29,403,707	3,358,343	198,742	47,739,244
Additions/capital contributions	1,318,172	2,307,811	43,246	158,073	3,827,302
Disposals/return of capital	(1,521,678)	(2,701,464)	(490)	–	(4,223,632)
Transfers out to level 1 (i)	–	(880,281)	–	–	(880,281)
Fair value losses recognised in income statement	(1,389,569)	(637,660)	–	(183,341)	(2,210,570)
Losses recognised in other comprehensive income	–	–	(676,038)	–	(676,038)
Exchange adjustment	155,254	(31,675)	(94,332)	(7,795)	21,452
At December 31, 2024	13,340,631	27,460,438	2,630,729	165,679	43,597,477

- (i) The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the date of the event caused the transfer. Several investments were no longer possible to determine the fair value of these investment using quoted prices or observable market data, they have been reclassified from level 1/2 into level 3. Reclassification from level 3 to level 1/2 was caused by the availability of the investments' quoted prices or observable market data. Other than the aforementioned transfer of equity securities among different levels, there were no transfers between the levels of the fair value hierarchy in the year ended December 31, 2025 and 2024.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the changes in level 3 financial liabilities of the Group for the year ended December 31, 2025 and 2024.

	Amounts <i>RMB'000</i>
At January 1, 2025	11,110,567
Additions	12,634,630
Derecognition	(7,724,017)
Recognised in consolidated income statement	(726,819)
Exchange adjustment	821,029
Interest payment	(209,289)
At December 31, 2025	15,906,101
At January 1, 2024	9,865,265
Additions	9,423,388
Derecognition	(7,602,014)
Recognised in consolidated income statement	(184,211)
Exchange adjustment	(391,861)
At December 31, 2024	11,110,567

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

4.1 Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

(a) Expected credit loss

In measuring ECL in accordance with IFRS 9 "Financial Instruments", each subsidiary in different industries of the Company applies different critical judgments and assumptions based on the principles described in Note 3.1(b).

(b) Estimated impairment of non-financial assets

The Group tests at least annually whether goodwill and other intangible assets that have indefinite useful lives have suffered any impairment. Other non-financial assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The assets are allocated to each of CGUs, or groups of CGUs. The recoverable amounts of CGUs have been determined based on the higher amount of fair value less disposal cost model and value in use model. These calculations require the use of estimates.

Under the fair value less disposal cost model, the management make estimates based on quoted prices of active markets or adjusted prices based on observable inputs. The value in use calculation primarily use cash flow projections based on financial budgets, in general covered five years, approved by management and estimated terminal values at the end of the five-year period. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected growth rate in revenue, expected gross margin and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value.

Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgment is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment estimation.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and key assumptions (Continued)

(c) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swap is calculated as the present value of estimated future cash flow based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis and market approach, are used to determine fair value for the remaining financial instruments.

(d) Fair value of VC Funds and PE Funds

The fair value of investments in VC Funds and PE Funds that are not quoted in an active market is primarily valued based on the latest net asset value provided by their general partners. The Group reviews the details of the reported information and may make adjustments to the reported net asset value based on considerations such as:

- (i) the valuation of VC Funds and PE Funds' underlying investments;
- (ii) the value date of the net asset value provided;
- (iii) cash flows (calls/distributions) since the latest value date; and
- (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by fund's general partner.

The models used to determine fair values are validated and periodically reviewed by the Group. The carrying values of the VC Funds and PE Funds may be significantly different from the values ultimately realised on an exit via a secondary market sale.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and key assumptions (Continued)

(e) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The tax liabilities recognised are based on management's assessment of the likely outcome.

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred income tax assets are mainly recognised for temporary differences such as warranty provision, accrued sales rebates, bonus accruals, fair value change on financial assets, and other accrued expenses, and unused tax losses carried forward to the extent it is probable that future taxable profits will be available against which deductible temporary differences and the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves judgment regarding the future financial performance of the particular legal entity or tax group in which the deferred income tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred income tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred income tax assets and related financial models and budgets are reviewed at each balance sheet date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilization periods to allow utilization of the carry forward tax losses or temporary difference, the asset balance will be reduced and the difference charged to the consolidated income statement.

If the final tax outcome of these matters differs from the amounts initially recorded, the difference will impact the provision for income taxes and deferred income tax assets and liabilities in the period in which the decision is made.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and key assumptions (Continued)

(f) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate, expected return on assets and salary growth. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

The expected return on plan assets is based on market expectation for return over the life of the related assets and obligations. The salary growth assumption reflects the Group's long-term actual experience and future and near-term outlook. Actual results that differ from assumption are generally recognised in the year they occur.

(g) Fair value of identifiable assets and liabilities acquired through business combinations

The Group records assets acquired and liabilities assumed in business combinations at fair value on the date of acquisition. Significant judgment is used to estimate the fair value of the assets and liabilities acquired, including estimating future cash flows from the acquired business, determining appropriate discount rates, asset useful lives and other assumptions.

(h) Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. The key assumptions used in this determination and the sensitivity of the directors' estimates of these assumptions to the carrying amount of the investment properties are set out in Note 17.

(i) Depreciation and amortisation

Property, plant and equipment (excluding land and construction in progress), right-of-use assets and intangible assets (excluding goodwill and intangible assets with indefinite useful life) are depreciated and amortised using the straight-line method during the estimated useful lives of these assets to allocate the cost of the assets to their estimated net residual values. The Group reviews the estimated useful lives and estimated residual values periodically, to ensure that method and rate of depreciation/amortisation are consistent with the pattern how such assets' economic benefits are expected to be realised.

The Group makes estimates of the useful lives and residual values of such assets, based on historical experience and with reference to estimated technical improvement. In case of significant changes in estimated useful lives and residual values, depreciation and amortisation expenses will be adjusted accordingly.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and key assumptions (Continued)

(j) Provision for decline in the value of inventories

The Group measures inventories according to the lower of cost and net realisable value at the balance sheet date, and the calculation of net realisable value requires assumptions and estimates. If the management revises the estimated selling price and cost and expenses to be incurred till completion, the estimates of net realisable value will be impacted, and the difference from the original estimates will affect the provision for decline in the value of inventories.

(k) Warranty provision

Warranty provision is provided based on the estimated cost of product warranties when revenue is recognised. Factors that affect the Group's warranty liability include the number of units sold under warranty, historical and anticipated rates of warranty claims on those units, and cost expected to be incurred to satisfy warranty obligation of each reimbursement of the Group. The estimation basis is reviewed on an on-going basis and revised where appropriate. Certain of these costs are reimbursable from the suppliers in accordance with the terms of relevant arrangements with the suppliers. These amounts are recognised as a separate asset, to the extent of the amount received or receivable, when it is almost certain that reimbursement will be received if the Group settles the obligation.

(l) Fair value of biological assets

The biological assets of the salmon that are in the fattening stage in seawater are measured at the net value of fair value less the estimated costs at the point of sale applying the criteria of weight described at Note 2.16, except when the fair value cannot be determined reliably. The estimation of the fair value is based on a series of uncertain assumptions, including fish total weight (average mortality applied), average weight, harvest weight, distribution of quality and estimated selling price. The weight of fish is based on the number of juvenile fish planted in seawater, the estimate of growth momentum, the mortality of the fish in the feeding centers, etc. The Group determines market prices based on historical sales and industry statistics in each market.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgments in applying the accounting policies

(a) Classification of investments

The classification of an investment is based on the commercial substance of the contractual arrangement, and the fact whether the Group is determined to have control, joint control or significant influence, also, the purpose of the investment and moreover, it could also be influenced by the certain terms stipulated in the investment agreement which may lead to a complex accounting treatment. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group made its assessment on whether it has the level of power to govern the financial and operating policies of the VC Funds and PE Funds in accordance with the guidance of IFRS 10, given the significant exposure to variable returns from involvement with these funds. Pursuant to the investment agreements entered into between the Group and the general partners/management companies, the general partners/management companies have the power to direct the relevant activities of the funds and are functioning as principals. Therefore, the directors determined that the Group does not have control but only exercise significant influence over most VC Funds and PE Funds (Note 12(b)).

Investments in preferred shares of associates of the Group are recognised as financial assets at fair value through profit or loss.

The investments over which the Group do not have control, joint control or significant influence are recognised as financial assets. The Group classifies its financial assets in the following categories: (a) at fair value through profit or loss; (b) financial assets at fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgments in applying the accounting policies (Continued)

(b) Revenue recognition

The Group needs to make judgments and estimates of the revenue recognition. Specifically, complex arrangements with non-standard terms and conditions may require significant contract interpretation to determine the appropriate accounting treatment, including whether the deliverables specified in a bundling arrangement should be treated as individual units for accounting treatment. Other significant judgments include determining whether the Group or a distributor is acting as the principal in a transaction and whether separate contracts are considered as part of one arrangement.

Revenue recognition of IT products

The Group's subsidiary, Lenovo sells the products to channels. Sales through channels are primarily made under agreements allowing for volume discounts, price protection and rebates, and marketing development funds. Lenovo monitors the channel's inventory level with reference to historical data, using systematic and consistent method, and defers the related excess revenue and costs of sales if channel's inventory exceeds the reasonable level. Revenue recognition is also influenced by the estimated provision for volume discount, price protection and rebate. Lenovo calculates such provisions, taking into account various factors, which include specific transactions, historical experience, and market and economic situations.

(c) Consolidation of entities in which the Group holds less than 50% voting rights

Management consider that the Group has de facto control over Lenovo even though it has less than 50% of the voting rights based on the following factors: 1) as at December 31, 2025, the Group is the single largest shareholder of Lenovo with 32.95% equity interest as same as the proportion of voting rights; 2) the Company obtained an "acting in concert" undertaking from other five shareholders; and 3) the rest of the voting rights of Lenovo is dispersed and since the date of Lenovo's listing, there has been no history of any other shareholders collaborating to exercise their vote collectively or to out vote the Group.

Management consider that the subsidiary of the Company, Joyvio Group has de facto control over Joyvio Food even though it has less than 50% of the voting rights based on the following factors: 1) as at December 31, 2025, the Joyvio Group is the single largest shareholder of Joyvio Food with 46.08% equity interest as same as the proportion of voting rights; 2) the rest of the voting rights of Joyvio Food is dispersed and according to the recent general meetings of shareholders, there has been no history of any other shareholders collaborating to exercise their vote collectively or to out vote the Joyvio Group; 3) Joyvio Group has majority seats of the board in voting for the related operating activities; and 4) The Group has provided a significant financial support arrangement to Joyvio Food.

Management consider that the subsidiary of the Company, Levima Group has de facto control over Levima Advanced Materials Corporation (Levima) even though it has less than 50% of the voting rights based on the following factors: 1) as at December 31, 2025, the Levima Group is the single largest shareholder of Levima with 48.77% equity interest as same as the proportion of voting rights; 2) the rest of the voting rights of Levima is dispersed and according to the recent general meetings of shareholders, there has been no history of any other shareholders collaborating to exercise their vote collectively or to out vote the Levima Group; 3) Levima Group has majority seats of the board in voting for the related operating activities.

5. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purpose of allocating resources and assessing performance.

For management purpose, the Group is organized into business units based on their products and services. Different businesses require different technologies and marketing strategies. The Group, therefore, separately manages the production and operation of each segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

Diversified-industries Operation:

- Lenovo, which is primarily engaged in providing innovative intelligent devices and infrastructure, and creates intelligent solutions, services and software;
- Levima Group, which mainly engaged in the research and development, production and sales of advanced material products;
- Joyvio Group, which operates mainly to engaged in modern agriculture and food related business; and
- BIL, which mainly offers integrated banking services, including corporate and institutional banking, retail banking, private banking, capital markets, etc.

Industrial incubations and investments:

Which is engaged in investment in the PE Funds and VC Funds as a limited partner and holds interest in the general partners of certain funds. It also makes early stage or "angel" investments in technology start-ups and minority investments in other entities. It also invests in aviation logistics, financial services, medical and health care, and office leasing services, etc.

The unallocated amounts primarily represent corporate expenses that are not directly allocated to one of the aforementioned operating segments. The unallocated amounts also include other income statement items such as employee benefit expense, finance income and costs, which cannot be directly identified to specific operating segments. Segment assets consist, primarily of investment properties, property, plant and equipment, intangible assets, right-of-use assets, inventories, receivables and cash and cash equivalents. Segment liabilities primarily comprise operating liabilities.

The Board of Directors assesses the performance of the operating segments based on a measure of net profit and profit attributable to equity holders of the Company.

5. SEGMENT INFORMATION (Continued)

Year ended December 31, 2025

	Diversified-industries Operation				Industry Incubations and Investments	Unallocated	Elimination	Total
	Lenovo	Levima Group	Joyvio Group	BIL				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue								
Sales/provide services to external customers	560,407,506	7,024,410	27,708,999	2,203,292	4,667,693	-	-	602,011,900
Interest income	-	-	-	10,941,480	240,983	-	-	11,182,463
Interest expense	-	-	-	(7,249,242)	-	-	-	(7,249,242)
Inter-segment sales/provide services	-	-	-	-	5,593	-	(5,593)	-
Total	560,407,506	7,024,410	27,708,999	5,895,530	4,914,269	-	(5,593)	605,945,121
Segment results								
Profit/(losses) before income tax	14,967,883	308,639	(1,211,668)	1,825,638	(537,085)	(1,841,088)	-	13,512,319
Income tax (expense)/credit	(3,059,389)	(91,018)	120,856	(177,737)	(927,269)	421,223	-	(3,713,334)
Profit/(losses) for the year	11,908,494	217,621	(1,090,812)	1,647,901	(1,464,354)	(1,419,865)	-	9,798,985
Profit/(losses) attributable to equity holders of the Company for the year	3,270,825	66,571	(862,505)	1,482,781	(1,477,011)	(1,419,865)	-	1,060,796
Segment assets	346,065,075	27,070,203	21,915,482	259,940,883	94,556,325	35,481,528	(10,505,035)	774,524,461
Segment liabilities	312,655,113	17,659,759	19,115,701	234,614,898	37,723,947	52,043,681	(8,099,822)	665,713,277
Other segment information:								
Depreciation and amortisation (Note 8)	(10,098,256)	(682,760)	(540,628)	(669,333)	(237,912)	(3,979)	-	(12,232,868)
Impairment loss for non-current assets (Note 8)	(1,756,833)	-	(219,731)	(16,731)	(535,608)	-	-	(2,528,903)
Investment income and gains/(losses) (Note 6)	2,461,367	1,475	(46,287)	370,516	971,181	-	(31,214)	3,727,038
Finance income	794,900	141,424	35,579	-	74,811	489,599	(287,026)	1,249,287
Finance costs	(4,977,222)	(253,572)	(660,196)	-	(582,024)	(2,119,417)	318,270	(8,274,161)
Share of (losses)/profit of associates and joint ventures accounted for using the equity method	(80,256)	13,504	(13,230)	-	662,774	-	-	582,792
Material non-cash items other than depreciation and amortisation (Note 32(c))	(2,358,168)	-	(51,196)	-	(5,694)	-	-	(2,415,058)
Capital expenditure	12,409,278	6,433,580	383,041	475,086	61,678	2,498	-	19,765,161
Associates and joint ventures using equity accounting	1,701,561	335,284	461,581	-	12,159,309	-	-	14,657,735
Associates measured at fair value through profit or loss	-	-	-	-	11,833,773	-	-	11,833,773

5. SEGMENT INFORMATION (Continued)

Year ended December 31, 2024

	Diversified-industries Operation				Industry Incubations and Investments	Unallocated	Elimination	Total
	Lenovo	Levima Group	Joyvio Group	BIL				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue								
Sales/provide services to external customers	468,886,084	6,440,776	27,199,192	2,111,460	4,314,135	–	–	508,951,647
Interest income	–	–	–	12,860,253	325,695	–	(34,365)	13,151,583
Interest expense	–	–	–	(9,296,795)	–	–	–	(9,296,795)
Inter-segment sales/provide services	–	–	–	–	5,352	–	(5,352)	–
Total	468,886,084	6,440,776	27,199,192	5,674,918	4,645,182	–	(39,717)	512,806,435
Segment results								
Profit/(losses) before income tax	11,432,391	310,566	(1,359,108)	1,354,347	(2,020,196)	(2,025,801)	–	7,692,199
Income tax (expense)/credit	(137,353)	(90,615)	190,878	(131,124)	(253,072)	412,251	–	(9,035)
Profit/(losses) for the year	11,295,038	219,951	(1,168,230)	1,223,223	(2,273,268)	(1,613,550)	–	7,683,164
Profit/(losses) attributable to equity holders of the Company for the year								
	3,439,571	69,878	(647,719)	1,100,656	(2,215,605)	(1,613,550)	–	133,231
Segment assets	296,994,260	21,802,081	22,082,481	233,485,317	97,844,642	32,533,631	(8,774,418)	695,967,994
Segment liabilities	271,847,826	12,896,781	18,063,826	212,834,357	36,915,529	52,110,744	(6,346,634)	598,322,429
Other segment information:								
Depreciation and amortisation (Note 8)	(10,074,615)	(619,364)	(611,025)	(589,169)	(208,662)	(6,209)	–	(12,109,044)
Impairment loss for non-current assets (Note 8)	(677,962)	–	(436,902)	(19,421)	(160,494)	–	–	(1,294,779)
Investment income and gains/(losses) (Note 6)	1,892,050	33,739	(45,762)	157,613	(1,425,720)	–	(11,098)	600,822
Finance income	804,075	139,811	44,280	–	55,222	586,926	(147,424)	1,482,890
Finance costs	(5,637,667)	(221,821)	(806,866)	–	(509,187)	(2,413,899)	192,871	(9,396,569)
Share of (losses)/profit of associates and joint ventures accounted for using the equity method	(189,691)	16,986	11,962	–	442,081	–	–	281,338
Material non-cash items other than depreciation and amortisation (Note 32(c))	(1,851,603)	–	(51,196)	–	1,151	–	–	(1,901,648)
Capital expenditure	9,500,789	2,607,802	564,819	652,960	749,497	1,377	–	14,077,244
Associates and joint ventures using equity accounting	1,701,722	337,888	468,640	–	12,554,416	–	–	15,062,666
Associates measured at fair value through profit or loss	–	–	–	–	13,340,631	–	–	13,340,631

5. SEGMENT INFORMATION (Continued)

(a) Revenue from external customers

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
China	166,698,895	139,876,135
Asia-Pacific region excluding China	109,897,510	88,966,227
Europe/Middle East/Africa	139,916,980	123,371,088
Americas	189,431,736	160,592,985
Total	605,945,121	512,806,435

(b) Non-current assets

	As at December 31,	
	2025 RMB'000	2024 RMB'000
China	62,319,432	62,010,673
Asia-Pacific region excluding China	17,287,007	16,197,415
Europe/Middle East/Africa	16,870,602	15,406,631
Americas	35,802,716	35,787,858
Total	132,279,757	129,402,577

The non-current assets information above is based on the locations of the assets and excludes financial assets, investment in associates and joint ventures and deferred income tax assets.

