金融街證券股份有限公司
Financial Street Securities Co., Limited

(A joint stock company incorporated in the People's Republic of China with limited liability (formerly known as "恒泰证券股份有限公司") and carrying on business in Hong Kong as "恒投證券" (in Chinese) and "HENGTOU SECURITIES" (in English) as formerly known)

(Stock Code: 01476)

2025

Annual Report

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Important Notice

The Board, Directors and senior management of the Company undertake that the content of this report is true, accurate, complete and without any false record, misrepresentation or material omission and are severally and jointly liable therefor.

This report has been considered and approved at the sixth meeting of the fifth session of the Board where all the Directors were present. No Directors or senior management of the Company declared that they could not guarantee or had any objection to the truthfulness, accuracy and completeness of this report.

The financial report for 2025 prepared by the Company, in accordance with the International Financial Reporting Standards and China's Accounting Standard for Business Enterprises, has been audited by Grant Thornton Hong Kong Limited and Grant Thornton (Special General Partnership), respectively, each of whom had issued a standard unqualified audit report. All amounts set out in this report are stated in RMB unless otherwise stated.

Mr. Zhu Yanhui (the chairman of the Board), Mr. Yin Guohong (the president) and Ms. Yu Lei (the chief financial officer) declared that they undertake the financial statements in this report are true, accurate and complete.

The forward-looking statements including future plans and development strategies involved in this report do not constitute the Company's substantive commitment to investors. The investors are advised to pay attention to investment risks.

Chairman's Statement

In 2025, China's macro economy maintained a steady and positive momentum, creating favorable conditions for the development of the capital market. The domestic capital market advanced towards high-quality and innovative development with enhanced resilience and vitality, and the reforms in investment and financing unleashed abundant opportunities, providing broad space for the business development of securities companies. Under the guidance of the relevant government departments and regulatory authorities and with the strong support of shareholders, all colleagues of the Group stayed true to our original aspirations, seized the opportunities and successfully accomplished all the strategic goals and tasks. The Company was successfully renamed as Financial Street Securities Co., Limited, facing the market with a new outlook and proactively elevating its overall brand value and influence. Seizing the opportunities brought by the sustained sound development of the capital market, the Group achieved an all-round improvement in various operating indicators, with its operating income and total profit rising steadily. Wealth management business has become the "growth engine", with the newly added effective clients and assets hitting a new high in recent years; the industry ranking of investment advisory business rose substantially; the proprietary investment business achieved fruitful results across multiple segments and delivered sound returns. Xinhua Fund launched a full-range transformation, with remarkable results achieved in the collaborative business expansion in Beijing and Chongqing; the bond underwriting business of Hengtai Changcai registered steady growth, and the business mechanism for the Beijing Stock Exchange was precisely implemented; Hengtai Futures' business structure of "institutions + industries + retail" became increasingly mature; the reserve projects of Hengtai Capital are on the verge of commissioning; and the disposal of Hengtai Pioneer projects progressed in an orderly manner.

2026 marks the inaugural year of the 15th Five-Year Plan. Facing the critical period of transformation and development in the securities industry, the Group will take corporate strategy as the guide to drive the high-quality development of the Group for new achievements. The Group will adhere to the guidance of Party building and give full play to the role of Party organizations in "charting the course, overseeing the overall situation and ensuring implementation". The Group will continue to strengthen the development of compliance, risk control and internal control mechanisms, and firmly hold the lifeline of compliance and risk control. The Group will further advance the development of corporate culture by integrating the "ten key elements" of the securities industry culture into the development of corporate systems and mechanisms. With capability building at the core, the Group will focus on key business areas and critical positions, and cultivate outstanding talents through regular learning, systematic training and encouraging innovation. The Group will continuously improve various systems, mechanisms and standards to ensure the distribution mechanism more equitable and the power and responsibility system more clear. All business lines of the Group will strengthen synergetic cooperation, optimize the overall allocation of resources and continuously advance business transformation and innovation. The Group will take serving the real economy as its fundamental orientation, constantly enhance its professional capabilities, provide high-quality services for clients and create greater value for society. The journey ahead may be long, but the Group will reach the destination if the Group keeps moving forward; the task may be arduous, but the Group will prevail if the Group take resolute action. All members of the Group will unite as one, overcome difficulties and forge ahead with big strides on the new journey of high-quality development, laying a solid foundation for building a distinctive securities company with the features of "small but excellent, light but stable"!

Zhu Yanhui
Chairman

Beijing, the PRC
25 March 2026

Section 1 Definitions

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

Articles of Association	the articles of association of the Company, as amended from time to time Company
Baotou Huazi	Baotou Huazi Industry Co., Ltd. (包頭華資實業股份有限公司), listed on the Shanghai Stock Exchange (stock code: 600191), a substantial shareholder of the
Board	the board of Directors
Company	Financial Street Securities Co., Limited, formerly known as "HENGTAI SECURITIES CO., LTD.", conducts business in Hong Kong under its former names of "恒投證券" (in Chinese) and "HENGTOU SECURITIES" (in English), and its H shares are listed on the Main Board of the the Hong Kong Stock Exchange
Corporate Governance Code	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
Director(s)	director(s) of the Company
Domestic Share(s)	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for or credited as paid-up in RMB
end of the Reporting Period	31 December 2025
Financial Street Capital	Beijing Financial Street Capital Operation Investment (Group) Co., Ltd. (北京金融街資本運營集團有限公司), formerly known as Beijing Financial Street Capital Management Centre (北京金融街資本運營中心), which holds 62.06% equity interest in Financial Street Investment and a subsidiary of SASAC Xicheng District
Financial Street Investment	Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司), formerly known as Beijing Financial Street Construction Group Co., Ltd. (北京金融街建設集團), a subsidiary of SASAC Xicheng District
Financial Street Xihuan Properties	Beijing Financial Street Xihuan Properties Co., Ltd. (北京金融街西環置業有限公司), formerly known as Beijing Xihuan Properties Co., Ltd. (北京西環置業有限公司), a shareholder of the Company
FOF	Fund of Fund, a fund which specially invests in other securities investment funds

GDP	gross domestic product
Group	the Company and its subsidiaries
H Share(s)	overseas listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange
Hangzhou Ruisi	Hangzhou Ruisi Industrial Co., Ltd. (杭州瑞思實業有限公司), which holds 98.67% equity interest in Shaanxi Tianchen
Hengtai Capital	Hengtai Capital Investment Co., Ltd. (恒泰資本投資有限責任公司), 100% equity interest of which is held by the Company
Hengtai Changcai	Hengtai Changcai Securities Co., Ltd. (恒泰長財證券有限責任公司), 100% equity interest of which is held by the Company
Hengtai Futures	Hengtai Futures Co., Ltd. (恒泰期貨股份有限公司), 95.10% and 4.90% equity interest of which is held by the Company and Hengtai Pioneer, respectively
Hengtai Pioneer	Hengtai Pioneer Investment Co., Ltd. (恒泰先鋒投資有限公司), 100% equity interest of which is held by the Company
HK$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hongzhi Huitong	Beijing Hongzhi Huitong Industrial Co., Ltd. (北京鴻智慧通實業有限公司), a shareholder of the Company
Huarong Infrastructure	Beijing Huarong Infrastructure Investment Co., Ltd. (北京華融基礎設施投資有限責任公司), which holds 90% equity interest in Financial Street Xihuan Properties
Huarong Zonghe Investment	Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司), formerly known as Beijing Huarong Zonghe Investment Company (北京華融綜合投資公司), a subsidiary of Financial Street Investment and a substantial shareholder of the Company

Huifa Technology	Zhejiang Free Trade Zone Huifa Technology Co., Ltd. (浙江自貿區匯發科技有限公司), formerly known as Tibet Dazi Huifa Technology Co., Ltd. (西藏達孜匯發科技有限公司) and Tibet Dazi Huifa Investment Co., Ltd. (西藏達孜匯發投資有限公司), a shareholder of the Company
IPO	Initial Public Offering
Listing	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange on the Listing Date
Listing Date	15 October 2015
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Margin financing and securities lending	a collateral-backed operating activity in which securities firms provide clients with monies to buy listed securities or with listed securities for sale
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
NEEQ	National Equities Exchange and Quotations
Xin Hua Fund	Xin Hua Fund Management Co., Ltd. (新華基金管理股份有限公司), 52.99% equity interest of which is held by the Company
PRC or China	for the purpose of this report, the People's Republic of China (excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
Prospectus	the H Shares prospectus of the Company dated 30 September 2015
Reporting Period	the year ended 31 December 2025
RMB	Renminbi, the lawful currency of China, the basic unit of which is Yuan
SASAC Xicheng District	The State-owned Assets Supervision and Administration Commission of Xicheng District People's Government of Beijing Municipality (北京市西城區人民政府國有資產監督管理委員會), which holds 100% and 37.94% equity interest in each of Financial Street Capital and Financial Street Investment, respectively
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Shaanxi Tianchen	Shaanxi Tianchen Technology Trading Co., Ltd. (陝西天宸科貿有限公司), which holds 97.67% equity interest in Hongzhi Huitong
stock pledged repurchase transaction	a transaction in which eligible funds receivers get financing from eligible funds givers by pledging the stocks or other securities they hold and agree to return the funds and cancel the pledge some day in the future
substantial shareholder(s)	has the meaning ascribed thereto under the Listing Rules
Supervisor(s)	supervisor(s) of the Company (the Company has abolished the supervisor committee on 25 November 2025)
Supervisory Committee	the supervisory committee of the Company (the Company has abolished the supervisory committee on 25 November 2025)
Suzhou Bingtai	Suzhou Bingtai Trading Co., Ltd. (蘇州秉泰貿易有限公司), which holds 100% equity interest in Hangzhou Ruisi
this report	the 2025 annual report of the Company
Tianfeng Securities	Tianfeng Securities Co., Ltd. (天風證券股份有限公司), listed on the Shanghai Stock Exchange (stock code: 601162), and is a substantial shareholder of the Company
Wind Info	Wind Info Co., Ltd. (萬得信息技術股份有限公司), a joint stock company incorporated in the PRC with limited liability and a service provider of financial data, information and software, being an independent third party of the Company

Section 2 Material Risks

The Company's business is highly dependent on economy and market conditions of China. China's capital market conditions may change suddenly and dramatically, which could materially and adversely affect the Company's business, financial conditions and results of operation. Further, the Company's business is also susceptible to changes under relevant PRC government policies, such as monetary policies, fiscal policies, foreign exchange policies, interest rate fluctuations, costs of funding, taxation policies, availability of short-term and long-term market funding sources, and legislations and regulations affecting the financial securities industry.

The major risks faced by the Company include: strategic risks in formulating the Company's strategic plans in the face of changes in the macro-economy and the capital markets and management risks arising from internal operations; credit risks resulting from the inability of a debtor or a counterparty to timely perform its contractual obligations; market risks of loss or revenue decline resulting from the overall or partial changes of the market, including the risk of price volatility in equity assets, interest rate risk and exchange rate risk; liquidity risks of the Company's inability to raise funds on a timely basis at a reasonable cost to settle liabilities as they fall due, fulfil other payment obligations and satisfy other funding demands of normal business development; operation risks of financial loss resulting from the improper operation in transactional processes or the management system; legal and compliance risks resulting from the failure of making timely adjustment to the Company's operation and relevant standards corresponding to the adjustment to laws, regulations and provisions set by regulatory authorities, etc.

In view of the above-mentioned risks, the Company has established internal control and risk management system, compliance management system and risk control indicators monitoring system to prevent and reduce various risks the Company is exposed to in the course of operation.

I. BASIC INFORMATION ABOUT THE COMPANY

1. Name of Company

Chinese name: 金融街證券股份有限公司

English name: Financial Street Securities Co., Limited

2. Board of Directors

Executive Director

Mr. Zhu Yanhui *(Chairman)*

Mr. Yin Guohong

Non-executive Directors

Mr. Pang Jiemin

Mr. Wang Linjing

Mr. Li Yanyong

Mr. Xie Xin

Mr. Zhou Lijun *(Employee Representative Director)*

Independent Non-executive Directors

Mr. Chen Xin

Mr. Xu Hongcai

Ms. Cheng Zhuo

Mr. Qi Liang

Special Committees of the Board

Strategy and Investment Committee

Mr. Zhu Yanhui *(Chairman of the Committee)*

Mr. Yin Guohong

Mr. Pang Jiemin

Mr. Xu Hongcai

Mr. Qi Liang

Risk Control and Supervisory Committee

Mr. Zhu Yanhui *(Chairman of the Committee)*

Mr. Wang Linjing

Mr. Li Yanyong

Audit Committee

Mr. Chen Xin *(Chairman of the Committee)*
Mr. Wang Linjing
Ms. Cheng Zhuo
Mr. Qi Liang
Mr. Zhou Lijun

Remuneration and Nomination Committee

Ms. Cheng Zhuo *(Chairlady of the Committee)*
Mr. Xu Hongcai
Mr. Xie Xin

3. Legal Representative: Mr. Zhu Yanhui
President: Mr. Yin Guohong

4. Registered Capital: RMB2,604,567,412
Net Capital: RMB6,429,811,738.51

5. Qualifications for Businesses in China

Securities and futures business operation, financial advice business on activities related to security investment, proprietary securities business, foreign exchange business, access to national inter-bank funding business, online securities commission business, entrusted investment management business, proxy sale of open-end investment funds, chief agency broker in the agency system, provision of intermediary services for futures companies, margin financing and securities lending business, distribution of financial products, refinancing business, stock pledged repurchase transaction business, online account opening business, stock option brokerage and proprietary business, market-making activities on the NEEQ, lending business for margin and securities refinancing, Southbound Trading under the Shanghai-Hong Kong Stock Connect, pilot over-the-counter ("OTC") trading, administration of overseas securities investment of qualified domestic institutional investors, trial Internet-based securities services, custodian business for securities investment funds and Southbound Trading under the Shenzhen-Hong Kong Stock Connect.

6. Head Office in China

Registered address:	Manshishangdu Office and Commercial Complex, Hailaer East Street, Xincheng District, Hohhot, Inner Mongolia Autonomous Region, the PRC (post code: 010051)
Head office address:	12/F, Tower B, Desheng International Center, No. 83 Deshengmenwai Street, Xicheng District, Beijing, the PRC (post code: 100088)
Website:	www.jrjzq.com.cn
Email:	dongban@jrjzq.com.cn

7. Place of Business in Hong Kong

40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

8. Secretary of the Board

Mr. Zhang Jingshun

Tel:	+86 10 8327 0999
Fax:	+86 10 8327 0998
Email:	zhangjingshun@jrjzq.com.cn
Address:	12/F, Tower B, Desheng International Center, No. 83 Deshengmenwai Street, Xicheng District, Beijing, the PRC (post code: 100088)

9. Chief Compliance Officer and Chief Risk Officer

Mr. Liu Zhanjun

Tel:	+86 10 8327 0999
Fax:	+86 10 8327 0998
Email:	liuzhanjun@jrjzq.com.cn
Address:	12/F, Tower B, Desheng International Center, No. 83 Deshengmenwai Street, Xicheng District, Beijing, the PRC (post code: 100088)

10. Joint Company Secretaries

Mr. Zhang Jingshun, Dr. Ngai Wai Fung

11. Authorised Representatives

Mr. Zhu Yanhui, Dr. Ngai Wai Fung

12. Auditors

International accounting firm:	Grant Thornton Hong Kong Limited
Domestic accounting firm:	Grant Thornton (Special General Partnership)

13. Hong Kong Legal Advisor

Guantao & Chow Solicitors and Notaries

14. Principal Bankers

Industrial Bank Co., Ltd., Hohhot Branch
China Construction Bank Corporation, Saihan District Branch of Hohhot
China CITIC Bank Corporation Limited, Hohhot Branch
Huaxia Bank Corporation Limited, Beijing Chang'an Sub-branch
Ping An Bank Co., Ltd., Beijing Branch

15. H Share Registrar

Computershare Hong Kong Investor Services Limited

16. Stock Code (H Shares)

01476

II. DEVELOPMENT HISTORY

The Company's predecessor is Inner Mongolia Autonomous Region Securities Company (內蒙古自治區證券公司), which was established upon the approval of the People's Bank of China in 1992. In 1998, the Company was converted into a Inner Mongolia Securities Limited Liability Company as approved by the CSRC with the Reply on the Approval of Capital Increase and Conversion of Inner Mongolia Autonomous Region Securities Company (Zheng Jian Ji Gou Zi [1998] No.39)《(關於核准內蒙古自治區證券公司增資改制的批覆》(證監機構字[1998]39號)).