5. SEGMENT INFORMATION (Continued)

(c) Analysis of revenue by timing of revenue recognition

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
At a point in time	571,322,753	483,958,806
Over time	34,622,368	28,847,629
	605,945,121	512,806,435

(d) Revenue recognized in relation to deferred revenue and advance from customers

As at December 31, 2025, deferred revenue and advance from customers amounting to RMB30,593 million (2024: RMB25,078 million) primarily relate to the Group's unfulfilled performance obligations for which consideration has been received at the reporting date. Revenue is recognized in the period when the performance obligations are fulfilled. RMB13,972 million (2024: RMB12,555 million) was recognized as revenue during the year that was included in such balance at the beginning of the year.

(e) Transaction price allocated to the remaining performance obligations

Revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Within one year	17,229,598	13,972,435
More than one year	13,363,886	11,105,675
Total	30,593,484	25,078,110

6. INVESTMENT INCOME AND GAINS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Gains on disposal/dilution of associates	453,968	9,652
Gains on disposal of subsidiaries	157,098	56,741
Fair value income and dividend income from financial assets at fair value through profit or loss	2,135,449	211,689
Fair value income/(losses), dividend income from associates measured at fair value through profit or loss	126,836	(761,666)
Gain on remeasurement of a written put option liability (Note 37(iii)(1))	–	1,020,110
Fair value gain on derivative financial liabilities relating to warrants (Note 22(i))	517,968	–
Others	335,719	64,296
	3,727,038	600,822

7. OTHER (LOSSES)/GAINS – NET

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Government grants	602,357	751,015
Bank Charges	(773,982)	(638,332)
(Losses)/Gains on disposal of property, plant and equipment and intangible assets	(188,210)	14,594
Fair value losses on investment properties (Note 17)	(351,599)	(354,479)
Net foreign exchange losses	(328,128)	(81,939)
Severance and related costs	(414,515)	(454,175)
Non-recourse factoring costs	(28,288)	(64,010)
Others	(218,258)	272,930
	(1,700,623)	(554,396)

8. EXPENSES BY NATURE

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Cost of inventories sold	486,744,689	404,878,789
Employee benefit expense (Note 9)	51,719,470	47,173,130
Office and administrative expense	6,555,912	5,933,226
Advertising costs	8,898,668	7,490,434
Depreciation and amortisation	12,232,868	12,109,044
Impairment loss for loans to customers	578,650	566,408
Impairment loss for other financial assets	1,638,651	1,083,438
Impairment loss for non-current assets (i)	2,528,903	1,294,779
Consultancy and professional fees	3,557,106	3,804,543
Customer support service	3,124,629	3,279,360
Auditors' remuneration-audit services	111,729	108,099
Auditors' remuneration-non audit services	8,964	7,589
Labs and testing	2,659,721	2,040,446
Lease payments	177,124	124,772
Taxes and surcharges	1,055,926	925,386
Transportation expense	858,497	957,463
Inventory write-down	737,736	126,525
Other expenses (ii)	4,827,892	5,624,890
	588,017,135	497,528,321

- (i) For the year ended December 31, 2025, impairment loss for non-current assets mainly consists of impairment loss for intangible assets of RMB2,424 million (2024: RMB1,186 million) and impairment loss for property, plant and equipment of RMB105 million (2024: RMB62 million). Impairment loss related to intangible assets is set out in Note 19.
- (ii) Other expenses mainly include non-base manufacturing costs from IT business, and include items such as outbound freight for in-country finished goods shipments, warranty costs, storage and warehousing costs.

9. EMPLOYEE BENEFIT EXPENSE

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages and salaries	40,463,577	37,466,166
Social security costs other than pension	3,326,138	3,101,412
Long-term incentive awards granted (Note 32(c))	2,415,058	1,901,648
Pension costs – defined contribution plans	2,913,258	2,595,366
Pension costs – defined benefit plans (Note 45)	169,631	167,616
Others	2,431,808	1,940,922
	51,719,470	47,173,130

10. FINANCE INCOME AND COSTS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Interest expense (i):		
– Bank loans and overdrafts	2,511,579	3,141,808
– Other loans	1,016,900	876,024
– Bonds	1,971,963	1,607,732
– Lease liabilities	177,328	159,760
Factoring costs	2,660,152	3,595,655
Interest costs on put option liability	135,276	15,590
Total finance costs	8,473,198	9,396,569
Less: The amount of capital capitalization of eligible assets	(199,037)	–
Finance costs	8,274,161	9,396,569
Interest income (i):		
– Interest income on bank deposits and money market funds	(968,570)	(1,204,025)
– Interest income on loans to related parties	(79,328)	(24,900)
– Interest income on loans to non-related parties	(201,389)	(253,965)
Finance income	(1,249,287)	(1,482,890)
Net finance costs	7,024,874	7,913,679

- (i) Finance income and costs do not include income and costs from subsidiaries which are engaged in banking business and micro-loan business. Interest income and expense generated from banking business are displayed in “interest income” and “interest expense” in the consolidated income statement. Interest income and expense generated from micro-loan business are displayed in “interest income” and “cost of sales and services” in the consolidated income statement.

11. SUBSIDIARIES

The following includes the principal subsidiaries directly or indirectly held by the Company and, in the opinion of the directors, are significant to the results of the Group for the year ended December 31, 2025 and 2024 or form a substantial portion of the net assets of the Group at December 31, 2025 and 2024. The directors consider that giving details of other subsidiaries would result in particulars of excessive length.

Company name	Corporate category	Place of incorporation and principal place of business	Issued share capital/ Paid-in capital (in RMB, unless otherwise stated)	Principal activities	Voting rights held	
					2025	2024
Lenovo (聯想集團) (i)	Limited liability company	China/Hong Kong, China	USD3,500,987,000	Develop manufacture and market reliable, high-quality, secure and easy-to-use technology products and services	32.95%	31.41%
Raycom Technology Co., Ltd. (融科智地科技股份有限公司)	Joint stock limited liability company	China/Chinese Mainland	270,000,000	Office building rental and service	100.00%	100.00%
Raycom Property Investment Co., Ltd. (融科物業投資有限公司)	Limited liability company	China/Chinese Mainland	60,000,000	Real estate investment and asset management	100.00%	100.00%
Right Lane Limited (南明有限公司, "Right Lane")	Limited liability company	China/Hong Kong, China	HKD12,170,329,304	Investment and management	100.00%	100.00%
Beijing Liandaqihui Management Limited (北京聯達企慧企業管理有限公司)	Limited liability company	China/Chinese Mainland	398,454,162	Investment and management	100.00%	100.00%
Tibet Dongfangqihui Investment Co., Ltd. (西藏東方企慧投資有限公司, "Dongfangqihui")	Limited liability company	China/Chinese Mainland	4,000,000,000	Investment and management	100.00%	100.00%
Beijing Huichengdongfang Investment Co., Ltd. (北京慧成東方投資有限公司)	Limited liability company	China/Chinese Mainland	2,005,000,000	Angel investment and start-up incubator	100.00%	100.00%
Tibet Xingfan Management Limited (西藏星帆企業管理有限公司)	Limited liability company	China/Chinese Mainland	100,000,000	Angel investment and start-up incubator	100.00%	100.00%
Beijing Huaxia United Auto Network Technology Co., Ltd. (北京華夏聯合汽車網絡技術有限公司)	Limited liability company	China/Chinese Mainland	474,156,235	Development of car management software and providing car services information consultant	100.00%	100.00%
Zeny Supply Chain Co., Ltd. (增益供應鏈有限公司)	Limited liability company	China/Chinese Mainland	1,491,793,341	Providing cold chain and various logistics service	99.20%	99.20%
Levima Group (聯泓集團)	Limited liability company	China/Chinese Mainland	2,300,000,000	Development and production of chemicals and energy materials	100.00%	100.00%
Joyvio Group (佳沃集團)	Limited liability company	China/Chinese Mainland	6,103,125,000	Agriculture and food investment and other relevant business operations	85.54%	81.21%
Zhengqi Energy Technology Group Corporation (正奇能源科技集團股份有限公司)	Joint stock limited liability company	China/Chinese Mainland	3,322,545,963	Development and manufacturing of new energy technologies, Providing financial service for small- and medium-sized entities, and investment management	94.62%	94.62%
Shanghai Weimin Hospital Investment Management Co., Ltd. (上海為民醫院投資管理有限公司)	Limited liability company	China/Chinese Mainland	56,969,808	Investment management and Medical consultation	58.00%	58.00%

11. SUBSIDIARIES (Continued)

Company name	Corporate category	Place of incorporation and principal place of business	Issued share capital/ Paid-in capital (in RMB, unless otherwise stated)	Principal activities	Voting rights held	
					2025	2024
JC International Finance&Leasing Co., Ltd (君創國際融資租賃有限公司, "JC Finance&Leasing")	Limited liability company	China/Chinese Mainland	2,936,109,356	Finance lease, lease business, purchase lease assets from domestic and overseas	52.79%	90.31%
KB Food International Holding (Pte.) Limited	Limited liability company	Singapore	USD87,645,588	Investment holding	100.00%	100.00%
Joyvio Food (佳沃食品)	Joint stock limited liability company	China/Chinese Mainland	174,200,000	Trading, processing and sale of seafood and other animal protein-related products	46.08%	46.08%
BIL	Limited liability company	Luxembourg	EUR146,108,270	Banking services, insurance services, offering financial market products and services	89.98%	89.98%
Joy Wing Mau Fruit Technologies Corporation Limited (鑫榮應果業科技集團股份有限公司)	Joint stock limited liability company	China/Chinese Mainland	406,000,000	Agriculture products planting and trading, agricultural investment, logistics, foods trading	39.46%	39.46%
Beijing Legend Star Investment Management Co., Ltd (北京聯想之星投資管理有限公司)	Limited liability company	China/Chinese Mainland	10,000,000	Investment consultation, asset management, project investment	100.00%	100.00%
Beijing Lianboqihui Management Limited (北京聯博企慧企業管理有限公司)	Limited liability company	China/Chinese Mainland	17,000,000	Investment management, investment consultation (Excluding financial business and brokerage)	100.00%	100.00%
Beijing Liandeqihui Management Limited (北京聯德企慧企業管理有限公司)	Limited liability company	China/Chinese Mainland	3,000,000,000	Enterprise management service	100.00%	100.00%
Australis Seafoods S.A.	Joint stock limited liability company	Chile/Santiago	USD301,526,104	Salmon production and selling	99.92%	99.91%

11. SUBSIDIARIES (Continued)

- (i) During the period from November 2025 to December 2025, the Group acquired shares of Lenovo Group on the open market. As at December 31, 2025, the Group's shareholding in Lenovo increased to 32.95%.

As at December 31, 2025, certain equity interests of a few subsidiaries of the Company were subject to restrictions to obtain borrowings, primarily including: i) the 13.89% equity interest of Lenovo held by the Group were pledged as collateral for borrowings arising from the acquisition of Lenovo's shares and financing activities. ii) the 12.83% equity interest of Levima held by the Group were pledged as collateral for the relevant borrowings arising from financing.

(a) Subsidiaries with material non-controlling interests

The non-controlling interests of the Group from Lenovo are as follows :

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Non-controlling interests	42,201,621	35,063,764
Put option written on a non-controlling interest	(3,633,810)	(3,633,810)

The net profit and distribution to various non-controlling interests attributable to Lenovo is as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Net profit attributable to other non-controlling interests	8,637,669	7,855,467
Dividends paid to other non-controlling interests	(3,410,725)	(3,268,208)

11. SUBSIDIARIES (Continued)

(a) Subsidiaries with material non-controlling interests (Continued)

Except for Lenovo, the directors consider that the non-controlling interests of other subsidiaries are not material. The summarized financial information of Lenovo, converted at the closing exchange rate/annual average exchange rate, is set out below:

Summarised Balance Sheet of Lenovo

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Current		
Assets	249,085,519	203,669,024
Liabilities	(259,367,222)	(234,791,863)
Net current liabilities	(10,281,703)	(31,122,839)
Non-current		
Assets	120,938,064	116,275,511
Liabilities	(55,654,080)	(40,992,530)
Net non-current assets	65,283,984	75,282,981
Net assets	55,002,281	44,160,142

Summarised Income Statement of Lenovo

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue	560,407,506	468,886,084
Profit before income tax	14,967,883	11,432,391
Income tax expense (Note 13)	(3,059,389)	(137,353)
Net profit	11,908,494	11,295,038
Other comprehensive income/(losses)	2,610,669	(4,785,205)
Total comprehensive income	14,519,163	6,509,833

11. SUBSIDIARIES (Continued)**(a) Subsidiaries with material non-controlling interests
(Continued)****Summarised Cash Flow Statement of Lenovo**

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities		
Cash generated from operations	28,204,473	27,760,259
Income tax paid	(4,499,078)	(3,349,827)
Net cash generated from operating activities	23,705,395	24,410,432
Net cash used in investing activities	(11,290,197)	(8,001,723)
Net cash used in financing activities	(3,654,109)	(12,028,108)
Net increase in cash and cash equivalents	8,761,089	4,380,601
Cash and cash equivalents at beginning of the year	28,282,386	24,549,821
Exchange losses on cash and cash equivalents	(343,228)	(648,036)
Cash and cash equivalents at end of the year	36,700,247	28,282,386

(b) Subsidiaries held for sale

In December 2025, the subsidiary of the Company reached an agreement with the third party to sell 51% equity interest in Better Education Group Corporation. The sale transaction is highly probable and meets the criteria for classification as held for sale. As at December 31, 2025, the total amount of assets classified as held for sale was RMB262 million, with related liabilities amounting to RMB197 million.

Except for the transaction above, the directors consider that other business held for sale are not material.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Investments in associates and joint ventures:		
Associates using equity accounting	13,613,344	13,633,876
Joint ventures using equity accounting	1,044,391	1,428,790
Using equity accounting (a)	14,657,735	15,062,666
Measured at fair value through profit or loss (b)	11,833,773	13,340,631
	26,491,508	28,403,297

(a) Associates and joint ventures using equity accounting

Set out below are the associates of the Group as at December 31, 2025 and 2024, which, in the opinion of the directors, are material to the Group, and the intention of the Group to hold these associates is for industrial incubations and investments purpose.

Name	Place of incorporation and principal place of operations	Principal activities	Effective interest held	
			2025	2024
Hankou Bank Co., Ltd. (漢口銀行股份有限公司, "Hankou Bank") (i)	China/Wuhan	Commercial banking business	11.10%	11.10%
Eastern Air Logistics Co., Ltd. (東方航空物流股份有限公司, "EAL") (i)	China/Shanghai	Transportation, warehousing and postal services	11.29%	11.29%
Lakala Payment Corporation (拉卡拉支付股份有限公司)	China/Beijing	Provision of terminal-based payment and various internet financial services	23.88%	26.14%

- (i) The directors determine the Group has significant influence over Hankou Bank and EAL by way of representation on the Board of Directors and participation in the policy-making process, although the Group's equity interests in these two companies are lower than 20%.

As at December 31, 2025 and 2024, Associates and joint ventures using equity accounting with a carrying value of RMB1,506 million and RMB2,148 million were pledged as collateral for the borrowings of RMB817 million and RMB1,562 million.

Set out below is the reconciliation of summarized consolidated financial statements of the significant associates of the Group accounted for using equity method. The directors consider that giving details of other associates would result in particulars of excessive length.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(a) Associates and joint ventures using equity accounting (Continued)

Hankou Bank

Reconciliation of summarised consolidated financial information

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Share of net assets at January 1	3,578,215	3,500,530
Share of comprehensive income for the year (ii)	46,199	163,909
Share of distribution of profit	(37,980)	(37,980)
Other increase/(decrease)	70	(48,244)
Share of net assets at December 31	3,586,504	3,578,215
Goodwill	489,266	489,266
Carrying value of investment in the associate	4,075,770	4,067,481

(ii) The accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Except for Hankou Bank, the Group's share of the other associates using equity accounting:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Share of profit for the year	590,095	274,179
Share of other comprehensive income	10,630	40,545
Share of total comprehensive income	600,725	314,724
Carrying value of other investment in associates using equity accounting	9,537,574	9,566,395

The Group's share of joint ventures:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Share of losses for the year	(103,849)	(100,828)
Share of comprehensive losses for the year	(89,670)	(100,828)
Carrying value of investment in joint ventures using equity accounting	1,044,391	1,428,790

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(b) Associates measured at fair value through profit or loss

Company Name	Place of incorporation and registration	Type	2025		2024	
			Fair value RMB'000	Effective interest held	Fair value RMB'000	Effective interest held
- Great Unity Fund I, L.P.	Cayman Islands	USD Funds	1,816,277	49.08%	1,924,931	49.08%
- Hony Capital Fund VIII (Cayman), L.P. (ii)	Cayman Islands	USD Funds	1,718,067	16.40%	1,798,324	16.40%
- Beijing Junlian Huicheng Equity Investment L.P. (北京君聯慧誠股權投資合夥企業(有限合夥))	China/Beijing	RMB Funds	984,474	22.22%	1,242,967	22.22%
- Suzhou Junlian Xiangdao Equity Investment L.P. (蘇州君聯相道股權投資合夥企業(有限合夥)) (ii)	China/Suzhou	RMB Funds	683,590	5.83%	473,714	5.83%
- Beijing Junlian Shengyuan Equity Investment L.P. (北京君聯晟源股權投資合夥企業(有限合夥)) (ii)	China/Beijing	RMB Funds	665,245	11.93%	1,005,503	11.93%
- LC Fund VII, L.P.	Cayman Islands	USD Funds	560,246	22.31%	664,029	22.31%
- Suzhou Junlian Xinkang Venture Investment L.P. (蘇州君聯欣康創業投資合夥企業(有限合夥))	China/Suzhou	RMB Funds	525,850	25.00%	615,427	25.00%
- Hony Capital Fund V, L.P. (ii)	Cayman Islands	USD Funds	512,371	10.98%	642,687	10.98%
- Shenzhen Junlian Shenyun Private Equity Investment Fund L.P. (深圳君聯深運私募股權投資基金合夥企業(有限合夥)) (ii)	China/Shenzhen	RMB Funds	399,024	11.76%	288,899	12.75%
- LC Fund VI, L.P.	Cayman Islands	USD Funds	360,977	23.20%	485,678	23.20%
- Shenzhen Hony Tongren Consultant Business L.P. (深圳弘毅同人顧問企業(有限合夥))	China/Shenzhen	RMB Funds	348,397	43.13%	255,892	42.75%
- LC Healthcare Fund III, L.P.	Cayman Islands	USD Funds	329,444	30.00%	247,966	30.00%
- Shanghai Junlian Shenghao Venture capital Investment L.P. (上海君聯晟灝創業投資合夥企業(有限合夥))	China/Shanghai	RMB Funds	323,479	28.22%	335,748	28.22%
- Hony Capital Real Estate Fund 2015, L.P. (弘毅貳零壹伍(深圳)地產投資中心(有限合夥)) (ii)	China/Shenzhen	RMB Funds	285,009	19.51%	325,182	19.51%
- Suzhou JunJunDe Equity Investment L.P. (蘇州君駿德股權投資合夥企業(有限合夥))	China/Suzhou	RMB Funds	232,075	28.52%	312,985	28.52%
- LC Healthcare Fund I, L.P.	Cayman Islands	USD Funds	205,005	20.00%	248,640	20.00%
- Hony 2015 (Shenzhen) Equity Investment Fund Center L.P. (弘毅貳零壹伍(深圳)股權投資基金中心(有限合夥)) (ii)	China/Shenzhen	RMB Funds	197,144	8.90%	205,863	8.90%
- Beijing Junlian Huikang Equity Investment L.P. (北京君聯惠康股權投資合夥企業(有限合夥)) (ii)	China/Beijing	RMB Funds	177,337	5.33%	338,281	9.67%
- Beijing Junlian Yikang Equity Investment L.P. (北京君聯益康股權投資合夥企業(有限合夥)) (ii)	China/Beijing	RMB Funds	172,573	18.50%	196,851	18.50%
- Shenzhen Hony 2019 Enterprise Management Center L.P. (深圳弘毅貳零壹玖企業管理中心(有限合夥))	China/Shenzhen	RMB Funds	158,132	44.94%	168,099	44.94%