On 2 July 2002, upon approval by the CSRC with the Reply on the Approval of the Capital Injection of Inner Mongolia Securities Limited Liability Company (內蒙古證券有限責任公司) (Zheng Jian Ji Gou Zi [2002] No. 194)《(關於核准內蒙古證券有限責任公司增資擴股的批覆》(證監機構字[2002]194號)), Inner Mongolia Securities Limited Liability Company completed the capital increase with its registered capital increased from RMB94,000,000 to RMB655,569,950. On 9 October 2002, upon approval by the Inner Mongolia Administration for Industry and Commerce, the Company was re-named as Hengtai Securities Limited Liability Company (恒泰证券有限責任公司).

On 24 September 2008, upon approval by the CSRC with the Reply on the Approval of Conversion into a Joint Stock Company with Limited Liability and the Change of Registered Capital of Hengtai Securities Limited Liability Company (Zheng Jian Ji Gou Zi [2008] No. 1148)《(關於核准恒泰证券有限責任公司變更為股份有限公司以及變更註冊資本的批覆》(證監機構字[2008]1148號)), Hengtai Securities Limited Liability Company was converted into a joint stock company with limited liability under the name of Hengtai Securities Co., Ltd. (恒泰证券股份有限公司), with its registered capital increased to RMB2,006,247,412.

On 10 March 2009, upon approval by the CSRC with the Reply on the Approval of Hengtai Securities Co., Ltd.'s Acquisition of Changcai Securities Brokerage Co., Ltd. (Zheng Jian Xu Ke [2009] No. 223)《(關於核准恒泰证券股份有限公司收購長財證券經紀有限責任公司的批覆》(證監許可[2009]223號)), the Company acquired Changcai Securities Brokerage Co., Ltd. The registered capital of the Company was increased to RMB2,194,707,412 upon the completion of the acquisition. Changcai Securities Brokerage Co., Ltd. became a wholly-owned subsidiary of the Company and was renamed as Hengtai Changcai Securities Co., Ltd. In August 2014, the registered capital of Hengtai Changcai was increased to RMB200,000,000. Hengtai Changcai became a wholly-owned subsidiary

On 22 May 2009, upon approval by the CSRC with the Reply on the Approval of Change in Equity Interest in Shanghai Yongda Futures Brokerage Co., Ltd. (Zheng Jian Xu Ke [2009] No. 423)《(關於核准上海永大期貨經紀有限公司變更股權的批覆》(證監許可[2009]423號)), the Company acquired Shanghai Yongda Futures Brokerage Co., Ltd., and Shanghai Yongda Futures Brokerage Co., Ltd. became a wholly-owned subsidiary of the Company. Shanghai Yongda Futures Brokerage Co., Ltd. changed its name to Hengtai Futures Brokerage Co., Ltd. in August 2010, and then to Hengtai Futures Co., Ltd. in May 2011. On 30 June 2015, the registered capital of Hengtai Futures was increased from RMB100 million to RMB125

million. Hengtai Capital subscribed for RMB25,000,000 of the increased registered capital of Hengtai Futures with RMB50,000,000. Hengtai Futures was held by the Company and Hengtai Capital as to 80% and 20%, respectively, upon completion of the capital increase. On 16 September 2015, Hengtai Futures was converted into a joint stock company with limited liability as a whole through converting its original net asset value into shares. On 21 October 2021, Hengtai Capital transferred 15.10% equity interest in Hengtai Futures to the Company with RMB30,414,775.34, 4.90% equity interest in Hengtai Futures to Hengtai Pioneer with RMB9,869,695.31, upon the completion of transfer, the Company held 95.10% equity interest in Hengtai Futures, and Hengtai Pioneer held 4.90% equity interest in Hengtai Futures. On 24 January 2025, the registered capital of Hengtai Futures was increased from RMB125,000,000 to RMB228,030,300. The Company agreed to subscribe for the new registered capital of Hengtai Futures of RMB97,981,800 at a consideration of RMB161,670,000, and Hengtai Pioneer subscribed for the new registered capital of Hengtai Futures of RMB5,048,500 at a consideration of RMB8,330,000, at a price of RMB1.65 per share. The shareholding ratios of the Company and Hengtai Pioneer remained unchanged.

On 25 January 2013, the Company established Hengtai Pioneer Investment Co., Ltd. (恒泰先鋒投資有限公司) as a wholly-owned subsidiary of the Company, with a registered capital of RMB100 million.

On 3 June 2013, the Company established Hengtai Capital Investment Co., Ltd. (恒泰資本投資有限責任公司) as a wholly-owned subsidiary of the Company, with a registered capital of RMB200 million. On 29 January 2016, Hengtai Capital increased its registered capital from RMB0.2 billion to RMB1 billion in order to supplement working capital. On 10 November 2016, Hengtai Capital further increased its registered capital from RMB1 billion to RMB1.5 billion in order to supplement working capital. On 22 August 2018, Hengtai Capital changed its registered capital from RMB1.5 billion to RMB1.2 billion. On 11 March 2019, Hengtai Capital changed its registered capital from RMB1.2 billion to RMB0.8 billion.

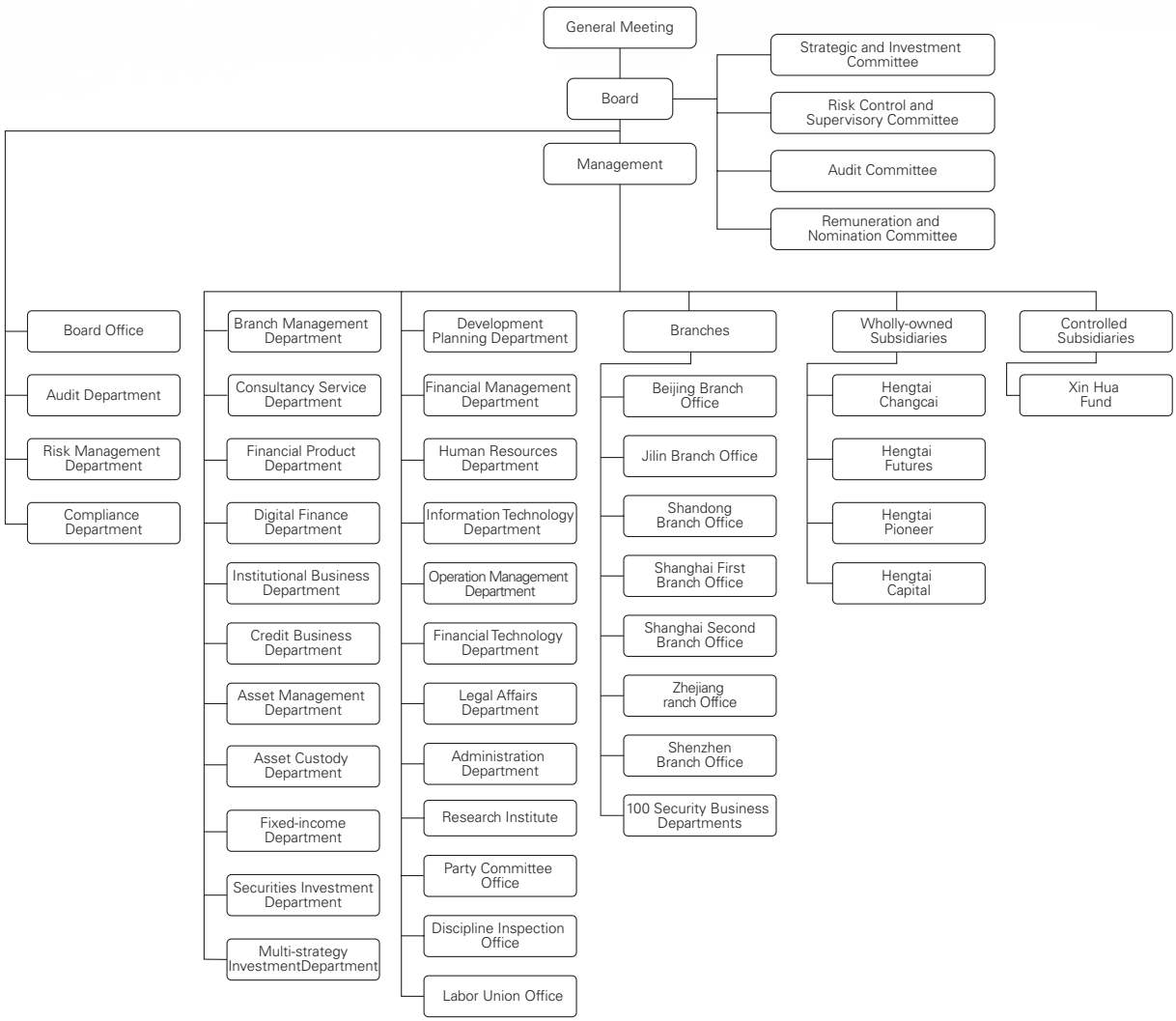
On 30 October 2013, upon approval by the CSRC with the Reply on the Approval of Change in Equity Interest in Xin Hua Fund Management Co., Ltd. (Zheng Jian Xu Ke [2013] No. 1376)《(關於核准新華基金管理有限公司變更股權的批覆》(證監許可[2013]1376號)), the Company acquired 43.75% equity interest in Xin Hua Fund and became the second largest shareholder of Xin Hua Fund. On 29 July 2015, upon approval by the CSRC with the Reply on the Approval of Change in Equity Interest in Xin Hua Fund (Zheng Jian Xu Ke [2015] No. 1669)《(關於核准新華基金管理有限公司變更股權的批覆》(證監許可[2015]1669號)), the registered capital of Xin Hua Fund was increased from RMB160,000,000 to RMB217,500,000. The Company subscribed for an additional registered capital of RMB57,500,000 in Xin Hua Fund with a consideration of RMB97,750,000. Xin Hua Fund became a holding subsidiary of the Company, and the Company held 58.62% equity interest in Xin Hua Fund. On 28 September 2015, Xin Hua Fund was converted into a joint stock company as a whole by converting its original net asset value into shares. On 10 March 2025, the registered capital of Xin Hua Fund was increased from RMB217,500,000 to RMB627,756,410. The Company and Huarong Zonghe Investment each subscribed for an additional registered capital of RMB205,128,205 in Xin Hua Fund with a consideration of RMB399,999,999.75 at a price of RMB1.95 per share. Following the increase in registered capital of Xin Hua Fund, the Company held 52.99% equity interest in Xin Hua Fund.

On 9 September 2015, the Company received the Reply on the Approval of Issue of Overseas-Listed Foreign-Invested Shares by Hengtai Securities Co., Ltd. (Zheng Jian Xu Ke [2015] No. 2089)《(關於核准恒泰证券股份有限公司發行境外上市外資股的批覆》(證監許可[2015]2089號)) from the CSRC, which approved the Company to publicly issue the overseas listed foreign-invested shares (H Shares) and the listing of such shares on the Main Board of the Hong Kong Stock Exchange. On 15 October 2015, the overseas-listed shares of the Company were officially listed on the Hong Kong Stock Exchange (stock code: 01476). The Company issued an aggregate of 450,846,000 H Shares (including the portion of reduced state-owned shares) (all being ordinary shares) with a nominal value of RMB1 each. The total share capital of Company was 2,604,567,412 shares upon completion of the issue.

On 9 September 2025, the Company obtained the business license reissued by Hohhot Administrative Review and Approval and Government Affairs Service Administration, and the Company's name was changed from "恒泰证券股份有限公司" to "金融街證券股份有限公司". On 9 October 2025, the Company obtained the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company issued by the Registrar of Companies in Hong Kong, and the Chinese names of the Company registered in Hong Kong were changed from "恒泰证券股份有限公司" and "恒投證券" to "金融街證券股份有限公司", and the English names were changed from "HENGTAI SECURITIES CO., LTD." and "HENGTOU SECURITIES" to "Financial Street Securities Co., Limited". On 28 October 2025, the Chinese stock short name of the Company for the trading of H Shares on the Stock Exchange of Hong Kong was changed from "恒投證券" to "金融街證券", and the English stock short name was changed from "HENGTOU SEC" to "FIN STREET SEC".

III. ORGANIZATION STRUCTURE

As of 31 December 2025, the Company's organizational structure was as follows:



IV. SUBSIDIARIES

As at 31 December 2025, major subsidiaries of the Company, all of which conduct business in China, are as follows:

(I) Wholly-owned and Controlled Subsidiaries

No.	Name	Address (in China)	Principal business	Date of establishment	Type of legal entity registered	Place of incorporation	Registered capital *(RMB0'000)*	Shareholding percentage	Legal representative	Telephone (+86)
1	Hengtai Changcai Securities Co., Ltd. (恒泰長財證券有限責任公司)[1]	Room 717, 719, 720, 721, 723, 725, 7/F, Zone C, Runde Building, No. 3333 Xiantai Street, the north of Weixing Road, the west of Xiantai Street, Economic and Technological Development Zone, Chang Chun, Jilin Province (吉林省長春市經濟技術開發區衛星路以北、仙台大街以西仙台大街3333號潤德大廈C區七層717、719、720、721、723、725室)	Securities underwriting and sponsoring	10 January 2002	Limited liability company	PRC	20,000	100%	Wang Linjing (王琳晶)	010–56673702
2	Hengtai Pioneer Investment Co., Ltd. (恒泰先鋒投資有限公司)	Building 5, No. 25 Shuntong Road, Shunyi District, Beijing (北京市順義區順通路25號5幢)	Investment of equity and financial products other than those stated in the List of Securities Investment Products for the Proprietary Trading of Securities Companies《(證券公司證券自營投資品種清單)》with its own funds	25 January 2013	Limited liability company	PRC	10,000	100%	Yang Shufei (楊淑飛)	010-83270868
3	Hengtai Capital Investment Co., Ltd. (恒泰資本投資有限責任公司)	Building 4-323, Hengsheng Plaza, North of Helan Road, East of Europe Road, Tianjin Free Trade Pilot Zone (Dongjiang Free Trade Zone) (天津自貿試驗區(東疆綜合保稅區)) (custody No. 918 of Tianjin Quanxinquanyi Business Secretary Service Co., Ltd., No. 918) (天津全新全意商務秘書服務有限公司託管第918號)	Equity investment; equity-related debt investment; funds management; financial information consultation	3 June 2013	Limited liability company	PRC	80,000	100%	Zhang Jingshun (張景順)	010-83270886

No.	Name	Address (in China)	Principal business	Date of establishment	Type of legal entity registered	Place of incorporation	Registered capital (RMB0'000)	Shareholding percentage	Legal representative	Telephone (+86)
4	Hengtai Futures Co., Ltd. (恒泰期貨股份有限公司)[2]	Unit 201, 2/F, No. 120 Block 91, E'shan Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區峨山路91弄120號2層201單元)	Commodity futures brokerage; financial futures brokerage; advisory services related to futures investment and asset management	20 December 1992	Joint stock limited company	PRC	22,803.03	95.10%	Yin Guohong (銀國宏)	021-68405902
5	Xin Hua Fund Management Co., Ltd. (新華基金管理股份有限公司)	19/F, Building 2, Lifan Centre, No. 6 Juxianyan Square, Jiangbei District, Chongqing (重慶市江北區聚賢岩廣場6號力帆中心2號辦公樓第19層)	Fund raising, fund distribution, asset management and other business as permitted by the CSRC	9 December 2004	Joint stock limited company	PRC	62,775.6410	52.99%	Yin Guohong (銀國宏)	010-68779666

Notes:

1. On 14 February 2026, Hengtai Changcai completed the registration of industrial and commercial change of legal representative to Mr. Zhang Jingshun.