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(b) Associates measured at fair value through profit or loss (Continued)

Company Name	Place of incorporation and registration	Type	2025		2024	
			Fair value RMB'000	Effective interest held	Fair value RMB'000	Effective interest held
- LC Fund IX L.P.	Cayman Islands	USD Funds	145,869	32.00%	63,728	32.00%
- Hony Capital Fund 2008, L.P. (ii)	Cayman Islands	USD Funds	122,062	14.31%	126,230	14.31%
- Hony Capital Fund III, L.P.	Cayman Islands	USD Funds	117,193	34.48%	116,070	34.48%
- Chengdu Junrongkang Venture Capital L.P. (成都君蓉康創業投資合夥企業(有限合夥)) (ii)	China/Chengdu	RMB Funds	102,878	12.50%	41,586	12.50%
- Jiangyin Hanlian Zhixin Equity Investment L.P. (江陰瀚聯智芯股權投資合夥企業(有限合夥)) (ii)	China/Jiangyin	RMB Funds	102,399	14.78%	71,419	14.78%
- LC Fund III, L.P. (i)	Cayman Islands	USD Funds	67,330	68.64%	381,994	68.64%
- Beijing Junlian Maolin Equity Investment L.P. (北京君聯茂林股權投資合夥企業(有限合夥))	China/Beijing	RMB Funds	53,506	31.21%	144,125	31.21%
- Others		RMB Funds/ USD Funds	467,820	NA	617,813	NA
			11,833,773		13,340,631	

The principal activities of the above associates are investing as VC Funds and PE Funds.

- (i) The directors determined that the Group did not control the general partners and/or management companies of the fund and therefore these investments are classified as associates even if the effective interest in such companies is greater than 50%.
- (ii) The directors determined that the Group has significant influence on these companies by the way of its significant influence on the general partner and/or management company of these funds, even though the capital contribution percentage in these funds are below 20%. Consequently, these investments have been classified as associates.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

(b) Associates measured at fair value through profit or loss (Continued)

Set out below is the summarised financial information of associates measured at fair value through profit or loss aggregated by RMB funds and USD funds based on the underlying GAAP applied when prepare their statutory accounts. The consolidated financial statements on RMB funds is prepared in accordance with IFRS while the consolidated financial statements on USD funds is prepared in accordance with the General Accepted Accounting Principles in USA.

	Year ended December 31, 2025	
	Profit for the year, net of tax <i>RMB'000</i>	Total comprehensive income <i>RMB'000</i>
RMB funds	905,176	905,176
USD funds	1,469,093	1,469,093
Total	2,374,269	2,374,269

	Year ended December 31, 2024	
	Loss for the year, net of tax <i>RMB'000</i>	Total comprehensive loss <i>RMB'000</i>
RMB funds	(13,399)	(13,399)
USD funds	(2,243,095)	(2,243,095)
Total	(2,256,494)	(2,256,494)

13. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% while the income tax provision for group entities operating in Chinese Mainland is based on a statutory rate of 25%. Income tax of other group entities operating in overseas countries and regions are calculated at the rates applicable in the respective jurisdictions.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Current income tax	6,552,459	4,479,809
Deferred income tax (Note 44)	(2,839,125)	(4,470,774)
Income tax expense	3,713,334	9,035

The Group has been granted certain tax concessions by tax authorities in Chinese Mainland and overseas whereby the subsidiaries operating in the respective jurisdictions are entitled to tax concessions.

Taxation on the Group's profit before tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the Group entities as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Profit before tax	13,512,319	7,692,199
Tax effects of:		
Tax calculated at domestic rates applicable in countries or regions concerned	1,921,524	1,638,650
Income not subject to tax	(1,934,179)	(2,384,304)
Expenses not deductible for tax purposes	3,060,686	2,772,090
Utilisation of previously unrecognised tax losses/temporary differences (ii)	(990,002)	(861,743)
Deferred income tax assets not recognised	1,764,465	1,201,250
Tax impact of reorganization (i)	(324,821)	(2,005,334)
Others	215,499	(351,574)
Enterprise income tax	3,713,172	9,035
Land appreciation tax	162	–
Income tax expense	3,713,334	9,035

- (i) In 2025 and 2024, the tax impact of reorganization recognized by the Group was a one-time tax credit due to some organizational changes in Lenovo.
- (ii) In 2025 and 2024, individual subsidiaries of the Company have improved their performance from cumulative loss to profit or the actual loss has been smaller than expected, which is expected enough taxable profits will be generated in future. The Group recognised the deductible losses and other temporary differences in 2025 and 2024, which was not recognised in previous years to the extent of the amount of the current and future taxable profit.

13. INCOME TAX EXPENSE (Continued)

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in some jurisdictions in which some subsidiaries of the Group is incorporated, and have come into effect from January 1, 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal (“GloBE”) effective tax rate for each jurisdiction and the 15% minimum rate.

The Group has conducted an impact assessment of the Pillar Two transitional safe harbour rules and the full Pillar Two rules and made adequate tax provisions to reflect the impact of Pillar Two legislation.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31,					
	2025			2024		
	Before tax RMB'000	Tax (charge)/ credit RMB'000	After tax RMB'000	Before tax RMB'000	Tax (charge)/ credit RMB'000	After tax RMB'000
Fair value changes on non-trading equity securities measured at fair value through other comprehensive income	301,797	(4,904)	296,893	(755,449)	(3,193)	(758,642)
Credit risk changes on financial liabilities measured at fair value through profit or loss	(2,030)	487	(1,543)	(5,652)	1,544	(4,108)
Fair value changes on debt securities measured at fair value through other comprehensive income	19,010	(7,034)	11,976	(14,771)	2,626	(12,145)
Share of other comprehensive (losses)/income of associates	(52,425)	–	(52,425)	58,234	–	58,234
Actuarial income/(losses) on post-employment benefit obligations	21,709	(916)	20,793	(54,455)	(7,350)	(61,805)
Fair value changes on cashflow hedges	(995,990)	(1,392)	(997,382)	1,569,137	3,825	1,572,962
Currency translation differences	4,779,128	–	4,779,128	(6,591,775)	–	(6,591,775)
Revaluation of investment properties upon reclassification from property, plant and equipment	–	–	–	656	–	656
Other comprehensive income	4,071,199	(13,759)	4,057,440	(5,794,075)	(2,548)	(5,796,623)
Deferred tax (Note 44)		(13,759)			(2,548)	

14. EARNINGS/(LOSSES) PER SHARE

Basic earnings/(losses) per share is calculated by dividing the profit/(losses) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding shares held for the share incentive plan.

	Year ended December 31,	
	2025	2024
Basic earnings attributable to equity holders of the Company (RMB'000)	1,060,796	133,231
Diluted impact on earnings (RMB'000) (i)	(313,328)	(155,983)
Diluted earnings/(losses) attributable to the equity holders of the Company (RMB'000)	747,468	(22,752)
Weighted average number of issued ordinary shares (thousands)	2,356,231	2,356,231
Less shares held for share incentive plan (thousands)	(5,989)	(7,267)
Weighted average number of issued ordinary shares for calculating basic earnings per share (thousands)	2,350,242	2,348,964
Potential dilutive effect arising from share incentive plan (thousands) (ii)	–	–
Weighted average number of issued ordinary shares for calculating diluted earnings per share (thousands) (ii)	2,350,242	2,348,964
Earnings/(Losses) per share		
– Basic (RMB per share)	0.45	0.06
– Diluted (RMB per share)	0.32	(0.01)

(i) Diluted impact on earnings/(losses) is due to the effect of two categories of dilutive instruments, namely, mid-long term incentive awards and convertible bonds. Diluted earnings/(losses) per share is calculated by adjusting earnings/(losses) attributable to the equity holders of the Company.

(ii) Diluted earnings/(losses) per share is calculated assuming conversion of all dilutive potential ordinary shares and adjusting the weighted average number of ordinary shares in issue accordingly. The Company's dilutive potential ordinary shares comprise shares related to Share Incentive plan. The number of dilutive potential ordinary shares is calculated as the difference between the number of shares calculated by converting the monetary value of the remaining outstanding restricted incentive share subscription rights and share options to the fair value per share of ordinary shares for the period (the average market price of the Company's shares for the corresponding period) compared to the number of shares assuming conversion of restricted shares and share options to ordinary shares.

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RMB'000	Vehicles RMB'000	Machinery RMB'000	Furniture and office equipment RMB'000	Other equipment RMB'000	Construction in progress RMB'000	Bearer plants RMB'000	Total RMB'000
As at January 1, 2024								
Cost	21,990,433	288,562	19,792,609	7,507,154	491,070	6,780,214	492,632	57,342,674
Accumulated depreciation	(6,879,182)	(175,315)	(10,237,108)	(5,104,537)	(347,896)	–	(78,769)	(22,822,807)
Accumulated impairment	(173,866)	(1,325)	(88,714)	(123)	(363)	–	(297,727)	(562,118)
Net book amount	14,937,385	111,922	9,466,787	2,402,494	142,811	6,780,214	116,136	33,957,749
For the year ended December 31, 2024								
Opening net book amount	14,937,385	111,922	9,466,787	2,402,494	142,811	6,780,214	116,136	33,957,749
Acquisition of subsidiaries	–	–	–	34	59	–	–	93
Additions/Transfers from investment properties	904,912	32,322	801,892	569,439	2,804,158	5,478,245	22,754	10,613,722
Transfers to intangible assets	–	–	–	–	–	(2,484,492)	–	(2,484,492)
Transfers from construction in progress	1,015,376	1,658	1,397,345	138,136	9,905	(2,562,420)	–	–
Sales/Disposals	(1,465,252)	(12,026)	(60,492)	(87,935)	(54,374)	(359,074)	–	(2,039,153)
Depreciation charge	(882,300)	(28,557)	(1,690,847)	(875,968)	(921,471)	–	(9,216)	(4,408,359)
Disposal of subsidiaries	(123,222)	(195)	(94,810)	(5,144)	(1,208)	(11,113)	(76,252)	(311,944)
Impairment loss	(104)	–	(61,379)	(171)	–	–	–	(61,654)
Exchange adjustment	(232,733)	(803)	(4,840)	(106,279)	(13,691)	218,852	–	(139,494)
Closing net book amount	14,154,062	104,321	9,753,656	2,034,606	1,966,189	7,060,212	53,422	35,126,468
As at December 31, 2024								
Cost	21,235,178	276,366	20,487,213	7,076,819	3,417,909	7,060,212	59,046	59,612,743
Accumulated depreciation	(7,061,121)	(171,975)	(10,658,141)	(5,042,186)	(1,451,530)	–	(5,624)	(24,390,577)
Accumulated impairment	(19,995)	(70)	(75,416)	(27)	(190)	–	–	(95,698)
Net book amount	14,154,062	104,321	9,753,656	2,034,606	1,966,189	7,060,212	53,422	35,126,468
For the year ended December 31, 2025								
Opening net book amount	14,154,062	104,321	9,753,656	2,034,606	1,966,189	7,060,212	53,422	35,126,468
Acquisition of subsidiaries	–	–	–	4	–	–	2,104	2,108
Additions	378,432	59,452	1,052,000	1,199,166	2,131,840	10,222,444	41,169	15,084,503
Transfers to intangible assets	–	–	–	–	–	(1,315,057)	–	(1,315,057)
Transfers from construction in progress	716,786	787	2,014,062	69,924	6,283	(2,807,842)	–	–
Sales/Disposals/Transfers to investment properties	(568,720)	(10,266)	(141,562)	(80,582)	(101,399)	(26,176)	–	(928,705)
Depreciation charge	(1,052,736)	(38,460)	(1,826,639)	(921,170)	(985,307)	–	(4,439)	(4,828,751)
Disposal of subsidiaries	(41)	(201)	(3,771)	(59)	(156)	–	–	(4,228)
Impairment loss	(2,544)	–	(80,131)	–	–	(22,405)	–	(105,080)
Exchange adjustment	232,917	1,590	(23,087)	17,967	18,559	(8,504)	–	239,442
Closing net book amount	13,858,156	117,223	10,744,528	2,319,856	3,036,009	13,102,672	92,256	43,270,700
As at December 31, 2025								
Cost	21,789,145	293,620	22,952,080	7,333,989	5,138,794	13,102,672	102,319	70,712,619
Accumulated depreciation	(7,908,392)	(176,327)	(12,052,549)	(5,014,106)	(2,102,595)	–	(10,063)	(27,264,032)
Accumulated impairment	(22,597)	(70)	(155,003)	(27)	(190)	–	–	(177,887)
Net book amount	13,858,156	117,223	10,744,528	2,319,856	3,036,009	13,102,672	92,256	43,270,700

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense of RMB3,230 million and RMB2,886 million has been charged in “cost of sales and services”, RMB270 million and RMB279 million in “selling and distribution expenses”, RMB1,329 million and RMB1,243 million in “general and administrative expenses” for the year ended December 31, 2025 and 2024.

As at December 31, 2025, the land and buildings with a carrying amount of RMB467 million were used as collateral for a loan of RMB520 million. As at December 31, 2024, the land and buildings and construction in progress with a carrying amount of RMB1,644 million were restricted assets, of which the borrowings relating to the restricted land and buildings and construction in progress with a carrying amount of RMB1,043 million had been fully repaid, and the relevant release procedures have been completed in January 2025; the land and buildings and construction in progress with a carrying amount of RMB601 million were pledged as collateral for the borrowings of RMB941 million. Refer to Note 17(c) for owner-occupied investment properties.

16. LEASE

(a) Items recognized in the consolidated balance sheet

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Right-of-use assets		
Land use right	2,827,034	2,816,617
Buildings	3,099,381	2,273,787
Equipment and others	213,062	130,146
	6,139,477	5,220,550
Lease liabilities		
Current lease liabilities	1,047,110	832,136
Non-current lease liabilities	2,748,899	2,057,001
	3,796,009	2,889,137

16. LEASE (Continued)**(b) Item recognized in the consolidated income statement**

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Depreciation of right-of-use assets		
Land use right	94,926	95,725
Buildings	858,249	873,923
Equipment and others	47,392	49,762
	1,000,567	1,019,410
Interest expenses (included in financial cost)	177,328	159,760
Short term rental and low-value rental (included in general and administrative expenses)	177,124	124,772

17. INVESTMENT PROPERTIES

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
At beginning of the year	15,233,388	15,454,282
Additions	87,216	452,154
Fair value losses	(351,599)	(354,479)
Disposal	(72,398)	(128,693)
Transfer from/(to) Property, plant and equipment	280,987	(176,651)
Exchange adjustment	28,135	(13,225)
At end of the year	15,205,729	15,233,388

The Group's investment properties are mainly situated in the Chinese Mainland. All the investment properties are rented out under operating leases. All signed lease contracts are less than 50 years.

17. INVESTMENT PROPERTIES (Continued)

(a) Amounts recognised in consolidated income statement for investment properties

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Rental income	744,936	778,931
Direct operating expenses from properties that generated rental income	(175,725)	(186,473)
	569,211	592,458

The direct operating expenses from properties that did not generate rental income is immaterial to the Group during the year ended December 31, 2025 and 2024.

(b) Valuation basis

The valuations are derived using the income capitalisation method and the discounted cash flow method. There were no changes to the valuation techniques.

As at December 31, 2025 and 2024, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs.

The fair value losses are recognised in "other (losses)/gains – net" of consolidated income statement.

Investment properties held by the Group were mainly revalued at the end of 2025 and 2024 based on valuations performed by independent qualified valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"). JLL is an industry specialist in investment property valuation, who has appropriate qualification and recent experience in the valuation of similar properties in the relevant locations.

As at December 31, 2025 and 2024, the directors:

- verified all major inputs to the independent valuation reports;
- assessed property valuation movements when compared to the prior year valuation reports;
- held discussion with the independent valuer.

17. INVESTMENT PROPERTIES (Continued)

(b) Valuation basis (Continued)

The major key assumptions used by the directors in determining fair value for the year ended December 31, 2025 and 2024 were in the following ranges:

	Year ended December 31,	
	2025	2024
Capitalisation rate/Discount rate	4.00%-5.00% or 6.75%-7.00%	4.00%-5.00% or 6.75%-7.00%
Expected vacancy rate		
– Office	5.00% or 10.00%	5.00% or 10.00%
– Retail	3.00%-5.00% or 10.00%	3.00%-5.00% or 0.00%
– Car park	5.00% or 40.00%	5.00% or 40.00%
Prevailing market rents		
– Office (per sq.m. per month)	RMB329-RMB560 or RMB190	RMB270-RMB560 or RMB210
– Retail (per sq.m. per month)	RMB130-RMB696 or RMB170	RMB174-RMB666 or RMB170
– Car park (per spot per month)	RMB880-RMB920 or RMB1,200	RMB880-RMB920 or RMB1,200

17. INVESTMENT PROPERTIES (Continued)

(b) Valuation basis (Continued)

The following tables show the sensitivity of the fair value of the investment properties to the key assumptions, assuming the directors' estimates to increase or decrease by 10%.

	Year ended December 31, 2025	
	Favourable change by 10% RMB'000	Unfavourable change by 10% RMB'000
Capitalisation rate/Discount rate	669,953	(615,092)
Expected vacancy rate	63,899	(66,299)
	Year ended December 31, 2024	
	Favourable change by 10% RMB'000	Unfavourable change by 10% RMB'000
Capitalisation rate/Discount rate	774,827	(712,292)
Expected vacancy rate	65,379	(64,479)

(c) Investment properties pledged as security

As at December 31, 2025, the investment properties with a fair value of RMB11,623 million and a net value of RMB143 million of land and buildings were pledged as collateral for the borrowings of RMB8,108 million. As at December 31, 2024, the investment properties with a fair value of RMB11,820 million and a net value of RMB149 million of land and buildings were pledged as collateral for the borrowings of RMB8,621 million.