2. The Company's shareholding percentage in Hengtai Futures is presented as direct shareholding percentage.

(II) Major Subsidiary of Hengtai Futures

No.	Name	Address (in China)	Principal business	Date of establishment	Type of legal entity registered	Place of incorporation	Registered capital (RMB0'000)	Shareholding percentage	Legal representative	Telephone (+86)
1	Hengtai Yingwo Asset Management Co., Ltd. (恒泰盈沃資產管理有限公司)	Room 915, No.857 Laolu Road, Lingang Special Area, The China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區臨港新片區老蘆公路857號915室)	Asset management, investment management, industrial investment, venture capital investment, investment consulting, corporate management services, financial consulting, planning of corporate asset reorganisation and merger and acquisition, marketing planning, etc.	5 February 2016	Limited liability company	PRC	5,000	100%	Xin Ying (辛穎)	021-60212795

(III) Major Subsidiary of Xin Hua Fund

No.	Name	Address (in China)	Principal business	Date of establishment	Type of legal entity registered	Place of incorporation	Registered capital (RMB0'000)	Shareholding percentage	Legal representative	Telephone (+86)
1	Beijing Xin Hua Fushi Asset Management Co., Ltd. (北京新華富時資產管理有限公司)	Room 3–01 Building 6, Ronghuiyuan, Airport Economic Core Zone, Shunyi District, Beijing (北京市順義區臨空經濟核心區融慧園6號樓3–01)	Asset management for specific customers and other businesses as approved by CSRC	10 April 2013	Limited liability company	PRC	30,800	76.62%	Zhou Xi (周曦)	010-68779712

V. BRANCH OFFICES

As at 31 December 2025, the Company had seven branch offices, details of which are as follows:

No.	Name	Address (in China)	Date of establishment	Person in charge	Telephone (+86)
1	Financial Street Securities Co., Limited, Shenzhen Branch Office (金融街證券股份有限公司深圳分公司)	B1010A & B1001, Excellence Meilin Central Plaza (South Area), No. 126, Zhongkang Road, Meidu Community, Meilin Sub-district, Futian District, Shenzhen City, Guangdong Province (廣東省深圳市福田區梅林街道梅都社區中康路126號卓越梅林中心廣場(南區)B1010A、B1001)	17 August 2009	Liu Jianjun (劉建軍)	0755–83534805
2	Financial Street Securities Co., Limited, Jilin Branch Office (金融街證券股份有限公司吉林分公司)	Rooms 2501 and 2502, Office Building 11, Weifeng New Ecological City, Jingyue Development Zone, Changchun City, Jilin Province (吉林省長春市淨月開發區偉峰生態新城11#辦公樓2501、2502號房)	27 May 2014	She Tan (佘倓)	0431–82970822
3	Financial Street Securities Co., Limited, Beijing Branch Office (金融街證券股份有限公司北京分公司)	1102, 11/F, No. 338, Guang'anmennei Street, Xicheng District, Beijing (北京市西城區廣安門內大街338號11層1102)	8 May 2024	Xie Yueqing (謝岳卿)	010-63355568
4	Financial Street Securities Co., Limited, Shandong Branch Office (金融街證券股份有限公司山東分公司)	Room 207, 2/F, No. 2 Public Building, No. 50, West Yanzishan Road, Lixia District, Jinan City, Shandong Province (山東省濟南市曆下區燕子山西路50號2號公建二層207室)	5 December 2006	Bai Rong (白榮)	0531-81853932

No.	Name	Address (in China)	Date of establishment	Person in charge	Telephone (+86)
5	Financial Street Securities Co., Limited, Zhejiang Branch Office (金融街證券股份有限公司浙江分公司)	Rooms 1301-02, 1301-03, Block 3, Ping An Finance Center, Shangcheng District, Hangzhou City, Zhejiang Province (浙江省杭州市上城區平安金融中心3幢1301室-02、03)	20 July 2004	Chen Yiping (陳宜平)	0571-85802451
6	Financial Street Securities Co., Limited, Shanghai First Branch Office (金融街證券股份有限公司上海第一分公司)	4/F, No. 3399, Zhangyang Road, Pudong New Area, Shanghai (上海市浦東新區張楊路3399號四層)	31 January 1997	Li Lisong (李麗松)	021-68533517
7	Financial Street Securities Co., Limited, Shanghai Second Branch Office (金融街證券股份有限公司上海第二分公司)	Rooms 2502 and 2503, 25/F, No. 288 Jiujiang Road, Huangpu District, Shanghai (上海市黃浦區九江路288號25層2502、2503室)	10 November 1993	Li Xiaoqin (李曉琴)	021-64433290

VI. DISTRIBUTION OF SECURITIES BRANCHES

As at 31 December 2025, the Company had a total of 100 securities branches (please refer to Appendix to this report). Number and distribution of securities branches of the Company are as follows:

Location (PRC)	Number of securities branches	Location (PRC)	Number of securities branches
Inner Mongolia Autonomous Region	25	Hubei Province	1
Jilin Province	14	Guangxi Zhuang Autonomous Region	1
Shanghai	13	Shanxi Province	1
Beijing	10	Hebei Province	1
Guangdong Province	10	Chongqing	1
Zhejiang Province	8	Shaanxi Province	1
Shandong Province	4	Henan Province	1
Liaoning Province	2	Hunan Province	1
Fujian Province	2	Tianjin	1
Jiangsu Province	2	Sichuan Province	1

Section 4 Summary of Accounting Data and Financial Indexes

I. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDEXES

Accounting data and financial indexes set out in this report are prepared in accordance with the International Financial Reporting Standards.

(I) Principal Accounting Data and Financial Indexes for the Recent Three Years

Item	2025	2024	Increase/ (decrease) from last period	2023
Operating results *(RMB'000)*				
Total operating income	**3,543,050**	2,786,214	27.16%	2,513,314
Profit before tax	**214,889**	144,476	48.74%	16,665
Profit for the year-attributable to ordinary shareholders of the Company	**324,944**	176,283	84.33%	64,145
Net cash generated from/(used in) operating activities	**(1,537,420)**	(1,124,942)	(36.67%)	(201,798)
Earnings per share *(RMB/share)*				
Basic earnings per share[1]	**0.12**	0.07	71.43%	0.02
Diluted earnings per share[1]	**0.12**	0.07	71.43%	0.02
Profitability index				
Weighted average rate of return on net assets *(%)* [2]	**3.85**	2.16	Increased by 1.69 percentage points	0.80

Item	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end last of period	31 December 2023
Scale indicators *(RMB'000)*				
Total assets	**43,000,392**	39,981,081	7.55%	31,202,650
Total liabilities	**34,147,558**	31,274,058	9.19%	23,012,586
Accounts payable to brokerage clients	**20,673,825**	16,700,618	23.79%	10,510,125
Equity attributable to ordinary shareholders and holders of perpetual capital securities	**8,597,355**	8,295,533	3.64%	8,053,415
Total share capital *('000 shares)*	**2,604,567**	2,604,567	0.00%	2,604,567
Net assets per share attributable to ordinary shareholders[3] *(RMB/share)*	**3.30**	3.18	3.77%	3.09
Gearing ratio *(%)* [4]	**60.35**	62.60	(3.59%)	60.42

Notes:

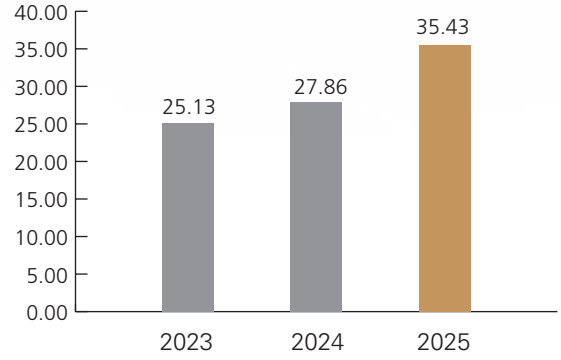
1. The index is calculated based on the assumption of deducting the dividends of the holders of cumulative perpetual capital securities.

2. Weighted average rate of return on net assets (%)=P/(Eo+P÷2+Ei×Mi÷Mo–Ej×Mj÷Mo), in which P represents net profit attributable to ordinary shareholders of the Company during the Reporting Period; Eo represents net assets attributable to ordinary shareholders of the Company at the beginning of the period; Ei represents additional net assets from issuance of new shares or from debt to equity attributable to ordinary shareholders of the Company during the Reporting Period; Ej represents reduced net assets from repurchase or from cash dividend attributable to ordinary shareholders of the Company during the Reporting Period; Mo represents the number of months of the Reporting Period; Mi represents the accumulative number of months calculated from the month following the increase in net assets to the end of the Reporting Period; Mj represents the accumulative number of months calculated from the month following the reduction in net assets to the end of the Reporting Period.

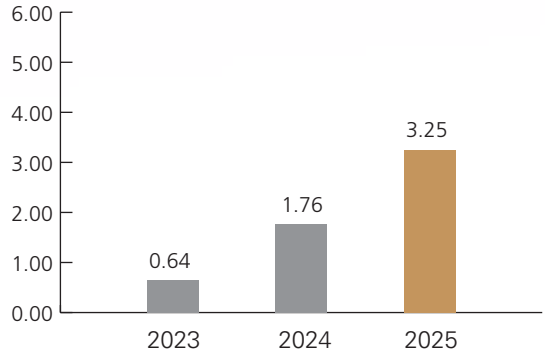
3. Net assets per share attributable to ordinary shareholders = (Equity attributable to ordinary shareholders and holders of perpetual capital securities – perpetual capital securities) ÷ total share capital.

4. Gearing ratio (%) = (Total liabilities−accounts payable to brokerage clients)/(total assets−accounts payable to brokerage clients).

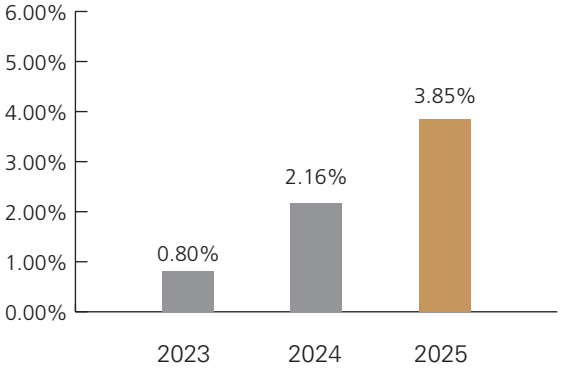
Total operating income (RMB100 million)



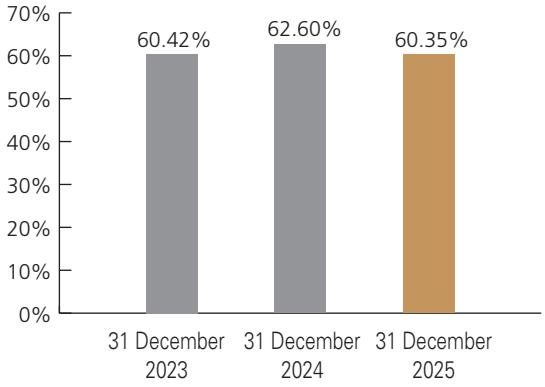
Annual profit - attributable to ordinary shareholders of the Company (RMB100 million)



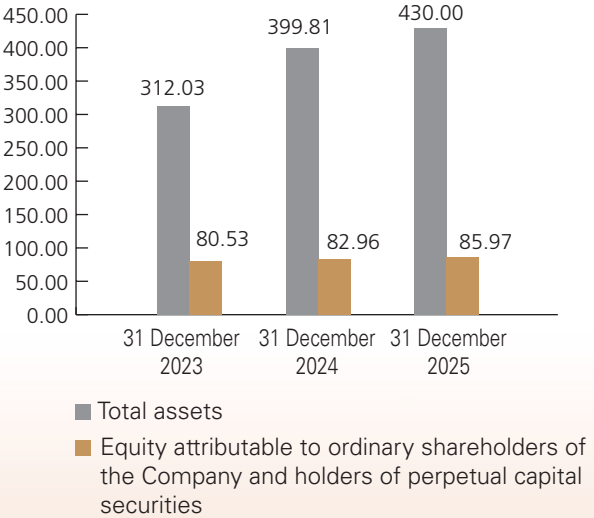
Weighted average rate of return on net assets



Gearing ratio



Scale indicators (RMB100 million)



(II) Principal Accounting Data and Financial Indexes for the Recent Five Years

Earnings *(RMB'000)*

Item	2025	2024	2023	2022	2021
Total operating income	**3,543,050**	2,786,214	2,513,314	2,725,455	3,824,610
Total operating expenses	**(3,328,161)**	(2,641,738)	(2,496,649)	(4,733,835)	(3,448,270)
Profit/(loss) before tax	**214,889**	144,476	16,665	(2,008,380)	376,340
Profit/(loss) for the year – attributable to ordinary shareholders of the Company	**324,944**	176,283	64,145	(1,286,372)	279,248

Assets, liabilities and equity *(RMB'000)*

Item	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Total assets	**43,000,392**	39,981,081	31,202,650	31,021,248	37,243,056
Total liabilities	**34,147,558**	31,274,058	23,012,586	22,835,492	27,519,396
Accounts payable to brokerage clients	**20,673,825**	16,700,618	10,510,125	11,765,079	13,867,467
Equity attributable to ordinary shareholders and holders of perpetual capital securities	**8,597,355**	8,295,533	8,053,415	7,997,126	9,318,940
Total share capital *('000 shares)*	**2,604,567**	2,604,567	2,604,567	2,604,567	2,604,567

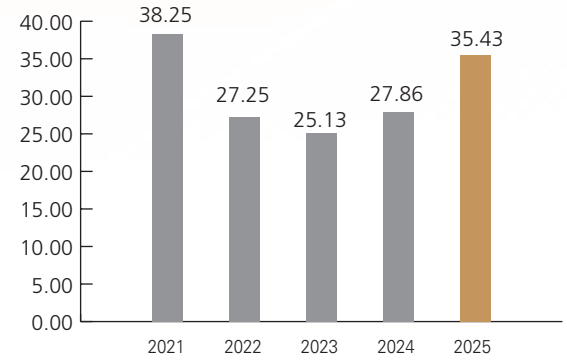
Key financial indexes

Item	2025	2024	2023	2022	2021
Basic earnings/(loss) per share *(RMB/share)*	**0.12**	0.07	0.02	(0.49)	0.11
Diluted earnings/(loss) per share *(RMB/share)*	**0.12**	0.07	0.02	(0.49)	0.11
Weighted average rate of return on net assets *(%)*	**3.85**	2.16	0.80	(14.86)	3.04

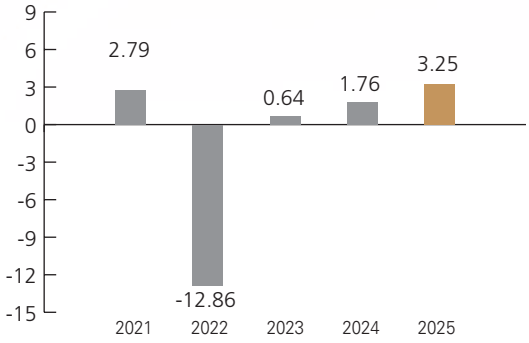
Item	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Gearing ratio *(%)*	**60.35**	62.60	60.42	57.49	58.40
Net assets per share attributable to ordinary shareholders *(RMB/share)*	**3.30**	3.18	3.09	3.07	3.58