(d) Leasing arrangements

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements as receivables is set out as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Within one year	827,322	969,634
More than one year but less than five years	1,092,838	1,404,130
More than five years	286,018	367,893
	2,206,178	2,741,657

18. CONSUMABLE BIOLOGICAL ASSETS

The balance of consumable biological assets of the Group by production stage is as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Atlantic salmon (sea water) (a)	1,172,159	952,644
Atlantic salmon (fresh water)	72,897	83,538
	1,245,056	1,036,182

No consumable biological assets are pledged as collateral for the trade and notes payables as at December 31, 2025. The consumable biological assets with a carrying amount of USD102 million (RMB735 million) were pledged as collateral for the trade and notes payables as at December 31, 2024.

Changes in consumable biological assets during the year are as follows:

	Year ended December 31	
	2025 RMB'000	2024 RMB'000
At the beginning of the year	1,036,182	1,253,509
Increase from fattening and production	2,042,022	1,886,848
Decrease from harvest (measured at cost)	(1,847,394)	(2,176,171)
Fair value adjustment	(118,387)	(120,816)
Fair value decrease from harvest	156,687	166,115
Reverse for impairment of consumable biological assets	5,371	7,302
Exchange adjustment	(29,425)	19,395
At the end of the year	1,245,056	1,036,182

18. CONSUMABLE BIOLOGICAL ASSETS (Continued)

(a) Biological assets in sea water and the fair value adjustments are as follows:

	As at December 31, 2025		
	Production costs <i>RMB'000</i>	Fair value adjustment <i>RMB'000</i>	Carrying amount <i>RMB'000</i>
Atlantic salmon	1,157,044	15,115	1,172,159

	As at December 31, 2024		
	Production costs <i>RMB'000</i>	Fair value adjustment <i>RMB'000</i>	Carrying amount <i>RMB'000</i>
Atlantic salmon	978,251	(25,607)	952,644

(b) Breakdown by level

The biological assets measured at fair value of the Group are all at stage 3, estimated according to the method set out in Note 2.16.

19. INTANGIBLE ASSETS

	Mining rights RMB'000	Trademarks RMB'000	Softwares RMB'000	Goodwill RMB'000	Patent and technology RMB'000	Aquaculture franchise and water right RMB'000	Customer relationships RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2025									
Cost	597,736	11,147,797	23,665,282	40,121,527	33,764,362	3,767,000	10,992,200	2,320,211	126,376,115
Accumulated amortisation and impairment	(597,736)	(357,554)	(16,771,356)	(2,932,521)	(25,509,536)	(429,119)	(9,489,762)	(1,167,235)	(57,254,819)
Net book amount	-	10,790,243	6,893,926	37,189,006	8,254,826	3,337,881	1,502,438	1,152,976	69,121,296
For the year ended December 31, 2025									
Opening net book amount	-	10,790,243	6,893,926	37,189,006	8,254,826	3,337,881	1,502,438	1,152,976	69,121,296
Additions	-	-	1,779,674	-	4,248,795	54,991	-	95,718	6,179,178
Acquisition of subsidiaries	-	-	815	12,735	-	-	-	-	13,550
Disposals	-	(303)	(35,881)	-	(166,467)	(420)	-	(48,411)	(251,482)
Disposal of subsidiaries	-	(30)	(14)	-	-	-	-	(1,755)	(1,799)
Classified as held for sale	-	(14,091)	-	-	-	(61,754)	-	-	(75,845)
Amortisation charge	-	(30,618)	(2,161,881)	-	(3,649,538)	-	(422,496)	(139,017)	(6,403,550)
Impairment loss	-	(309,909)	(149,326)	(222,807)	(1,585,101)	(153,591)	(3,089)	-	(2,423,823)
Exchange adjustment	-	(65,689)	262,862	475,119	(141,423)	(70,416)	(27,280)	46,316	479,489
Closing net book amount	-	10,369,603	6,590,175	37,454,053	6,961,092	3,106,691	1,049,573	1,105,827	66,637,014
As at December 31, 2025									
Cost	597,736	10,744,626	25,271,980	40,044,040	37,000,232	3,621,295	10,941,442	2,439,820	130,661,171
Accumulated amortisation and impairment	(597,736)	(375,023)	(18,681,805)	(2,589,987)	(30,039,140)	(514,604)	(9,891,869)	(1,333,993)	(64,024,157)
Net book amount	-	10,369,603	6,590,175	37,454,053	6,961,092	3,106,691	1,049,573	1,105,827	66,637,014

19. INTANGIBLE ASSETS (Continued)

	Mining rights RMB'000	Trademarks RMB'000	Softwares RMB'000	Goodwill RMB'000	Patent and technology RMB'000	Aquaculture franchise and water right RMB'000	Customer relationships RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2024									
Cost	597,736	11,091,398	21,622,933	41,234,547	30,481,190	3,750,632	11,184,101	2,283,981	122,246,518
Accumulated amortisation and impairment	(597,736)	(321,313)	(14,898,551)	(2,477,327)	(21,216,578)	(267,631)	(8,742,629)	(1,095,128)	(49,616,893)
Net book amount	-	10,770,085	6,724,382	38,757,220	9,264,612	3,483,001	2,441,472	1,188,853	72,629,625
For the year ended									
December 31, 2024									
Opening net book amount	-	10,770,085	6,724,382	38,757,220	9,264,612	3,483,001	2,441,472	1,188,853	72,629,625
Additions	-	-	2,616,389	-	3,208,528	-	-	94,313	5,919,230
Acquisition of subsidiaries	-	-	-	28,691	-	-	-	-	28,691
Disposals	-	-	(40,337)	-	(260,383)	(30,946)	-	-	(331,666)
Disposal of subsidiaries	-	(47)	(780)	(49,442)	(14)	-	-	-	(50,283)
Amortisation charge	-	(39,287)	(2,117,893)	-	(3,493,465)	-	(935,751)	(94,879)	(6,681,275)
Impairment loss	-	-	-	(455,195)	(568,890)	(161,459)	-	-	(1,185,544)
Exchange adjustment	-	59,492	(287,835)	(1,092,268)	104,438	47,285	(3,283)	(35,311)	(1,207,482)
Closing net book amount	-	10,790,243	6,893,926	37,189,006	8,254,826	3,337,881	1,502,438	1,152,976	69,121,296
As at December 31, 2024									
Cost	597,736	11,147,797	23,665,282	40,121,527	33,764,362	3,767,000	10,992,200	2,320,211	126,376,115
Accumulated amortisation and impairment	(597,736)	(357,554)	(16,771,356)	(2,932,521)	(25,509,536)	(429,119)	(9,489,762)	(1,167,235)	(57,254,819)
Net book amount	-	10,790,243	6,893,926	37,189,006	8,254,826	3,337,881	1,502,438	1,152,976	69,121,296

Amortisation of RMB3,531 million and RMB3,422 million are included in the "cost of sales and services"; RMB45 million and RMB43 million in "selling and distribution expenses"; and RMB2,828 million and RMB3,216 million in "general and administrative expenses" in the consolidated income statement for the year ended December 31, 2025 and 2024.

As at December 31, 2025, intangible assets and land use rights with a carrying amount of RMB203 million were pledged as collateral for borrowings of RMB605 million. As at December 31, 2024, intangible assets and land use rights with a carrying amount of RMB3,503 million were restricted assets, of which the borrowings relating to the restricted intangible assets with a carrying amount of RMB3,428 million had been fully repaid, and the relevant release procedures have been completed in January 2025; intangible assets and land use rights with a carrying amount of RMB75 million were pledged as collateral for borrowings of RMB291 million.

19. INTANGIBLE ASSETS (Continued)

Impairment tests for goodwill and intangible assets with indefinite useful lives

Management reviews the business performance based on type of business and monitor goodwill and intangible assets with indefinite useful lives at CGUs or groups of CGUs.

The carrying amount of goodwill and intangible assets with indefinite useful lives, less accumulated impairment charged, are presented below:

Group of CGUs	As at December 31, 2025		As at December 31, 2024	
	Goodwill RMB'000	Intangible assets with indefinite useful life RMB'000	Goodwill RMB'000	Intangible assets with indefinite useful life RMB'000
– Lenovo				
– Intelligent Device Group				
Chinese Mainland	6,571,928	1,279,242	6,476,748	1,308,289
Europe/Middle East/Africa	2,143,784	885,629	1,976,810	869,796
Americas	11,077,389	3,373,824	11,059,663	3,450,432
Asia-pacific region excluding Chinese Mainland	3,352,738	386,584	3,400,113	388,174
– Infrastructure Solutions Group				
Chinese Mainland	3,437,083	1,138,666	3,342,606	1,164,521
Europe/Middle East/Africa	463,901	217,893	402,550	222,840
Americas	2,453,051	864,542	2,422,491	884,173
Asia-pacific region excluding Chinese Mainland	892,658	379,555	912,927	388,174
– Solutions and Services Group	4,283,456	407,670	4,330,999	416,927
– BIL				
– Banking Business	1,143,270	1,120,028	1,056,156	1,023,495
– Joyvio Group				
– Salmon Production and Selling Business	–	3,175,282	–	3,433,096
– Other Animal Protein Business	476,423	–	476,423	–
– Fruit Business	404,962	–	404,962	–
– Smart Nutrition Service Business	–	–	56,623	–
– Seafood Fishing and Selling Business	401,500	92,790	385,899	89,595
– Others				
– Education Service Business	–	–	144,860	324,000
– Comprehensive Medical Service Business	137,873	–	137,873	–
– Insurance Brokerage Business	125,512	499,400	125,512	499,400
– Others	88,525	–	75,791	–
	37,454,053	13,821,105	37,189,006	14,462,912

19. INTANGIBLE ASSETS (Continued)

Impairment tests for goodwill and intangible assets with indefinite useful lives (Continued)

Taken into consideration the global economic uncertainties, the Group has completed impairment testing on goodwill and intangible assets with indefinite useful lives for its group of CGUs by comparing their recoverable amounts to the carrying amounts as at December 31, 2025. The recoverable amount of the group of CGUs is determined by the higher of fair value less disposal cost and value in use.

On December 31, 2025, the subsidiary of Group adopted the fair value less disposal cost model to calculate the recoverable amount when conducting goodwill impairment analysis on the other animal protein business. The recoverable amount is determined by the observed active market quotation and the control premium in the reference market as fair value, which is level 2 inputs in the valuation method.

On December 31, 2025, the subsidiary of Group adopted the fair value less disposal cost model to calculate the recoverable amount when conducting goodwill impairment analysis on the education service business. The recoverable amount is determined by the transaction consideration negotiated with the third party.

For the other business, the Group has adopt value in use model to calculate the recoverable amount. These calculations in value in model use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period with a terminal value related to the future cash flow of the group of the CGUs extrapolated using constant projections of cash flows beyond the five-year period, plus 0% to 2.3% (different levels of group of CGUs) sustainable growth rate as a constant benchmark expecting after five years cash flow, to make a conclusion for the ultimate value of future group of CGUs cash flow of each set. The estimated revenue growth rates used by the Group are determined by management based on historical results and expectations of market developments.

19. INTANGIBLE ASSETS (Continued)

Impairment tests for goodwill and intangible assets with indefinite useful lives (Continued)

The revenue growth rate and discount rate used for value in use calculations under the five-year financial budget period for Group of CGUs with significant goodwill and intangible assets with indefinite useful lives are as follows:

Group of CGUs	Goodwill			
	As at December 31, 2025		As at December 31, 2024	
	Growth rate	Discount rate	Growth rate	Discount rate
– Lenovo				
– Intelligent Device Group				
Chinese Mainland	2.0%	11.0%	2.2%	11.0%
Europe/Middle East/Africa	1.6%	10.0%	4.1%	10.0%
Americas	1.3%	10.5%	3.0%	10.5%
Asia-pacific region excluding Chinese Mainland	-1.4%	11.5%	1.4%	10.0%
– Infrastructure Solutions Group				
Chinese Mainland	6.6%	13.5%	11.9%	14.0%
Europe/Middle East/Africa	9.7%	11.0%	9.1%	11.0%
Americas	15.4%	11.5%	14.6%	11.5%
Asia-pacific region excluding Chinese Mainland	12.6%	12.0%	14.6%	12.0%
– Solutions and Services Group	14.6%	12.5%	9.7%	13.0%
– BIL				
– Banking Business	3.4%	11.0%	3.2%	11.0%
– Joyvio Group				
– Salmon Production and Selling Business	17.0%	10.4%	13.1%	10.4%
– Fruit Business	8.7%	12.4%	9.7%	12.2%
– Smart Nutrition Service Business	0.0%	13.1%	-1.5%	12.6%
– Seafood Fishing and Selling Business	6.8%	9.8%	7.0%	9.2%
– Others				
– Education Service Business	N/A	N/A	-5.9%	10.0%
– Comprehensive Medical Service Business	5.0%	8.7%	4.0%	8.4%
– Insurance Brokerage Business	10.5%	9.6%	10.1%	13.0%

19. INTANGIBLE ASSETS (Continued)

Impairment tests for goodwill and intangible assets with indefinite useful lives (Continued)

In the year of 2025, the Group recorded the impairment of goodwill of RMB223 million and impairment of intangible assets with indefinite useful lives of RMB421 million, which mainly include:

For the Salmon Production and Selling Business, the management lowered the further expectations due to the lower-than-expected revenue, and recorded an impairment of indefinite useful lives of RMB111 million in the current year.

For the Education Service Business of industry incubations and investments segment, subjected to dual pressures from policy changes and declining birth rates resulting in reduced student enrolment in the private kindergarten sector, the management decided to exit the business. In light of this, the impairment of goodwill of RMB145 million and intangible assets with indefinite useful lives of RMB310 million were charged this year, based on the recoverable amount determined by the transaction price with third party.

At December 31, 2025, the Board of Directors considered that there were no significant indications of impairment of goodwill and intangible assets with indefinite useful lives, except for operations described above.

The recoverable amount of the above related asset units shall be determined according to the value in use and be the same as the fair value.

The Group has performed a sensitivity analysis on key assumptions used for the annual impairment test for goodwill. At December 31, 2025, a reasonably possible change in key assumptions used in the impairment test for goodwill would not cause any CGU's carrying amount to exceed its respective recoverable amount.

20. FINANCIAL INSTRUMENTS BY CATEGORY

	Financial assets at amortised cost <i>RMB'000</i>	Assets at fair value through profit or loss <i>RMB'000</i>	Derivatives used for hedging <i>RMB'000</i>	Assets at fair value through other comprehensive income <i>RMB'000</i>	Total <i>RMB'000</i>
As at December 31, 2025					
Assets					
Financial assets at fair value through other comprehensive income	–	–	–	4,618,079	4,618,079
Derivative financial assets	–	1,186,996	2,382,686	–	3,569,682
Account and notes receivables	15,782,524	–	–	96,686,059	112,468,583
Loans to customers	136,490,698	–	–	–	136,490,698
Loans to credit institutions	5,120,312	–	–	–	5,120,312
Other financial assets at amortised cost	78,884,357	–	–	–	78,884,357
Other receivables and other current assets	39,027,986	–	–	–	39,027,986
Other non-current assets	10,208,214	–	–	–	10,208,214
Financial assets at fair value through profit or loss	–	33,355,459	–	–	33,355,459
Associates measured at fair value through profit or loss	–	11,833,773	–	–	11,833,773
Restricted deposits and balances with central banks	3,433,402	–	–	–	3,433,402
Bank deposits	268,510	–	–	–	268,510
Cash and cash equivalents	72,254,243	–	–	–	72,254,243
	361,470,246	46,376,228	2,382,686	101,304,138	511,533,298
Liabilities					
Borrowings	143,673,327	–	–	–	143,673,327
Amounts due to customers	154,312,443	–	–	–	154,312,443
Amounts due to credit institutions	26,298,230	–	–	–	26,298,230
Lease liabilities	3,796,009	–	–	–	3,796,009
Derivative financial liabilities	–	3,005,588	1,703,202	–	4,708,790
Trade and notes payables	124,060,209	–	–	–	124,060,209
Other payables	89,442,673	–	–	–	89,442,673
Other non-current liabilities	4,953,076	–	–	–	4,953,076
Financial liabilities at fair value through profit or loss	–	29,318,653	–	–	29,318,653
	546,535,967	32,324,241	1,703,202	580,563,410	

20. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

As at December 31, 2025, other financial assets at amortized cost, assets at fair value through other comprehensive income and loans to customers and credit institutions of BIL with a total carrying amount of RMB9,775 million was restricted.

As at December 31, 2024, other financial assets at amortized cost and loans to customers and credit institutions of BIL with a total carrying amount of RMB4,589 million was restricted.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The financial assets at fair value through other comprehensive income of the Group are as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Listed equity securities:		
Equity securities – Hong Kong,China	41,210	38,307
Equity securities – Japan	111,139	98,344
Equity securities – Others	339,263	248,302
Market value of listed equity securities	491,612	384,953
Unlisted equity securities	2,988,982	2,630,729
Listed debt securities:		
Debt securities – Europe	1,129,462	2,738,699
Debt securities – America	8,023	–
Market value of listed debt securities	1,137,485	2,738,699
Total	4,618,079	5,754,381
Less: Current portion	–	(69,312)
Non-current portion	4,618,079	5,685,069

22. DERIVATIVE FINANCIAL INSTRUMENTS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Derivative financial assets		
Derivatives held for trading	1,186,996	1,433,973
Derivatives designated as fair value hedges	2,122,599	2,725,484
Derivatives designated as cash flow hedges	257,297	1,067,302
Others	2,790	177,183
	3,569,682	5,403,942
Less: Current portion	(1,121,974)	(2,334,842)
Non-current portion	2,447,708	3,069,100
Derivative financial liabilities		
Derivatives held for trading	2,278,578	1,714,676
Derivatives designated as fair value hedges	950,810	1,410,150
Derivatives designated as cash flow hedges	477,008	81,000
Warrants (i)	965,833	–
Others	36,561	10,085
	4,708,790	3,215,911
Less: Current portion	(2,048,823)	(786,682)
Non-current portion	2,659,967	2,429,229

- (i) On January 8, 2025, an aggregate of 1,150,000,000 warrants have been fully subscribed and issued by Lenovo with gross proceeds of HKD1,645 million (approximately USD212 million).