Section 4 Summary of Accounting Data and Financial Indexes (Continued)

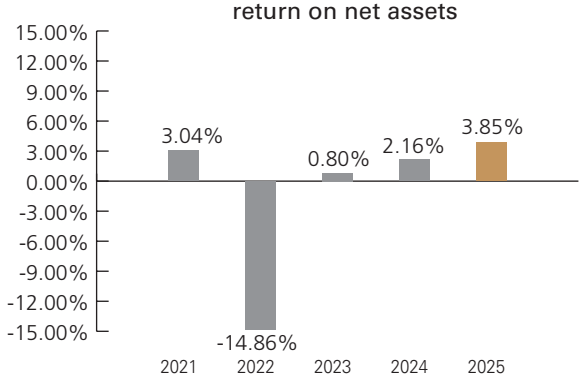
Total operating income
(RMB100 million)



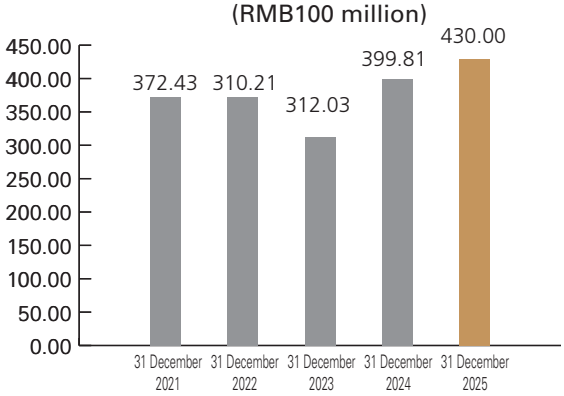
Annual profit /(loss) – attributable to ordinary shareholders of the Company
(RMB100 million)



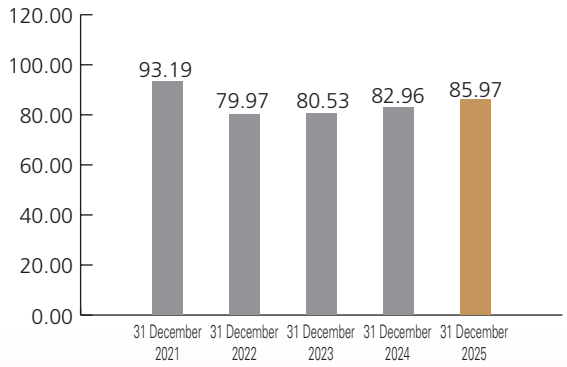
Weighted average rate of return on net assets



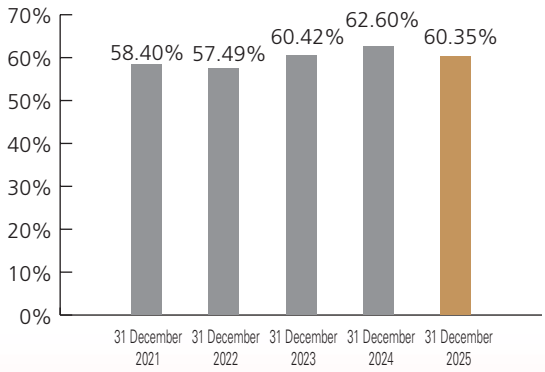
Total asset
(RMB100 million)



Equity attributable to ordinary shareholders of the Company and holders of perpetual capital securities
(RMB100 million)



Gearing ratio



II. DIFFERENCES OF ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

There is no material difference as to Company's net profit for 2025 and 2024 and net assets as at 31 December 2025 and 31 December 2024 shown on the consolidated financial statements prepared under the International Financial Reporting Standards and those shown on the consolidated financial statements prepared under China's Accounting Standards for Business Enterprises.

III. THE COMPANY'S NET CAPITAL AND RELATED RISK CONTROL INDEXES

As at 31 December 2025, the Company's net capital amounted to RMB6,429.81 million, representing an increase of RMB526.14 million as compared with RMB5,903.67 million at the end of 2024. During the Reporting Period, related risk control indexes including the Company's net capital met the regulatory requirements.

Unit: in RMB'000

Item	**31 December 2025**	31 December 2024[1]	Regulatory standard
Net capital	**6,429,812**	5,903,665	N/A
Including: Net core capital	**5,529,812**	5,153,665	N/A
Net supplement capital	**900,000**	750,000	N/A
Net assets	**8,715,091**	8,274,815	N/A
Total risk capital provision	**3,276,835**	3,446,244	N/A
Total assets on and off statement of financial position	**21,869,817**	22,354,839	N/A
Risk coverage ratio	**196.22%**	171.31%	≥100%
Capital leverage ratio	**25.91%**	23.60%	≥8%
Liquidity coverage ratio	**250.01%**	195.67%	≥100%
Net stable funding ratio	**165.97%**	170.31%	≥100%
Net capital/net assets	**73.78%**	71.34%	≥20%
Net capital/liabilities	**52.12%**	44.21%	≥8%
Net assets/liabilities	**70.65%**	61.97%	≥10%
Proprietary equity securities and securities derivatives/net capital	**14.46%**	22.61%	≤100%
Proprietary non-equity securities and securities derivatives/net capital	**109.27%**	147.18%	≤500%

Note:

1. According to the China Securities Regulatory Commission Announcement [2024] No.13, the Requirements on the Calculation Standards for the Risk Control Indicators of Securities Companies (the "**Requirements**") came into effect on 1 January 2025. To meet the requirements for indicator comparability, the Company has recalculated its risk control indicators as of 31 December 2024, based on the regulations of the Requirements.

Section 5 Management Discussion and Analysis

I. ECONOMIC AND MARKET ENVIRONMENT DURING THE REPORTING PERIOD

During the Reporting Period, with the complex changes in the domestic and international economic environment, the national economy forged ahead against headwinds, advanced toward innovation and high quality, scored new achievements in high-quality development, and fully accomplished the major goals and tasks for economic and social development. China's annual GDP was RMB140,187.9 billion, representing a year-on-year increase of 5.00% calculated at constant prices. By industries, the added values of the primary industry, the secondary industry and the tertiary industry were RMB9,334.7 billion, RMB49,965.3 billion and RMB80,887.9 billion, respectively, representing increases of 3.90%, 4.50% and 5.40%, respectively. By quarters, the first quarter, the second quarter, the third quarter and the fourth quarter recorded an increase of 5.40%, an increase of 5.20%, an increase of 4.80% and an increase of 4.50%, respectively. The added value of industries above designated size in the whole year increased by 5.90% compared with the previous year, and the added value of the service industry increased by 5.40% compared with the previous year. The total retail sales of consumer goods for the whole year amounted to RMB50,120.2 billion, representing a year-on-year increase of 3.70%. China's fixed asset investment (excluding agriculture) for the whole year was RMB48,518.6 billion, representing a year-on-year decrease of 3.80%. The consumer price index (CPI) remained flat year-on-year for the full year. During the Reporting Period, the People's Bank of China maintained ample liquidity through the comprehensive application of a variety of monetary policy tools, and guided financial institutions to fully meet the effective financing needs of the real economy. At the end of the Reporting Period, the social financing scale was RMB442.12 trillion, representing a year-on-year decrease of 8.30%. The balance of broad measure of money supply (M2) was RMB340.29 trillion, representing a year-on-year increase of 8.50%. The balance of RMB loans was RMB272 trillion, representing a year-on-year increase of 6.40%, which indicated that the intensity of credit support remained robust.