Subject to the terms of the warrants, including the transfer and exercise limit in respect of each 12-month period from the issue date, the warrants holders have the right, at any time up to January 8, 2028, which may be extended by three months, to subscribe for Lenovo's shares at an initial subscription price of HKD12.31 per share, subject to adjustments. The subscription price was adjusted to HKD11.92 per share effective on August 2, 2025. Lenovo has the option to satisfy such exercise rights by allotment and issue of Lenovo's shares, or through cash payments, which is determined with reference to the market price of Lenovo's shares.

The warrants issued by Lenovo are initially recognized as financial liabilities at fair value through profit or loss and are subsequently re-measured at each balance sheet date, with any resulting gain or loss recognized as "investment income and gains" in the consolidated income statement.

In the year of 2025, the fair value of the warrant derivative liabilities recognized fair value gain of USD72 million, which is equal to RMB518 million.

23. OTHER NON-CURRENT ASSETS

Other non-current assets primarily include long-term receivable arising from the financial lease and loans to related parties and third parties of Industry Incubations and Investments segment.

The other non-current assets with a net amount of RMB6,535 million (as at December 31, 2024, RMB4,964 million) were pledged as collateral for the borrowings of RMB6,392 million (as at December 31, 2024, RMB4,166 million) as at December 31, 2025.

24. ACCOUNTS AND NOTES RECEIVABLES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Accounts and notes receivables measured at amortised cost		
Trade receivables	5,165,145	4,465,097
Notes receivables	523,744	392,694
Receivables arising from finance leases	11,069,604	8,181,306
Less: allowances for impairment loss	(975,969)	(688,427)
Accounts and notes receivables measured at amortised cost – net	15,782,524	12,350,670
Trade receivables measured at FVOCI		
Trade receivables financing (i)	96,686,059	71,396,770
Account and notes receivables	112,468,583	83,747,440

- (i) Lenovo, our subsidiary, factorizes a part of trade receivables according to its daily fund management, with a business model that the trade receivables are held for the collection of contractual cash flows and for selling the trade receivables. The trade receivables of Lenovo are classified as financial assets measured at fair value through other comprehensive income.

As at December 31, 2025, the allowance of impairment loss for trade receivables financing is RMB1,333 million (As at December 31, 2024: RMB1,255 million).

24. ACCOUNTS AND NOTES RECEIVABLES (Continued)

As at December 31, 2025 and 2024, the ageing analyses of the trade receivables and trade receivables financing based on invoice date were as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Up to 3 months	94,188,726	70,385,987
3 to 6 months	5,846,749	4,342,354
6 months to 1 year	1,526,525	1,190,645
1 to 2 years	718,433	816,182
2 to 3 years	523,791	191,991
Over 3 years	379,500	190,184
	103,183,724	77,117,343

Notes receivables of the Group are bank acceptance mainly with maturity dates within six months.

As at December 31, 2025 and 2024, accounts receivables with a net amount of RMB881 million and RMB1,072 million were pledged as collateral for borrowings of RMB1,321 million and RMB429 million.

Movements on the allowance for impairment loss of accounts and notes receivable are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
At beginning of the year	(1,943,903)	(1,282,596)
Exchange adjustment	16,169	(10,364)
Addition	(917,184)	(1,084,020)
Uncollectible receivable written off	85,723	198,306
Unused amounts reversed	450,707	234,771
At end of the year	(2,308,489)	(1,943,903)

The carrying amounts of accounts and notes receivables approximate their fair values. The maximum exposure to credit risk at the balance sheet date is the fair value of each class of receivables mentioned above.

Credit terms of Lenovo and Joyvio Group granted to customers are around 0-120 days and 60-90 days respectively while other subsidiaries do not have specific credit terms.

25. PREPAYMENT, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Receivables from parts subcontractors	22,973,436	14,351,365
Prepayments	6,315,094	6,936,405
Prepaid tax	12,541,005	10,478,111
Amounts due from related parties (Note 53 (c))	2,059,695	1,937,592
Advance to suppliers	4,424,697	4,395,206
Deposits receivable	364,546	470,668
Advance to employees	61,956	76,315
Factoring Receivables	1,327,101	1,292,715
Government Grants	1,077,002	811,412
Others (i)	7,915,619	3,432,731
	59,060,151	44,182,520
Less: allowances for impairment loss	(921,019)	(562,719)
	58,139,132	43,619,801

- (i) This project includes precious metals held by the company's subsidiary BIL. As of December 31, 2025, the book balance of these precious metals was RMB1,500 million.

26. LOANS TO CUSTOMERS

Loan balances are loans derive from the subsidiaries of the Company which engages in the loans business.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Banking service (a)	134,728,098	123,018,519
Other service (b)	5,431,506	5,302,206
Total	140,159,604	128,320,725
Less: allowances for impairment loss (c)	(3,668,906)	(3,285,566)
Net loans to customers	136,490,698	125,035,159
Less: current portion	(31,431,348)	(32,317,267)
Non-current portion	105,059,350	92,717,892

(a) Banking service

	As at December 31,	
	2025 RMB'000	2024 RMB'000
On demand and short notice	9,057,393	10,892,062
Finance leases	2,157,438	2,203,568
Other term loans	123,513,267	109,922,889
Total	134,728,098	123,018,519
Less: allowances for impairment loss		
– Stage 1	(118,630)	(142,972)
– Stage 2	(148,340)	(106,455)
– Stage 3	(1,624,791)	(1,508,205)
Total	(1,891,761)	(1,757,632)
Net loans to customers	132,836,337	121,260,887

26. LOANS TO CUSTOMERS (Continued)

(a) Banking service (Continued)

Gross loans to customers by stage

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at January 1, 2025	103,018,000	13,820,938	6,179,581	123,018,519
To Stage 2 from Stage 1	(4,642,541)	4,642,541	–	–
To Stage 1 from Stage 2	2,081,180	(2,081,180)	–	–
To Stage 3 from Stage 2	–	(634,419)	634,419	–
To Stage 2 from Stage 3	–	120,258	(120,258)	–
To Stage 3 from Stage 1	(807,347)	–	807,347	–
To Stage 1 from Stage 3	164,662	–	(164,662)	–
Addition	27,054,626	1,917,601	841,538	29,813,765
Write-offs	–	–	(99,408)	(99,408)
Derecognition during the period other than write-offs	(22,745,314)	(4,163,025)	(2,767,438)	(29,675,777)
Exchange adjustment	9,760,719	1,399,500	552,441	11,712,660
Other Movement	(36,281)	–	(5,380)	(41,661)
As at December 31, 2025	113,847,704	15,022,214	5,858,180	134,728,098

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at January 1, 2024	108,371,304	15,597,235	6,097,267	130,065,806
To Stage 2 from Stage 1	(8,057,655)	8,057,655	–	–
To Stage 1 from Stage 2	4,943,355	(4,943,355)	–	–
To Stage 3 from Stage 2	–	(524,810)	524,810	–
To Stage 2 from Stage 3	–	273,255	(273,255)	–
To Stage 3 from Stage 1	(1,240,227)	–	1,240,227	–
To Stage 1 from Stage 3	238,413	–	(238,413)	–
Addition	23,204,642	1,646,965	752,513	25,604,120
Write-offs	–	–	(1,413)	(1,413)
Derecognition during the period other than write-offs	(19,826,411)	(5,588,777)	(1,654,731)	(27,069,919)
Exchange adjustment	(4,615,421)	(697,230)	(267,424)	(5,580,075)
As at December 31, 2024	103,018,000	13,820,938	6,179,581	123,018,519

26. LOANS TO CUSTOMERS (Continued)

(b) Other service

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Direct loans and pawn loans to customers	2,643,072	2,873,256
Entrusted loans to customers	2,788,434	2,428,950
Total	5,431,506	5,302,206
Less: allowances for impairment loss		
– Stage 1	(68,937)	(91,506)
– Stage 2	(37,540)	(51,743)
– Stage 3	(1,670,668)	(1,384,685)
Total	(1,777,145)	(1,527,934)
Net loans to customers	3,654,361	3,774,272

As at 31 December 2025, no loans to customers were pledged as collateral for borrowings. As at December 31, 2024, loans to customers with a carrying amount of RMB248 million were pledged as collateral for borrowings of RMB213 million.

26. LOANS TO CUSTOMERS (Continued)

(c) Allowance for impairment loss

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at January 1, 2025	(234,478)	(158,198)	(2,892,890)	(3,285,566)
Allowance made (i)	(127,581)	(264,154)	(1,523,746)	(1,915,481)
Unused amounts reversed (ii)	195,386	193,676	949,042	1,338,104
Transfer of stages, write-off and disposal	(8,624)	49,236	315,495	356,107
Exchange adjustment	(12,270)	(6,440)	(143,360)	(162,070)
As at December 31, 2025	(187,567)	(185,880)	(3,295,459)	(3,668,906)
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at January 1, 2024	(403,852)	(227,751)	(2,944,751)	(3,576,354)
Allowance made (i)	(335,150)	(291,515)	(1,693,071)	(2,319,736)
Unused amounts reversed (ii)	458,391	365,147	973,388	1,796,926
Transfer of stages, write-off and disposal	40,037	(8,468)	731,180	762,749
Exchange adjustment	6,096	4,389	40,364	50,849
As at December 31, 2024	(234,478)	(158,198)	(2,892,890)	(3,285,566)

(i) Including the impact of current period accruals and parameter updates on the loss allowance.

(ii) Including reversal of allowance for impairment loss for written-off assets.

27. LOANS TO CREDIT INSTITUTIONS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Cash collateral	1,989,645	1,710,967
Loans and other advances	3,130,730	896,147
Total	5,120,375	2,607,114
Less: allowances for impairment loss		
– stage 1	(63)	(555)
– stage 2	–	–
– stage 3	–	–
Total allowances for impairment loss	(63)	(555)
Net loans to credit institution	5,120,312	2,606,559
Less: Current portion	(4,626,223)	(2,606,559)
Non-current portion	494,089	–

28. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Bonds issued by public bodies	48,863,709	43,900,063
Other bonds and fixed-income instruments	30,054,733	25,042,486
Total	78,918,442	68,942,549
Less: allowances for impairment loss		
– stage 1	(7,646)	(13,617)
– stage 2	(14)	(72)
– stage 3	(26,425)	(24,966)
Total allowances for impairment loss	(34,085)	(38,655)
Net other financial assets at amortised cost	78,884,357	68,903,894
Less: Current portion	(7,319,400)	(9,741,293)
Non-current portion	71,564,957	59,162,601

29. INVENTORIES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Raw materials	36,346,261	35,807,424
Work in progress	179,183	111,718
Finished goods	26,640,540	28,395,264
Service parts	3,851,500	4,214,233
Others	606,143	500,914
	67,623,627	69,029,553

As at December 31, 2025 and 2024, inventories with a net amount of RMB366 million and RMB389 million were pledged as collateral for borrowings of RMB197 million and RMB240 million.

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Listed equity securities:		
Equity securities – Chinese Mainland	4,715,426	2,908,366
Equity securities – Hong Kong, China	1,963,477	233,456
Equity securities – Europe	327,990	221,640
Equity securities – United States	281,786	372,918
Fair value of listed equity securities	7,288,679	3,736,380
Unlisted equity securities	24,442,996	24,292,664
Listed debt securities:		
Debt securities – Chinese Mainland	3,859	3,867
Debt securities – Europe	–	4,907
Fair value of listed debt securities	3,859	8,774
Unlisted debt securities	1,619,925	1,717,906
Total	33,355,459	29,755,724
Less: Non-current portion	(16,563,456)	(12,992,915)
Current portion	16,792,003	16,762,809

Changes in fair value of financial assets at fair value through profit or loss are recorded in “investment income and gains” in the consolidated income statement.

As at December 31, 2025, financial assets at fair value through profit or loss with a carrying amount of RMB178 million were pledged as collateral for borrowings of RMB80 million. As at December 31, 2024, financial assets at fair value through profit or loss with a carrying amount of RMB143 million were pledged as collateral for borrowings of RMB60 million.

31. BALANCES WITH CENTRAL BANK, RESTRICTED DEPOSITS, BANK DEPOSITS, CASH AND CASH EQUIVALENTS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Balances with central bank		
Cash and balances with central banks of the country of the subsidiaries	864,728	1,392,255
Restricted deposits		
Deposits for notes payables and borrowings	1,635,473	2,885,761
Other restricted deposits	933,201	1,473,400
	2,568,674	4,359,161
Bank deposits		
Matured between three to twelve months	268,510	44,270
Cash and cash equivalents		
Cash at bank and in hand	35,808,125	35,278,471
Cash and balances with central banks of the country of the subsidiaries (other than mandatory reserves)	12,422,980	8,019,075
Loans and advances to credit institutions	11,628,742	13,019,047
Money market funds	12,394,396	4,651,405
	72,254,243	60,967,998
Total	75,956,155	66,763,684
Maximum exposure to credit risk	75,956,155	66,763,684
Effective annual interest rates	0.0%-15.0%	0.0%-12.3%

32. SHARE-BASED PAYMENTS

The Group operates several share-based payment schemes, including the long-term incentive program administrated at Lenovo and the share award plan operated by the Company in exchange of services rendered by employees.

(a) Share-based payment plans of Lenovo

Long-term incentive program

A performance-related long-term incentive program was approved by Lenovo on May 26, 2005 and revised in 2008, 2016 and 2022 respectively for the purpose of rewarding and motivating directors, executives and top-performing employees (the "Participants") of Lenovo and its subsidiaries.

The long-term incentive program is designed to enable Lenovo to attract and retain the best available personnel, and encourage and motivate Participants to work towards enhancing the value of Lenovo and its shares by aligning their interests with those of the shareholders of Lenovo.

Lenovo also approved a share-based compensation package for non-executive directors.

Under the long-term incentive program, Lenovo may grant awards, at its discretion, using any of the two types of equity-based compensation: (i) share appreciation rights and (ii) restricted share units, which are described below:

(i) Share Appreciation Rights ("SARs")

An SAR entitles the holder to receive the appreciation in value of Lenovo's share price above a predetermined level.

(ii) Restricted Share Units ("RSUs")

An RSU equals to the value of one ordinary share of Lenovo. Once vested, an RSU is converted to an ordinary share.

Under the two types of compensation, Lenovo reserves the right, at its discretion, to pay the award in cash or ordinary shares of Lenovo.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share incentive plan of the Company

2024 Medium and Long-Term Incentive Plan

On June 26, 2025, the restricted share incentive plan (the “2024 restricted share incentive plan”) was approved at the annual general meeting of the Company. According to the relevant plan, the Company will entrust the custodian to purchase certain numbers of H Shares from the market for granting to the incentive targets. Under the 2024 restricted share incentive plan, the total amount of H shares to be granted to the incentive targets will not exceed 12.0 million H shares.

The lock-up periods varies from granted restricted share. The lock-up period of restricted shares is no longer than 84 months from the date the restricted shares have been granted. The incentive targets do not require to make any cash contribution when the shares are granted.

Movements in the number of shares granted for the year ended December 31, 2025 are as follows:

	Number of shares
Outstanding at December 31, 2024	–
Granted during the year	6,292,000
Vested during the year	–
Lapsed/cancelled during the year	–
As at 31 December 31, 2025	6,292,000

As at December 31, 2025, the remaining service period of the awards granted under the incentive plans is 2.4 years.

- (c) For the year ended December 31, 2025 and 2024, the share-based payment expenses of RMB2,415 million and RMB1,902 million were recognised in the consolidated income statement.

33. SHARE CAPITAL

	As at December 31, 2025		As at December 31, 2024	
	Number of shares	Share capital RMB'000	Number of shares	Share capital RMB'000
– H shares	1,271,853,990	1,271,854	1,271,853,990	1,271,854
– Domestic shares	1,084,376,910	1,084,377	1,084,376,910	1,084,377
Ordinary shares issued and fully paid	2,356,230,900	2,356,231	2,356,230,900	2,356,231

34. PERPETUAL SECURITIES

As at November 14, 2019, BIL issued a total of EUR175 million Fixed Rate Resetable Callable Perpetual Additional Tier 1 Capital Notes (the “Notes”) which were admitted to trading on a regulated market in the European Economic Area (“EEA”) and/or offered to the public other than any retail investors in the EEA. The net proceeds were about RMB1,380 million. The annual coupon rate of the Notes for the first 6 years is 5.25%, resetting every 5 years thereafter. Interest is payable semi annually in arrear on 14 May and 14 November of each year commencing on May 14, 2020, the Notes were used to strengthen BIL’s Additional Tier 1 capital.

As (a) BIL may elect, at its sole and absolute discretion, to cancel in whole or in part the payment of interest on the Notes and may pay dividends on its ordinary shares notwithstanding such cancellation; (b) The Notes have no fixed maturity, noteholders do not have the right to call for their redemption and BIL may, at its option, redeem the Notes at any time in the six months prior to and including November 14, 2025 or on any interest payment date thereafter, the Notes do not contain any contractual obligation to pay cash or other financial assets, and are classified as a component of non-controlling interests within Equity for accounting purpose.

In 2025, BIL initiated a tender offer and open market buy back for the existing EUR175 million Notes, and fully redeemed them in May 2025. As at February 26, 2025, BIL issued additional Fixed Rate Resetable Callable Perpetual Additional Tier 1 Capital Notes of the same type, with the issuance completed in May 2025. The net proceeds amounted to EUR300 million, approximately RMB2,290 million.

35. TRADE AND NOTES PAYABLES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Trade payables	99,703,966	79,393,541
Notes payables	24,356,243	25,001,157
	124,060,209	104,394,698

As at December 31, 2025 and 2024, the ageing analyses of the trade payables based on invoice date were as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
0-30 days	55,850,698	44,388,201
31-60 days	24,475,176	19,958,020
61-90 days	11,553,120	8,419,362
91 days-1 year	7,738,225	6,506,530
Over 1 year	86,747	121,428
	99,703,966	79,393,541

Notes payables of the Group are mainly repayable within three months.

As at December 31, 2025, trade payables of RMB515 million (2024: RMB296 million) and notes payable of RMB21,994 million (2024: RMB23,069 million) are under Supplier Financing Arrangements (SFAs). Suppliers have already received payment from the relevant financial institutions. The range of payment due dates for such SFAs are 42 to 132 days after the invoice date, which is similar with the range of payment due dates for comparable trade and notes payables that are not part of the SFAs.

36. DEFERRED REVENUE

Deferred revenue are advance received for extend warranty from our customers in Lenovo.

37. OTHER PAYABLES AND ACCRUALS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Payable to parts subcontractors	43,624,400	46,793,215
Allowance for billing adjustment (i)	21,840,464	15,588,398
Accrued expenses	19,757,041	18,965,820
Payroll payable	8,807,734	8,196,074
Other taxes payable	3,958,743	3,307,279
Amounts due to related parties (ii) (Note 53(c))	157,242	621,978
Social security payable	1,708,162	1,407,480
Deposits payable	362,585	401,267
Royalty payable	367,866	370,957
Deferred consideration	126,950	75,621
Written put option liability (iii)	2,071,346	1,788,280
Others	14,068,252	16,605,240
	116,850,785	114,121,609

As at December 31, 2025, certain balances amounted to RMB5,377 million are under SFAs and included in other payables and accruals (2024: RMB10,826 million). The range of payment due dates for such SFAs are 42 to 132 days after the invoice date, which is similar with the range of payment due dates for comparable other payables and accruals that are not part of the SFAs.

37. OTHER PAYABLES AND ACCRUALS (Continued)

- (i) Allowance for billing adjustment relates primarily to allowances for future volume discounts, price protection, rebates and customer sales returns.
- (ii) As at December 31, 2025 and 2024, the amounts due to related parties are unsecured.
- (iii) Written put option liability
 - (1) Pursuant to the joint venture agreement entered into between Lenovo and Fujitsu Limited (“Fujitsu”), Lenovo and Fujitsu are respectively granted call and put options which entitle Lenovo to purchase from Fujitsu and Development Bank of Japan (“DBJ”), or Fujitsu and DBJ to sell to Lenovo, 49% interest in Fujitsu Client Computing Limited and its subsidiaries. Both options are exercisable as at December 31, 2025. The exercise price for the call and put options will be determined based on the fair value of the 49% interest as of the day of exercising the option.
 - (2) Pursuant to the option agreement entered into between a wholly owned subsidiary of Lenovo and Hefei Yuan Jia Start-up Investment LLP (“Yuan Jia”) on January 11, 2022, which holds 99.31% interest in Hefei Zhi Ju Sheng Bao Equity Investment Co., Ltd (“ZJSB”), Lenovo and Yuan Jia are respectively granted call and put options which entitle Lenovo to purchase from Yuan Jia, or Yuan Jia to sell to Lenovo, the 99.31% interest in ZJSB. The call and put options will be exercisable after 54 months and from the 48 months to the 54 months respectively from the date of the option agreement. The exercise price for the call and put options will be determined in accordance with the option agreement, and up to a maximum of RMB500 million (approximately USD70 million). As of December 31, 2025, the written put option liability to Yuan Jia has been reclassified as a current liability, since it will be exercisable within the next twelve months.

The amount that may become payable upon exercise of the put option is initially included in other non-current liabilities at the present value of the redemption amount, with a corresponding direct credit to equity for the put option issued to non-controlling interests.

At each balance sheet date, the put option liability is required to be remeasured based on changes in expected performance, with the resulting gain or loss recognized in the consolidated income statement (note 6). If the put option is not exercised at expiry, the liability is derecognized and equity is adjusted accordingly.

38. ADVANCES FROM CUSTOMERS

Advances from customers represent amounts received from sale of inventories, where the control of the inventory sold had not yet been transferred as at year-end.

39. OTHER NON-CURRENT LIABILITIES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Deferred considerations	176,226	180,228
Government incentives and grants received in advance (a)	1,193,224	943,334
Written put option liability (b)	1,947,803	847,940
Long-term payables	3,282,259	2,986,627
Others	1,217,520	1,307,046
	7,817,032	6,265,175

(a) Government incentives and grants received in advance

Government incentives and grants received in advance by the Group included in other non-current liabilities are mainly related to research and development projects and construction of property, plant and equipment. The Group are obliged to fulfil certain conditions under the terms of the government incentives and grants. Government incentives and grants are credited to the consolidated income statement upon fulfilment of those conditions. Government incentives and grants relating to assets are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

(b) Written put option liability

The financial liability that may become payable under the put option is initially recognized at present value of redemption within other non-current liabilities. The put option liability shall be re-measured with any resulting gain or loss recognized in the consolidated income statement at each balance sheet date. In the event that the put option lapses unexercised, the liability will be derecognized with a corresponding adjustment to equity.

- Pursuant to the contract of Sino-Foreign Equity Joint Venture entered into between the Company, Joyvio Group, the subsidiary of the Company, and Shaoxing Keqiao Joyvio Equity Investment Partnership (Limited Partnership) ("Shaoxing Keqiao Fund") in 2023, the Company granted Shaoxing Keqiao Fund the put option which entitles Shaoxing Keqiao Fund to sell its whole or a part of interest in Joyvio Group, upon the occurrence of certain conditions specified in the contract. The exercise price for the put option will be determined in accordance with the contract and up to maximum of RMB0.6 billion.
- Pursuant to the equity transfer and capital increase agreement, the Group entered into with Sunshine Life Insurance Corporation Limited ("Sunshine Life") in 2024 on the equity of JC Finance & Leasing, a subsidiary of the Company, upon the occurrence of any of the repurchase events as described in the agreement, Sunshine Life has the right to require the Company's subsidiary Junchuang Financial Group Limited, the Company and its designated entities approved by Sunshine Life to repurchase all or part of the equity interests in JC Finance & Leasing held by Sunshine Life by then ("put option"). The transaction was completed in January, 2025. The exercise price for the put option equivalent to the cost of investment made by Sunshine Life plus investment income calculated based on the investment cost using a simple interest rate of 8% per year, less the dividends, bonuses obtained by Sunshine Life.

40. AMOUNT DUE TO CREDIT INSTITUTIONS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
On demand	2,526,915	990,850
Term	16,150,280	14,364,329
Cash collateral	1,453,274	1,972,496
Repurchase agreements	4,513,637	2,163,301
Others	1,654,124	1,548,532
Total	26,298,230	21,039,508
Less: Non-current portion	(465,028)	(525,055)
Current portion	25,833,202	20,514,453

(a) Analysis by nature:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Unsecured	21,774,672	18,876,207
Collateralised	4,523,558	2,163,301
	26,298,230	21,039,508

(b) The carrying amounts of amount due to credit institutions are denominated in the following currencies:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
EUR	8,511,640	8,644,347
USD	15,457,875	10,706,198
CHF	137,985	329,743
GBP	1,705,250	1,071,584
Others	485,480	287,636
	26,298,230	21,039,508

Amount due to credit institutions are all from BIL.

41. AMOUNT DUE TO CUSTOMERS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Demand deposits and saving deposits	89,822,282	78,077,192
Term deposits	62,010,604	63,090,594
Cash collateral	5,624	2,073
Repurchase agreements	2,473,933	–
Total	154,312,443	141,169,859
Less: Non-current portion	(4,307,621)	(4,936,174)
Current portion	150,004,822	136,233,685

Amount due to customers are all from BIL.

42. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Debt instruments (i)	27,906,721	24,222,688
Special Financial Instruments (ii)	1,411,932	1,414,251
Total	29,318,653	25,636,939
Less: Current portion	(10,698,254)	(8,666,316)
Non-current portion	18,620,399	16,970,623

- (i) BIL primarily uses the fair value option (FVO) to designate such liability as financial liability at fair value through profit or loss to eliminate or at least significantly reduce the measurement or recognition inconsistency (also known as the accounting mismatch) that would arise from measuring financial assets or liabilities or recognising the gains and losses on these assets and liabilities on a different basis. The fair value of unlisted financial instruments was determined using pricing tools and procedures established by BIL. These pricing tools are discounted cash flow models that allow the current value to be determined on the basis of an interest rate curve that is applicable to similar securities and takes into account BIL's own credit rating.
- (ii) Special financial instruments are financial instruments that the external financing of the Group meet the characteristics of special financial instruments under IFRS, which are classified as equity instruments in the individual financial statements of subsidiaries, but classified as financial liabilities at fair value through profit or loss in the consolidated financial statements.

43. BORROWINGS

	As at December 31,	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans		
– Unsecured loans	38,192,407	31,633,410
– Guaranteed loans	22,957,330	22,879,969
– Collateralised loans	11,535,925	14,063,158
Other loans (i)		
– Unsecured loans	501,083	500,000
– Guaranteed loans	302,094	325,000
– Collateralised loans	10,136,726	9,834,040
Corporate bonds (1)		
– Unsecured bonds	54,250,423	48,726,402
– Guaranteed bonds	928,991	344,088
– Collateralised bonds	4,868,348	2,939,362
	143,673,327	131,245,429
Less: Current portion	(58,092,413)	(59,348,540)
Non-current portion	85,580,914	71,896,889

(i) Other loans are mainly loans from non-banking financial institutions.

43. BORROWINGS (Continued)

As at December 31, 2025 and 2024, the carrying amount of the borrowings approximates their fair value.

(1) The information about corporate bonds issued as at December 31, 2025 is as below:

Issuer	Type of bonds	Issuance date	Term	Principal amount
The Company	Corporate bonds	July 6, 2016	10 years	RMB2,000 million
Lenovo	Medium term notes	November 2, 2020	10 years	USD900 million
Lenovo	Medium term notes	July 27, 2022	5.5 years	USD600 million
Lenovo	Medium term notes	July 27, 2022	10 years	USD563 million
Lenovo	Convertible bonds (2)	August 26, 2022	7 years	USD675 million
Lenovo	Convertible bonds (2)	January 8, 2025	3 years	USD2,000 million
Joyvio Group	Short term notes	January 24, 2025	1 year	USD20 million
Joyvio Group	Short term notes	April 3, 2025	1 year	RMB219 million
Joyvio Group	Short term notes	November 19, 2025	1 year	RMB210 million
BIL	Bank subordinate bonds	June 8, 2016	12 years	EUR50 million
BIL	Bank subordinate bonds	October 18, 2016	12 years	USD100 million
BIL	Bank subordinate bonds	May 18, 2021	10.25 years	EUR100 million
BIL	Bank subordinate bonds	February 1, 2023	10.25 years	EUR100 million
BIL	Bank subordinate bonds	October 29, 2025	6 years	EUR200 million
BIL	Medium term notes	2014-2025	0.8-23 years	EUR1,920 million
BIL	Medium term notes	2021-2024	3-5 years	USD25 million
BIL	Medium term notes	September 1, 2021 & February 8, 2022	5 years	JPY1,000 million
BIL	Medium term notes	November 5, 2021 & January 19, 2022	5 years	GBP6 million
BIL	Medium term notes	November 3, 2023	3 years	CNH300 million
JC Finance & Leasing	Asset-backed notes (i)	March 28, 2024	2-3 years	RMB47 million
JC Finance & Leasing	Asset-backed notes (i)	October 15, 2024	2-3 years	RMB546 million
JC Finance & Leasing	Asset-backed notes (i)	January 22, 2025	1-2 years	RMB848 million
JC Finance & Leasing	Asset-backed notes (i)	May 29, 2025	1-2 years	RMB862 million
JC Finance & Leasing	Asset-backed notes (i)	August 15, 2025	2-3 years	RMB1,133 million
JC Finance & Leasing	Asset-backed notes (i)	November 12, 2025	2-3 years	RMB1,426 million
JC Finance & Leasing	Corporate bonds	January 5, 2024	3 years	RMB350 million

The annual interest rates of the above bonds are from 0% to 8%.

(i) The asset-backed notes packages issued in 2025 and 2024 include multiple notes. The principle amounts of the two packages on issuance dates amounted to RMB5,904 million and RMB2,748 million respectively.

43. BORROWINGS (Continued)

(2) Convertible bonds

- A. On August 26, 2022, Lenovo completed the issuance of 7-Year USD675 million convertible bonds bearing annual interest at 2.5% due in August 2029 (“the 2029 Convertible Bonds”) to the bondholders. The proceeds were used to repay the previous convertible debenture and for general corporate purposes. The bondholders have the right, at any time on or after 41 days after the date of issue and up to the 10th day prior to the maturity date, to convert part or all of the outstanding principal amount of the 2029 Convertible Bonds into ordinary shares of Lenovo at a conversion price of HKD9.94 per share, subject to adjustments. The conversion price was adjusted to HKD8.67 per share effective on August 2, 2025. Assuming full conversion of the 2029 Convertible Bonds at the conversion price of HKD8.67 per share, the 2029 Convertible Bonds will be convertible into 610,263,840 shares.

The outstanding principal amount of the Bonds is repayable by Lenovo upon the maturity of the 2029 Convertible Bonds on August 26, 2029 if not previously redeemed, converted or purchased and cancelled. On August 26, 2026, the bondholders will have the right, at the bondholders’ option, to require Lenovo to redeem part or all of the 2029 Convertible Bonds at their principal amount.

At any time after September 9, 2026 and prior to August 26, 2029, Lenovo will have the right to redeem in whole, but not in part, the 2029 Convertible Bonds for the time being outstanding at their principal amount upon occurrence of certain specified conditions.

- B. On January 8, 2025, Lenovo completed the issuance of 3-Year USD2,000 million zero-coupon convertible bonds due in January 2028 (“the 2028 Convertible Bonds”) to the bondholder, subject to three months extension upon occurrence of specified condition. The proceeds were used to repay the existing debts and for general corporate purposes. The bondholder has the right, at any time up to 15 calendar days prior to the maturity date, to convert part or all of the outstanding principal amount of the 2028 Convertible Bonds into ordinary shares of Lenovo at a conversion price of HKD10.02 per share, subject to adjustments. The conversion price was adjusted to HKD9.70 per share effective on August 2, 2025. The conversion shall take place on the maturity date. Assuming full conversion of the 2028 Convertible Bonds at the conversion price of HKD9.70 per share, the 2028 Convertible Bonds will be convertible into 1,610,618,556 shares.

The outstanding principal amount of the 2028 Convertible Bonds is repayable by Lenovo upon the maturity of the 2028 Convertible Bonds on January 8, 2028 if not previously redeemed or converted. At any time prior to the maturity date, the bondholder will have the right to require Lenovo to redeem all of the 2028 Convertible Bonds at their principal amount or plus interest of 4.5% per annum upon occurrence of certain specified conditions.

The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion, redemption or maturity of the bonds. The remainder of the proceeds was allocated to the conversion option and recognized in shareholders’ equity, net of income tax, and not subsequently remeasured.

Lenovo expects that it will be able to meet its redemption obligations based on the financial position of Lenovo had conversion of the 2029 Convertible Bonds and 2028 Convertible Bonds not exercised on maturity.

43. BORROWINGS (Continued)**(a) Effective interest rates per annum on borrowings are as follows:**

	As at December 31,	
	2025	2024
Bank loans	1.00%-9.47%	0.99%-10.40%
Other loans	3.26%-8.00%	3.71%-8.00%

The upper limit range of the interest rate above mainly refers to the agreed interest rate by the Company's overseas subsidiaries under local financing contracts.

(b) Borrowings are repayable as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Within 1 year	58,092,413	59,348,540
After 1 year but within 2 years	19,134,831	24,039,098
After 2 years but within 5 years	49,275,299	26,233,420
After 5 years	17,170,784	21,624,371
	143,673,327	131,245,429

(c) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
RMB	69,367,359	64,802,396
USD	40,822,734	36,386,884
EUR	21,933,481	19,698,274
HKD	10,565,629	7,662,357
CHF	–	1,445,738
Others	984,124	1,249,780
	143,673,327	131,245,429

44. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Deferred tax assets:		
Recovered after 12 months	14,692,825	17,444,211
Recovered within 12 months	13,049,020	9,454,292
	27,741,845	26,898,503
Deferred tax liabilities:		
Repaid after 12 months	(7,903,055)	(9,626,032)
Deferred tax assets – net	19,838,790	17,272,471

The gross movement on the deferred income tax account is as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
At beginning of the year	17,272,471	12,892,006
Credited to the income statement (Note 13)	2,839,125	4,470,774
Charged to other comprehensive income (Note 13)	(13,759)	(2,548)
Directly charged to equity	(33,127)	(39,752)
Disposal of subsidiaries	(13,998)	(12,161)
Exchange adjustment and reclassification	(211,922)	(35,848)
At end of the year	19,838,790	17,272,471

44. DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking the offsetting of balances within the same tax jurisdiction into consideration, is as follows:

Deferred income tax assets	Provision and accruals and tax depreciation allowance <i>RMB'000</i>	Tax losses <i>RMB'000</i>	Deferred revenue <i>RMB'000</i>	Fair value changes – associates – <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	7,832,200	12,509,927	1,667,810	250,497	2,314,130	24,574,564
Credited/(Charged) to the income statement	6,455,084	(3,204,708)	289,049	24,924	(638,911)	2,925,438
(Charged)/Credited to other comprehensive income	(7,350)	–	–	–	5,695	(1,655)
Directly charged to equity	–	–	–	–	(39,694)	(39,694)
Disposal of subsidiaries	(2,745)	(20,894)	–	–	(1,855)	(25,494)
Exchange adjustment and reclassification	(88,090)	484,469	(129,352)	–	453,894	720,921
At December 31, 2024	14,189,099	9,768,794	1,827,507	275,421	2,093,259	28,154,080
Credited/(Charged) to the income statement	3,295,334	369,099	531,500	(261,622)	(219,929)	3,714,382
Charged to other comprehensive income	(916)	–	–	–	(1,632)	(2,548)
Directly charged to equity	–	–	–	–	(32,991)	(32,991)
Disposal of subsidiaries	(13,133)	–	–	–	(13,321)	(26,454)
Exchange adjustment and reclassification	(246,345)	(74,068)	(739)	–	47,790	(273,362)
At December 31, 2025	17,224,039	10,063,825	2,358,268	13,799	1,873,176	31,533,107

Deferred income tax assets are recognised for deductible temporary differences and tax losses carried forward to the extent that realization of the related tax benefit through the future taxable profits is probable.

44. DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities	Fair value gains – investment properties RMB'000	Fair value gains – financial assets RMB'000	Fair value changes – associates RMB'000	Outside basis differences RMB'000	Assets valuation (i) RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024	2,768,888	1,877,586	480,317	849,826	1,691,948	4,013,993	11,682,558
(Credited)/Charged to the income statement	(35,458)	(130,877)	(402,447)	8,428	(238,426)	(746,556)	(1,545,336)
Charged to other							
comprehensive income	–	893	–	–	–	–	893
Directly charged to equity	–	–	–	–	–	58	58
Disposal of subsidiaries	–	–	–	–	–	(13,333)	(13,333)
Exchange adjustment and reclassification	–	9,763	–	8,878	6,764	731,364	756,769
At December 31, 2024	2,733,430	1,757,365	77,870	867,132	1,460,286	3,985,526	10,881,609
(Credited)/Charged to the income statement	(55,116)	208,869	(7,478)	118,345	(167,444)	778,081	875,257
Charged to other							
comprehensive income	–	11,211	–	–	–	–	11,211
Directly charged to equity	–	9	–	–	–	127	136
Disposal of subsidiaries	–	–	–	–	–	(12,456)	(12,456)
Exchange adjustment and reclassification	–	(9,383)	–	(21,624)	(10,507)	(19,926)	(61,440)
At December 31, 2025	2,678,314	1,968,071	70,392	963,853	1,282,335	4,731,352	11,694,317

- (i) Assets valuation included valuation gains on property, plant and equipment, right-of-use assets and intangible assets arising from initial recognition in business combination.

44. DEFERRED INCOME TAX (Continued)

At December 31, 2025 and 2024, the Group did not recognise deferred income tax assets in respect of deductible temporary differences of approximately RMB23,580 million and RMB23,464 million and tax losses of approximately RMB37,832 million and RMB31,809 million that can be carried forward against future taxable income. At December 31, 2025 and 2024, the unrecognised tax losses of RMB16,261 million and RMB14,529 million can be carried forward indefinitely. The balances of unrecognised tax losses will expire as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
– within 1 year	4,300,246	1,323,394
– 1 to 2 years	4,140,094	4,861,186
– 2 to 3 years	4,413,979	6,211,268
– 3 to 4 years	6,723,299	4,257,946
– Over 4 years	18,253,922	15,155,443
	37,831,540	31,809,237

45. RETIREMENT BENEFIT OBLIGATIONS

The Group's retirement benefit obligations are mainly related to Lenovo and BIL.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Pension obligation included in non-current liabilities		
Pension benefits (a)	1,326,587	1,449,959
Post-employment medical benefits (b)	208,081	210,634
	1,534,668	1,660,593
Expensed in income statement		
Pension benefits (Note 9)	158,904	159,409
Post-employment medical benefits (Note 9)	10,727	8,207
	169,631	167,616
Remeasurements for		
Defined pension benefits	119,727	(43,310)
Post-employment medical benefits	(7,006)	(11,145)
	112,721	(54,455)

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)

The Group operates a sectionalized plan that has both defined contribution and defined benefit features in Germany, including benefits based on a final pay formula. This plan is closed to new entrants. The defined benefit plan for Motorola Mobility in Germany does not have employees, but a large number of retirees and former employees with benefits fully vested but have yet to reach retirement age. The Group's largest pension liabilities are now in Germany.

The Group continues to maintain significant pension liabilities in Japan where a cash balance benefit is provided for substantially all employees.

In the United States, the defined benefit plan is closed to new entrants, and now covers only less than 1% of employees. There is also a supplemental defined benefit plan that covers certain executives.

The Group also operates final salary defined benefit plans in a number of countries as a result of past acquisition. The Group's major plans are valued by qualified actuaries annually using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period they arise.

(a) Pension benefits

The amounts recognised in the consolidated balance sheet are determined as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Present value of funded obligations	4,484,534	4,362,080
Fair value of plan assets (Note 45(c))	(4,219,959)	(3,965,031)
Deficit of funded plans	264,575	397,049
Present value of unfunded obligations	877,102	897,753
Liabilities in the balance sheet	1,141,677	1,294,802
Representing:		
Retirement benefits obligation	1,326,587	1,449,959
Retirement plan assets	(184,910)	(155,157)
	1,141,677	1,294,802

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)

(a) Pension benefits (Continued)

The principal actuarial assumptions used were as follows:

	As at December 31,	
	2025	2024
Discount rate	1.10%-5.00%	1.00%-5.00%
Future salary increases	0.00%-3.50%	0.00%-5.40%
Future pension increases	0.00%-2.00%	0.00%-2.50%
Life expectancy for male aged 60	20.30-28.10	20.30-28.00
Life expectancy for female aged 60	25.60-29.90	25.70-29.80

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as below:

	Year ended December 31, 2025		
	Impact on defined benefit obligation (i)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 5.40% or 3.87%	Increase by 5.90% or 4.28%
Salary growth rate	0.50%	Increase by 0.80% or 0.95%	Decrease by 0.80% or 0.79%
Pension growth rate	0.50%	Increase by 3.50% or N/A	Decrease by 3.30% or N/A
Life expectancy	1 year	Increase by 1.10% or 1.11%	Decrease by 1.40% or 1.10%

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)
(a) Pension benefits (Continued)

	Year ended December 31, 2024		
	Impact on defined benefit obligation (i)		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 5.60% or 3.64%	Increase by 6.20% or 4.05%
Salary growth rate	0.50%	Increase by 1.00% or 1.06%	Decrease by 0.90% or 0.86%
Pension growth rate	0.50% or N/A	Increase by 3.70% or N/A	Decrease by 3.50% or N/A
Life expectancy	1 year	Increase by 1.40% or 1.10%	Decrease by 1.40% or 1.08%

(i) Different subsidiaries in the Group have pension plans in various regions. As different models are used, change in an assumption may result in different output. The analysis results of different model are listed respectively in above sensitivity analysis.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change for the year ended December 31, 2025 and 2024.

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)

(b) Post-employment medical benefits

The Group operates a number of post-employment medical benefit schemes, principally in the US. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes.

The US plan (Lenovo Future Health Account Plan) is currently an unfunded plan, and benefits to eligible retirees and dependents will be made through general assets.

As post-employment medical benefits plan made no agreements on future benefit level changes, the changes in future medical cost trend rates have no effect on the liabilities for post-employment medical benefits.

The amounts recognised in the consolidated balance sheet are determined as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Present value of funded obligations	–	–
Fair value of plan assets (<i>Note 45 (c)</i>)	–	–
Deficit of funded plans	–	–
Present value of unfunded obligations	208,081	210,634
Liabilities in the balance sheet	208,081	210,634

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)**(c) Additional information on post-employment benefits (pension and medical)**

Percentage of fair value of the plan assets are analysed below:

	2025			2024		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Pension						
Equity instruments (i)	10.35%	–	6.91%	8.84%	–	5.95%
Debt instruments (ii)	82.64%	–	55.15%	83.19%	–	55.94%
Properties	0.45%	21.05%	7.28%	0.33%	17.42%	5.93%
Qualifying insurance policies	–	23.21%	7.72%	–	26.83%	8.79%
Cash and cash equivalents	2.81%	0.73%	2.14%	1.97%	0.86%	1.61%
Investment funds	3.75%	43.99%	17.13%	5.67%	42.08%	17.59%
Structured bonds	–	8.86%	2.95%	–	10.48%	3.43%
Others	–	2.16%	0.72%	–	2.33%	0.76%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Medical Plan						
– Cash and cash equivalents	–	–	–	–	–	–

(i) The equity instruments in plan assets of the subsidiaries of the Group mainly include IT, energy, manufacturing and other industries.

(ii) The debt instruments in plan assets of the subsidiaries of the Group mainly include government bond and corporate bond (both investment grade and non-investment grade).

The long-term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership and liability profile, the liquidity requirements of the plans.

For the year ended December 31, 2025 and 2024, the weighted average duration of defined benefit obligation is 11 years and 11 years respectively.

Pension and medical plan assets do not include any of the Company's ordinary shares, US real estate occupied by the Group, own transferable financial instruments issued or assets occupied or used by BIL for the year ended December 31, 2025 and 2024.

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)**(c) Additional information on post-employment benefits (pension and medical) (Continued)**

Reconciliation of fair value of plan assets of the Group:

Pension	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Opening fair value	3,965,031	4,131,302
Interest income	124,106	97,333
Actuarial (losses)/gains	(217,863)	43,386
Contributions by the employer	229,687	265,402
Contributions by plan participants	24,479	19,149
Benefits paid	(296,080)	(255,252)
Exchange adjustment	396,757	(330,135)
Others	(6,158)	(6,154)
Closing fair value	4,219,959	3,965,031
Actual return on plan assets	(93,757)	140,719

Medical Plan	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Opening fair value	–	–
Interest income	264	92
Actuarial losses	–	–
Contributions by the employer	9,113	7,895
Benefits paid	(9,277)	(8,129)
Exchange adjustment	(100)	142
Closing fair value	–	–
Actual return on plan assets	264	92

Contribution of RMB154 million are estimated to be made for the year ended December 31, 2026 (For the year ended December 31, 2025 : RMB189 million).

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)

(c) Additional information on post-employment benefits (pension and medical) (Continued)

Reconciliation of movements in present value of defined benefit obligations of the Group:

Pension	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Opening defined benefit obligations	5,259,833	5,511,804
Current service cost	120,131	116,536
Past service cost	3,673	8,698
Interest cost	160,620	132,795
Actuarial (gains)/losses	(337,590)	86,696
Contributions by plan participants	20,616	19,064
Benefits paid	(321,418)	(287,883)
Curtailment gains	(1,414)	(1,287)
Exchange adjustment	457,185	(326,590)
Closing defined benefit obligations	5,361,636	5,259,833

Medical Plan	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Opening defined benefit obligations	210,634	203,054
Exchange adjustment	(11,273)	(3,735)
Current service cost	1,221	1,238
Interest cost	9,770	7,061
Actuarial loss	7,006	11,145
Benefits paid	(9,277)	(8,129)
Closing defined benefit obligations	208,081	210,634

For the year ended December 31, 2025 and 2024, benefit of RMB25 million and RMB33 million were paid directly by the Group.

45. RETIREMENT BENEFIT OBLIGATIONS (Continued)

(c) Additional information on post-employment benefits (pension and medical) (Continued)

The amounts recognised in the consolidated income statement were as follows:

Pension	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current service cost	120,131	116,536
Past service cost	3,673	8,698
Interest cost	160,620	132,795
Interest income	(124,106)	(97,333)
Curtailement gains	(1,414)	(1,287)
Total expense recognised in the consolidated income statement	158,904	159,409

Medical Plan	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current service cost	1,221	1,238
Interest cost	9,770	7,061
Interest income	(264)	(92)
Total expense recognized in the consolidated income statement	10,727	8,207

Summary of pensions and post-retirement medical benefits of the Group:

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Present value of defined benefit obligations	5,569,717	5,470,474
Fair value of plan assets	(4,219,959)	(3,965,031)
Deficit	1,349,758	1,505,443
Actuarial (losses)/gains arising on plan assets	(217,863)	43,386
Actuarial gains/(losses) arising on plan liabilities	330,584	(97,841)
	112,721	(54,455)

46. PROVISIONS

	Warranties RMB'000	Environmental restoration RMB'000	Restructuring RMB'000	Financial guarantees (i) RMB'000	Other provisions RMB'000	Total RMB'000
As at January 1, 2025	6,975,243	181,270	446,673	98,239	64,048	7,765,473
Provision made	5,992,365	171,901	414,515	–	9,473	6,588,254
Unused amounts reversed	–	–	(3,996)	(37,729)	(13,284)	(55,009)
Amount utilised	(5,519,777)	(148,497)	(338,012)	–	(6,268)	(6,012,554)
Exchange adjustment	(57,055)	(9,723)	8,323	8,481	2,864	(47,110)
Others	–	–	–	18,211	5	18,216
At end of the year	7,390,776	194,951	527,503	87,202	56,838	8,257,270
Less: Non-current portion	(1,143,733)	(156,777)	(6,348)	(87,125)	(45,282)	(1,439,265)
As at December 31, 2025	6,247,043	38,174	521,155	77	11,556	6,818,005
As at January 1, 2024	7,099,721	178,640	547,202	129,662	97,006	8,052,231
Provision made	4,999,463	117,453	453,996	–	5,861	5,576,773
Unused amounts reversed	–	–	–	(50,683)	(16,358)	(67,041)
Amount utilised	(4,983,254)	(102,652)	(550,831)	–	(12,766)	(5,649,503)
Exchange adjustment	(140,687)	(12,171)	(4,971)	(6,408)	(4,055)	(168,292)
Others	–	–	1,277	25,668	(5,640)	21,305
At end of the year	6,975,243	181,270	446,673	98,239	64,048	7,765,473
Less: Non-current portion	(1,138,470)	(152,681)	(3,861)	(97,911)	(52,724)	(1,445,647)
As at December 31, 2024	5,836,773	28,589	442,812	328	11,324	6,319,826

The Group records its warranty liability at the time of sales based on estimated costs. Warranty claims are reasonably predictable based on historical failure rate information. The warranty accrual is reviewed quarterly to verify it properly reflects the outstanding obligation over the warranty period. Certain of these costs are reimbursable from the suppliers in accordance with the terms of relevant arrangement with them.

The Group records its environmental restoration provision at the time of sales based on estimated costs of environmentally-sound disposal of waste electrical and electronic equipment upon return from end-customers and with reference to the historical or projected future return rate. Environmental restoration provision is reviewed at least annually to assess its adequacy to meet the Group's obligation.

Restructuring costs provision mainly comprises employee termination payments, arising from a series of restructuring actions to reduce costs and enhance operational efficiency.

46. PROVISIONS (Continued)

(i) The provision for financial guarantees mainly represents the provision made by the Group for financial guarantee business under the financial services business.

The following table sets forth the total guarantees of the Group as at December 31, 2025 and 2024:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Financial guarantee of guarantee business (a)	4,484,249	4,775,033
Other guarantee (b)		
– Related parties (Note 53(e))	545,328	543,941
– Unrelated parties	–	75,000
	5,029,577	5,393,974

(a) Financial guarantee of guarantee business

The subsidiary of the Company in banking service provides diversified guarantees to customers and charge them guarantee fees accordingly. As at December 31, 2025 and 2024, the guarantee balance was RMB4,484 million and RMB4,775 million respectively. The Directors evaluate the financial risk of the guaranteed entities and make provision accordingly. As at December 31, 2025 and 2024, the provision made by the Group was RMB87 million and RMB98 million respectively, which were included in "Provisions" in the consolidated balance sheet.

(b) Other guarantee

As at December 31, 2025 and 2024, the total guarantee balances the Group provided to related parties and unrelated parties are approximately RMB545 million and RMB619 million respectively.

47. DIVIDENDS

A dividend in respect of the year ended December 31, 2025 of RMB0.10 per share, amounting to a total dividend of RMB236 million, is to be proposed at the forthcoming 2025 annual general meeting for approval. These financial statements do not reflect this dividend payable. No dividend paid by the Company for the year ended December 31, 2024.

The dividend to other non-controlling interests holders by the Group was recognised in the consolidated statement of changes in equity.

48. CASH GENERATED FROM OPERATIONS

(a) Cash generated from operations

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Profit before income tax	13,512,319	7,692,199
Adjustments for:		
Impairment loss for non-current assets (Note 8)	2,528,903	1,294,779
Impairment loss for loans to customers (Note 8)	578,650	566,408
Impairment loss for other financial assets (Note 8)	1,638,651	1,083,438
Inventory write-down (Note 8)	737,736	126,525
Depreciation of property, plant and equipment (Note 15)	4,828,751	4,408,359
Depreciation of right-of-use assets (Note 16)	1,000,567	1,019,410
Amortisation (Note 19)	6,403,550	6,681,275
Losses/(Gains) on disposal of property, plant and equipment and intangible assets (Note 7)	188,210	(14,594)
Fair value losses on investment properties (Note 7)	351,599	354,479
Fair value losses on consumable biological assets (Note 18)	118,387	120,816
Fair value losses on financial liabilities	116,140	134,541
Gain on remeasurement of a written put option liability (Note 37(iii)(1))	–	(1,020,110)
Fair value gain on derivative financial liabilities relating to warrants (Note 6)	(517,968)	–
Disposal gains from financial instruments at fair value through profit or loss and others	(451,859)	(198,837)
Fair value (income)/losses, dividend income from associates measured at fair value through profit or loss (Note 6)	(126,836)	761,666
Net finance costs (Note 10)	7,024,874	7,913,679
Gains on disposal/dilution of associates (Note 6)	(453,968)	(9,652)
Gains on disposal of subsidiaries (Note 6)	(157,098)	(56,741)
Fair value income and dividend income from financial assets at fair value through profit or loss (Note 6)	(2,135,449)	(211,689)
Share-based payments (Note 32(c))	2,415,058	1,901,648
Share of profit of associates and joint ventures using equity accounting	(582,792)	(281,338)
Net foreign exchange losses (Note 7)	328,128	81,939
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
Inventories, consumable biological assets and properties under development	(1,278,980)	(22,819,901)
Trade and other receivables	(47,043,905)	(13,032,574)
Loans and advances and other financial instruments	(24,332,603)	6,672,787
Amount due to customers and credit institutions	18,401,306	(12,041,632)
Trade and other payables	47,809,857	39,654,338
Cash generated from operating activities	30,901,228	30,781,218

48. CASH GENERATED FROM OPERATIONS (Continued)

(b) Net debt reconciliation

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	72,254,243	60,967,998
Borrowings – repayable within one year	(58,092,413)	(59,348,540)
Borrowings – repayable after one year	(85,580,914)	(71,896,889)
Lease liabilities	(3,796,009)	(2,889,137)
Net debt	(75,215,093)	(73,166,568)
Cash and cash equivalents	72,254,243	60,967,998
Gross debt – fixed interest rates	(76,695,468)	(72,574,917)
Gross debt – floating interest rates	(70,773,868)	(61,559,649)
Net debt	(75,215,093)	(73,166,568)

	Cash and cash equivalents RMB'000	Borrowings due within 1 year RMB'000	Borrowing due after 1 year RMB'000	Lease liabilities RMB'000	Total RMB'000
Net debt as at January 1, 2024	59,571,033	(56,154,990)	(68,357,872)	(3,744,672)	(68,686,501)
Cash flows	3,006,980	30,467,188	(29,038,381)	1,085,631	5,521,418
Foreign exchange losses	(1,610,015)	(2,341,025)	(5,820,349)	–	(9,771,389)
Additions of leases	–	–	–	(70,336)	(70,336)
Other non-cash movements	–	(31,319,713)	31,319,713	(159,760)	(159,760)
Net debt as at December 31, 2024	60,967,998	(59,348,540)	(71,896,889)	(2,889,137)	(73,166,568)
Cash flows	9,654,698	36,659,046	(43,138,036)	1,000,715	4,176,423
Foreign exchange gains/(losses)	1,631,547	(3,653,583)	(2,106,844)	–	(4,128,880)
Additions of leases	–	–	–	(1,730,259)	(1,730,259)
Acquisition of subsidiaries	–	(1,591)	–	–	(1,591)
Disposal of subsidiaries	–	(186,890)	–	–	(186,890)
Other non-cash movements	–	(31,560,855)	31,560,855	(177,328)	(177,328)
Net debt as at December 31, 2025	72,254,243	(58,092,413)	(85,580,914)	(3,796,009)	(75,215,093)

49. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

	As at December 31,	
	2025 RMB'000	2024 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,208	2,549
Right-of-use assets	1,290	36,920
Intangible assets	2,404	4,578
Investments in subsidiaries	33,435,588	33,346,097
Associates using equity accounting	8,672,744	8,501,197
Associates measured at fair value through profit or loss	233,010	484,571
Financial assets at fair value through profit or loss	–	1,110,004
Deferred income tax assets	137,137	164,235
Other financial assets at amortised cost	–	549,580
Other non-current assets	924,856	1,097,740
	43,409,237	45,297,471
Current assets		
Amounts due from subsidiaries	10,221,679	9,178,347
Amounts due from related parties	276,878	44,901
Prepayment, other receivables and other current assets	317,796	332,003
Derivative financial assets	233,943	87,803
Financial assets at fair value through profit or loss	1,249,584	598,092
Other financial assets at amortized cost	568,129	–
Cash and cash equivalents	3,146,701	3,382,331
	16,014,710	13,623,477
Total assets	59,423,947	58,920,948
Share capital	2,356,231	2,356,231
Reserves (Note 49(b))	17,591,422	17,145,704
Total equity	19,947,653	19,501,935

49. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Balance sheet of the Company (Continued)

	As at December 31,	
	2025 RMB'000	2024 RMB'000
LIABILITIES		
Non-current liabilities		
Borrowings	8,403,085	11,693,452
Derivative financial liabilities	359,498	454,619
Lease Liabilities	391	1,255
Other non-current liabilities	5,998,772	4,653,294
	14,761,746	16,802,620
Current liabilities		
Amounts due to subsidiaries	1,896,620	5,494,264
Amounts due to related parties	42,364	43,587
Other payables and accruals	132,346	486,373
Derivative financial liabilities	499,457	867,719
Borrowings	22,142,897	15,689,674
Lease Liabilities	864	34,776
	24,714,548	22,616,393
Total liabilities	39,476,294	39,419,013
Total equity and liabilities	59,423,947	58,920,948

The balance sheet of the Company was approved by the Board of Directors on March 31, 2026 and was signed on its behalf.

NING Min
Director

ZHU Linan
Director

49. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Movement of reserves of the Company

The changes in the reserves of the Company during the year ended December 31, 2025 and 2024 are as follows:

	The Company						
	Statutory surplus reserve	Investment revaluation reserve	Share-based compensation reserve	Shares held for share scheme	Other reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2024	919,845	56,772	255,860	(207,195)	11,730,701	3,207,439	15,963,422
Profit for the year	-	-	-	-	-	1,122,283	1,122,283
Share of other comprehensive income of associates	-	58,230	-	-	-	4	58,234
Share of other reserve of associates	-	-	-	-	1,360	-	1,360
Transfer to reserve	-	517	-	-	-	(517)	-
Share-based compensation	-	-	(60,125)	60,530	-	-	405
Transfer to statutory surplus reserve	86,465	-	-	-	-	(86,465)	-
As at December 31, 2024	1,006,310	115,519	195,735	(146,665)	11,732,061	4,242,744	17,145,704
As at January 1, 2025	1,006,310	115,519	195,735	(146,665)	11,732,061	4,242,744	17,145,704
Profit for the year	-	-	-	-	-	489,126	489,126
Share of other comprehensive (losses)/ income of associates	-	(52,423)	-	-	-	11	(52,412)
Share of other reserve of associates	-	-	-	-	23,640	-	23,640
Transfer to statutory surplus reserve	57,292	-	-	-	-	(57,292)	-
Remeasurement of post-employment benefits	-	-	-	-	(14,636)	-	(14,636)
As at December 31, 2025	1,063,602	63,096	195,735	(146,665)	11,741,065	4,674,589	17,591,422

50. BENEFITS AND INTERESTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS

(a) Directors', supervisors' and chief executive officer's emoluments

The emoluments of each director, supervisor, and the chief executive officer for the year ended December 31, 2025 is set out below:

Name	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Tenure Incentive RMB'000	Medium and long-term incentive plan RMB'000	Retirement payment and employer's contribution to pension schedule RMB'000	Other benefits RMB'000	Total RMB'000
Executive Director								
Mr. NING Min (寧旻)	-	1,581	3,640	366	-	-	294	5,881
Mr. LI Peng (李蓬) (Chief Executive officer) (i)	-	1,433	3,299	362	-	-	270	5,364
Non-executive Director								
Mr. ZHU Linan (朱立南) (Note 1)	714	-	-	-	1,694	-	-	2,408
Mr. ZHAO John Huan (趙令歡) (Note 1)	821	-	-	-	1,694	-	-	2,515
Ms. CHEN Jing (陳靜)	-	-	-	-	-	-	-	-
Ms. YANG Hongmei (楊紅梅)	-	-	-	-	-	-	-	-
Independent Non-executive Directors								
Ms. HAO Quan (郝堃)	450	-	-	-	-	-	-	450
Mr. YIN Jian'an (印建安) (Note 2)	-	-	-	-	-	-	-	-
Mr. YUAN Li (袁力)	450	-	-	-	-	-	-	450
Supervisors								
Mr. GAO Qiang (高強)	-	834	1,748	193	-	147	309	3,231
Mr. LUO Cheng (羅成)	-	-	-	-	-	-	-	-
Ms. PEI Xiaofeng (裴小鳳)	-	-	-	-	-	-	-	-
Chief Executive officer								
Mr. YU Hao (于浩) (ii)	-	122	280	-	-	18	19	439
	2,435	3,970	8,967	921	3,388	165	892	20,738

Note 1: For the year ended December 31, 2025, the remuneration of Mr. ZHU Linan and Mr. ZHAO John Huan is the fees and medium and long-term incentive awards received from Lenovo as directors of Lenovo, and there was no remuneration paid by Legend Holdings.

Note 2: Mr. YIN Jian'an, an independent non-executive director, has voluntarily waived his director's emoluments for the year 2025.

- (i) Mr. LI Peng resigned on November 17, 2025. The remuneration represents the total compensation received by Mr. LI Peng during his tenure from the Group.
- (ii) Mr. YU Hao was appointed with effect from November 17, 2025. The remuneration represents the total compensation received by Mr. YU Hao during his tenure from the Group.

50. BENEFITS AND INTERESTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors', supervisors' and chief executive officer's emoluments (Continued)

The emoluments of each director, supervisor, and the chief executive officer for the year ended December 31, 2024 is set out below:

Name	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Medium and long-term incentive plan RMB'000	Retirement payment and employer's contribution to pension schedule RMB'000	Other benefits RMB'000	Total RMB'000
Executive Director							
Mr. NING Min (寧旻)	–	1,581	2,767	–	–	291	4,639
Mr. LI Peng (李蓬) (Chief Executive officer)	–	1,563	2,735	–	–	290	4,588
Non-executive Director							
Mr. ZHU Linan (朱立南) (Note 1)	711	–	–	1,649	–	–	2,360
Mr. ZHAO John Huan (趙令歡) (Note 1)	765	–	–	1,649	–	–	2,414
Mr. SUO Jishuan (索繼柱) (i)	–	–	–	–	–	–	–
Mr. YANG Jianhua (楊建華) (i)	–	–	–	–	–	–	–
Ms. CHEN Jing (陳靜) (ii)	–	–	–	–	–	–	–
Ms. YANG Hongmei (楊紅梅) (ii)	–	–	–	–	–	–	–
Independent Non-executive Directors							
Mr. MA Weihua (馬蔚華) (i)	225	–	–	–	–	–	225
Ms. HAO Quan (郝奎)	450	–	–	–	–	–	450
Mr. YIN Jian'an (印建安)	450	–	–	–	–	–	450
Mr. YUAN Li (袁力) (ii)	263	–	–	–	–	–	263
Supervisors							
Mr. GAO Qiang (高強)	–	834	1,666	–	127	297	2,924
Mr. LUO Cheng (羅成)	–	–	–	–	–	–	–
Mr. ZHANG Yong (張勇) (i)	–	–	–	–	–	–	–
Ms. PEI Xiaofeng (裴小鳳) (ii)	–	–	–	–	–	–	–
	2,864	3,978	7,168	3,298	127	878	18,313

Note 1: For the year ended December 31, 2024, the remuneration of Mr. ZHU Linan and Mr. ZHAO John Huan is the fees and medium and long-term incentive awards received from Lenovo as directors of Lenovo, and there was no remuneration paid by Legend Holdings.

(i) Retired on June 27, 2024.

(ii) Appointed from June 27, 2024 onwards.

50. BENEFITS AND INTERESTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (Continued)

(b) Interest of Directors and Supervisors

In 2019, Dongfangqihui, a wholly-owned subsidiary of the Company and as one of the limited partners, together with other limited partners and Hony Capital Management (Tianjin) (Limited Partnership) (“Hony Capital Management”) (as an ordinary partner and manager), entered into a Partnership Agreement to set up a fund, Hony Capital Management is a connected entity of Mr. ZHAO. Pursuant to the Partnership Agreement, the total amount of the final capital commitment of Dongfangqihui shall not exceed RMB800 million, and the proportion of its commitment shall not exceed 20% of the total size of the fund.

Leap Wave Limited (“Leap Wave”), a subsidiary of the Company, as the subscriber, and Hospital Corporation of China Limited (弘和仁愛醫療集團有限公司, “Hospital Corporation”), as the issuer, entered into the Subscription Agreement, pursuant to which Hospital Corporation has issued and Leap Wave has subscribed for the convertible bonds in the aggregate principal amount of HKD800 million and the initial conversion price is HKD20.00 per conversion share. On August 12, 2021, Leap Wave approved Hospital Corporation to enter into an amendment to amend certain provisions relating to early redemption of the convertible bonds. In accordance with the amended terms, Hospital Corporation and Leap Wave have agreed to a full HKD784 million instalment arrangement for the early redemption of convertible bonds. As at December 31, 2025, all repayments have been fully settled. Hospital Corporation is a connected entity of Mr. ZHAO.

Other than the aforesaid, there are no loans, quasi-loans or other dealings in favor of directors or supervisors, their controlled bodies corporate and connected entities.

50. BENEFITS AND INTERESTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (Continued)

(c) Five highest paid individuals

The emoluments of the five highest paid individuals of the Group for the year ended December 31, 2025 are as follows:

- 1) The five highest paid individuals exclude any of the Company's directors and senior management for the year ended December 31, 2025.
- 2) The five highest paid individuals exclude any of the Company's directors and senior management for the year ended December 31, 2024.

	Year ended December 31,	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries	38,709	39,224
Discretionary bonuses	105,987	109,142
Medium and long-term incentive plan	272,867	199,534
Retirement payment and employer's contribution to pension schedule	5,199	4,893
Other benefits	14,741	6,403
Total	437,503	359,196

50. BENEFITS AND INTERESTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (Continued)

(c) Five highest paid individuals (Continued)

Total remuneration falls within the following ranges – disclosed in RMB:

	Number of individuals Year ended December 31,	
	2025	2024
Emolument bands:		
RMB40,312,801 – RMB40,770,900	–	1
RMB44,435,701 – RMB44,893,800	1	–
RMB49,932,901 – RMB50,391,000	–	1
RMB51,765,301 – RMB52,223,400	–	1
RMB53,139,601 – RMB53,597,700	1	–
RMB54,972,001 – RMB55,430,100	–	1
RMB66,424,501 – RMB66,882,600	1	–
RMB100,782,001 – RMB101,240,100	1	–
RMB161,709,301 – RMB162,167,400	–	1
RMB171,329,401 – RMB171,787,500	1	–

For the year ended December 31, 2025 and 2024, there was no emolument paid by the Group to any of the directors, supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

51. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted at the end of the reporting period but not yet incurred is as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment	2,198,586	732,377
Intangible assets	18,674	9,150
Investments (i)	2,579,530	2,899,578
Total	4,796,790	3,641,105

- (i) The Group has commitments in respect of investments in certain funds. Investment commitments represent the portion of committed capital not yet called for payment.

51. COMMITMENTS (Continued)

(b) Loans commitments

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Unused credit lines granted to credit institutions	1,134,874	1,176,872
Unused credit lines granted to customers	27,805,123	27,282,665
Total	28,939,997	28,459,537

52. TRANSACTIONS WITH OTHER NON-CONTROLLING INTERESTS

Effects of transactions with non-controlling interests on the equity attributable to owners of the Company for the year ended December 31, 2025 are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Acquisition of additional interests in subsidiaries (a)	(2,675,524)	(832,978)
Disposal of interests in subsidiaries without loss of control (b)	106,764	209,595
Exemption from debt obligations of non-wholly owned subsidiaries	(78,157)	(109,262)
Net effect in equity attributable to equity holders of the Company	(2,646,917)	(732,645)

52. TRANSACTIONS WITH OTHER NON-CONTROLLING INTERESTS (Continued)

(a) Acquisition of additional interests in subsidiaries

The effect of acquisition of additional interests in subsidiaries is summarized as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Carrying amount of non-controlling interests acquired	2,029,054	1,800,262
Consideration paid to non-controlling interests	(4,704,578)	(2,633,240)
Excess of consideration paid recognised within equity	(2,675,524)	(832,978)

(b) Disposal of interest in subsidiaries without loss of control

The effect of disposal of interests in subsidiaries is summarised as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Carrying amount of non-controlling interests disposed	(183,977)	(65,430)
Consideration received from non-controlling interests	290,741	275,025
Gains on disposal within equity	106,764	209,595

53. RELATED PARTY TRANSACTIONS

The Company does not have any ultimate controlling party. The general information and other related information of the subsidiaries is set out in Note 11.

(a) For the year ended December 31, 2025 and 2024, the principal related parties that had transactions with the Group are listed below:

	Relationship with the Group
IGRS Engineering Lab Limited (閃聯信息技術工程中心有限公司)	Associate of the Group
Legend Capital Co., Ltd. (君聯資本管理股份有限公司)	Associate of the Group
Well Faith Management Limited	Associate of the Group
Hony Capital Management Limited	Associate of the Group
Social Touch (Beijing) Technology Development Co., Ltd. (時趣互動(北京)科技有限公司)	Associate of the Group
Hefei Zhiran Real Estate Company (合肥質然房地產開發有限公司) (“Hefei Zhiran”)	Associate of the Group
Fortune Eight Deacon Limited	Associate of the Group
Honghe Jiayu Agricultural Technology Co., Ltd. (紅河佳裕農業科技有限公司)	Associate of the Group
Dehong Jiayu Agricultural Technology Co., Ltd. (德宏佳裕農業科技有限公司)	Associate of the Group
NAVIERA TRAVESIA S.A.	Associate of the Group
Tibet Kaola Science & Technology Development Co., Ltd. (西藏考拉科技發展有限公司)	Associate of the Group
Hankou Bank	Associate of the Group
Beijing Social Touch Advertising Co., Ltd. (北京時趣互動廣告有限公司)	Associate of the Group
Beijing Ripple Culture Communication Co., Ltd. (北京波紋文化傳播有限公司)	Associate of the Group
Legend Shenzhen Science and Technology Park Limited (深圳市君和科技園有限公司) (“Shenzhen Science and Technology Park”)	Associate of the Group
City Magic Investments Limited	Associate of the Group
Tianjin Lianchuang Qunhui Real Estate Co., Ltd. (天津聯創群輝置業有限公司)	Associate of the Group
Beijing Niubo Yi Media Co., Ltd. (北京牛搏一傳媒有限公司)	Associate of the Group
Dehong Shenglan Agricultural Technology Co., Ltd. (德宏盛藍農業科技有限公司)	Associate of the Group

53. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant related party transactions

The following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties for the year ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Purchase of goods from		
– Associates	508,364	500,706
Sale of goods to		
– Associates	115,219	63,500
Services received from		
– Associates	24,540	29,278
Rendering of services to		
– Associates	537,704	54,229
Loans to related parties/(Loans from related parties), net		
– Associates and other related parties	99,229	421,474
Interest income from		
– Associates	81,536	38,059
Interest expenses to		
– Associates	39,018	69,731
Guarantees provided/(release of guarantees provided) for related parties, net		
– Associates	1,387	(78,075)

53. RELATED PARTY TRANSACTIONS (Continued)

(c) Year-end balances due from/to related parties

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Account and notes receivables		
– Associates	45,739	26,255
Prepayment, other receivables and other current assets (i)		
– Associates	2,059,695	1,937,592
Trade and notes payables		
– Associates	31,759	16,249
Other payables and accruals		
– Associates and other related parties	157,242	621,978
Other non-current assets		
– Associates	2,022,472	2,192,479
Borrowings		
– Associates	1,000,972	1,007,800
Loans to customers		
– Associates	685,307	647,048
Loans to credit institutions		
– Associates	12,383	8,659

(i) Prepayment, other receivables and other current assets includes amounts receivables from the following parties:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Shenzhen Science and Technology Park	836,487	426,238
Tianjin Lianchuang Qunhui Real Estate Co., Ltd.	363,000	257,000
City Magic Investments Limited	212,531	232,213
Hefei Zhiran	104,204	131,239
Others	543,473	890,902
Total	2,059,695	1,937,592

53. RELATED PARTY TRANSACTIONS (Continued)

(d) Key management compensation

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Fees	2,435	2,864
Salaries	6,184	6,192
Discretionary bonuses	13,580	11,204
Tenure Incentive	1,433	–
Medium and long-term incentive plan	3,388	3,298
Employer's contribution to pension schedule	388	350
Other benefits	1,666	1,646
	29,074	25,554

(e) Guarantee provided to related parties

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Social Touch (Beijing) Technology Development Co., Ltd.	204,331	143,999
NAVIERA TRAVESIA S.A.	96,996	108,125
Dehong Jiayu Agricultural Technology Co., Ltd	96,908	121,608
Honghe Jiayu Agricultural Technology Co., Ltd	93,390	124,209
Beijing Ripple Culture Communication Co., Ltd.	22,000	23,000
Beijing Social Touch Advertising Co., Ltd.	20,000	23,000
Beijing Niubo Yi Media Co., Ltd.	10,000	–
Dehong Shenglan Agricultural Technology Co., Ltd.	1,703	–
	545,328	543,941

Five-year Financial Summary

CONDENSED CONSOLIDATED INCOME STATEMENT

	Year ended December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	605,945,121	512,806,435	436,012,166	483,662,697	489,871,677
Profit before income tax	13,512,319	7,692,199	2,423,928	12,849,412	22,090,330
Income tax expense	(3,713,334)	(9,035)	(1,793,620)	(2,455,439)	(6,041,822)
Profit for the year	9,798,985	7,683,164	630,308	10,393,973	16,048,508
Profit attributable to:					
– Equity holders of the Company	1,060,796	133,231	(3,874,279)	1,167,063	5,754,886
– Perpetual securities holders	–	–	–	–	–
– Non-controlling interests	8,738,189	7,549,933	4,504,587	9,226,910	10,293,622
	9,798,985	7,683,164	630,308	10,393,973	16,048,508
Earnings per share for the profit attributable to the equity holders of the Company (expressed in RMB per share)					
Basic earnings per share	0.45	0.06	(1.65)	0.50	2.46
Diluted earnings per share	0.32	(0.01)	(1.68)	0.37	2.28

CONDENSED CONSOLIDATED BALANCE SHEET

	As at December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-current assets	397,468,963	367,920,000	373,029,601	347,124,628	323,166,649
Current assets	377,055,498	328,047,994	292,702,966	333,949,540	357,519,525
Total assets	774,524,461	695,967,994	665,732,567	681,074,168	680,686,174
Non-current liabilities	146,440,734	128,918,093	123,129,090	133,906,898	161,943,876
Current liabilities	519,272,543	469,404,336	442,484,521	445,011,644	425,931,574
Total liabilities	665,713,277	598,322,429	565,613,611	578,918,542	587,875,450
Net assets	108,811,184	97,645,565	100,118,956	102,155,626	92,810,724

If there are discrepancies between Chinese and English version of the annual report, Chinese version shall prevail.



联想控股

LEGEND HOLDINGS

EMPOWERING COMPANIES TOWARD GREATNESS