During the Reporting Period, the Chinese A-share market exhibited a fluctuating upward trend with a relatively high level of market activity, with the major indices increasing substantially. The Shanghai Stock Exchange Composite Index opened at 3,262.56 points at the beginning of 2025 and closed at 3,968.84 points at the end of 2025, an increase of 18.41% compared with the end of 2024. The Shenzhen Stock Exchange Component Index opened at 10,088.06 points at the beginning of 2025 and closed at 13,525.02 points at the end of 2025, an increase of 29.87% compared with the end of 2024. The Growth Enterprise Index opened at 2,136.92 points at the beginning of 2025 and closed at 3,203.17 points at the end of 2025, an increase of 49.57% compared with the end of 2024. During the Reporting Period, the trading volumes of stocks and funds on the Shanghai Stock Exchange and the Shenzhen Stock Exchange amounted to RMB233,820,609 million and RMB265,256,059 million, respectively, and the trading volume of stocks and funds on both stock exchanges totaled RMB499,076,667 million. *(Information sources: websites of National Bureau of Statistics, The People's Bank of China, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and Wind Info)*

II. ANALYSIS OF PRINCIPAL BUSINESS

During the Reporting Period, the Group recorded operating income of RMB3,543.05 million, representing an increase of 27.16% as compared with 2024, and net profit of RMB168.93 million, representing an increase of 131.38% as compared with 2024.

(I) Brokerage and Wealth Management Business

During the Reporting Period, the operating income from brokerage and wealth management business amounted to RMB2,183.23 million, representing an increase of 32.17% as compared with 2024.

1. Securities brokerage

During the Reporting Period, the Company continuously developed and improved its customer-centric wealth management service system. In terms of customer operations, the Company placed emphasis on developing existing customers and implemented targeted service strategies through refined segmentation, advancing a systematic initiative for existing client services throughout the year. In the investment advisory business area, the Company focused on creating a distinctive service system, and formed a multi-dimensional "human-machine collaboration" service model through professional competency certification, investment in advisor IP incubation, and the development of intelligent investment advisory tools. Simultaneously, the Company profoundly integrated financial technology with digital operations and upgraded digital tools such as intelligent customer service and customer profile analysis. This achieved dual improvements in platform operational efficiency and customer service experience, effectively enhancing customer stickiness while providing full-process digital support for employee business development. Consequently, the Company created a "customer-product-service-technology" four-in-one wealth management ecosystem.

During the Reporting Period, the number of new accounts opened reached 268,600 and the total number of clients reached 4,206,900, representing an increase of 5.42% as compared with the end of 2024. The total assets under custody for clients reached RMB234,326.05 million, representing an increase of 30.67% as compared with the end of 2024. The turnover of stocks and funds reached RMB3,443,772.38 million, representing an increase of 54.16% as compared with the corresponding period of 2024, while the market share of stocks and funds was 0.3451%, representing a decrease of 9.56% as compared with the corresponding period of 2024.

Prospects for 2026

The Company will continuously leverage its inherent resource advantages and closely align with industrial realities to steadfastly develop light-capital businesses with wealth management at their core. The Company will continue to develop the investment advisory services and the comprehensive investment advisory service system. The Company will establish a strategic system covering the entire lifecycle of financial products, facilitating a shift from seller-driven sales to buyer-centric services. The Company will continuously enhance channel expansion capabilities and digital operational proficiency to create a closed-loop customer service ecosystem organically integrating online customer acquisition with coordinated online-offline operations. At the same time, the Company will actively advance its digital and technology-driven initiatives and strengthen in-depth synergy between business operations and technology, providing robust technological support for precision marketing.

2. Futures brokerage

During the Reporting Period, Hengtai Futures continuously deepened its service capabilities and improved operational efficiency through a multi-driven strategy with the focus on "breakthroughs in financial futures, deepening industrial services, improving retail business efficiency, and enhancing synergy with proprietary funds", boosting pivotal businesses to achieve dual breakthroughs in both scale and quality as well as constructing a development pattern where institutional business, industrial services, and retail growth advance synergistically. Meanwhile, Hengtai Futures actively advanced its medium- to long-term strategic planning, making full preparations to enhance future market competitiveness and cultivate new growth engines. During the Reporting Period, Hengtai Futures had 6,659 new clients.

Prospects for 2026

Hengtai Futures will maintain its strategic resolve, adhere to its established development direction, fully dedicate itself to facilitating the quality and efficiency of its business, expanding growth and operational opportunities through enhanced innovation and efficiency. Focusing on its annual core objectives and crucial tasks, Hengtai Futures will implement precise breakdowns, project-based management, and progress monitored against milestones. Hengtai Futures will enforce a cascading system of management accountability, clarify authority and responsibilities at all levels and strengthen supervision and executions, ensuring the effective implementation of all its deployments.

3. Wealth management

During the Reporting Period, with a customer-centric approach, the Company practiced a buyer-focused service philosophy, rigorously selected products, persisted in the principle of choosing the best among the excellent, as well as meticulously chose high-quality financial products characterized by standardized management, stable performance, and controllable risks by means of stringent due diligence, multi-dimensional evaluation, and validation of historical performance, providing clients with a high-quality starting point for investment and a reliable and solid foundation. The Company adopted scientific allocation by thoroughly understanding clients' risk tolerance, investment horizon, and financial objectives, and implemented personalized asset allocation and portfolio optimization in conjunction with market conditions and major asset class rotations, thereby achieving an optimal balance between effective risk diversification and expected returns. During the Reporting Period, a total of 3,291 financial products were sold, with sales volume of RMB20,835.62 million. As at the end of the Reporting Period, the existing scale of its financial products was RMB23,127.08 million.

Prospects for 2026

The Company will continue to uphold a customer-centric philosophy, respect changes in market trends and the environment, deepen the mindset of buyer wealth management business, and further strengthen its presence across the three main segments of public offerings, private offerings, and fund advisory services. The Company will remain committed to selecting private fund managers by choosing the best among the excellent, attach great importance to preferentially selecting quantitative managers with excellent performance, and proactively position itself for future star managers. Based on a foundation of fixed-income-like strategies, the Company will explore the introduction of equity-like and diversified strategies, and offer asset allocation service support, advancing the healthy development of product business.

4. Capital-Based Intermediary

During the Reporting Period, the Company's capital-based intermediary business, based on serving capital market liquidity and diverse investor needs, maintained a steady development trajectory. Benefiting on the continuous construction of a professional credit trading service system and a comprehensive risk management framework, the Company ensured safe and efficient business operations, achieving steady growth in both its customer base and business scale. As at the end of the Reporting Period, the balance of the margin financing and securities lending business amounted to RMB6,593.27 million.

Prospects for 2026

The Company will insist on the orientation of serving the real economy and improving market functions, and continue to deepen the strategic layout of its capital-based intermediary business. By strengthening the supply of professional financial services, promoting service model upgrades and digital integration, the Company will establish a safer and more efficient comprehensive capital service platform. The Company will contribute itself to providing stable support amid market fluctuations, seizing development opportunities through two-way opening, and creating long-term and sustainable value returns for its clients.

5. Asset custody

During the Reporting Period, the Company diligently complied with its responsibilities as a custodian, continuously strengthened internal control construction with increasing system investments, to focus on preventing business risks in order to actively promote business synergy, and continuously improve service efficiency and quality. The Company has always been attentive to market developments and business innovation, successfully fulfilling a breakthrough in ETF fund custody, which filled the gap in the Company's ETF custody services. As at the end of the Reporting Period, the Company offered a total of over 1,265 products for custody services, fund services and fund-raising supervision services. The total scale of asset custody, fund services and fund-raising supervision amounted to RMB116,749 million.

Prospects for 2026

The Company will uphold the service philosophy of efficiency, professionalism, and compliance, continuously enhance service quality, strengthen business synergy among departments base on preventing business risks, select high-quality fund managers, and promote the development of custodial services for standardised products such as public funds, asset management schemes, private equity investment funds, and other products.

(II) Investment Banking Business

During the Reporting Period, the operating income from investment banking business amounted to RMB179.64 million, representing an increase of 26.63% as compared with 2024.

1. Equity financing

During the Reporting Period, Hengtai Changcai, anchored in its strategic positioning, deeply cultivated its core business areas. Through precision client relationship management and professional capacity building, the company laid a solid foundation for the high-quality development of its equity business. By consolidating core client relationships and tapping into capital operation needs throughout the clients' full life cycles, Hengtai Changcai continued to build a robust pipeline of equity projects. Meanwhile, Hengtai Changcai actively seized market development opportunities to refine its operations and enhance professional expertise. With compliance as its baseline, the company continuously strengthened its core competencies in research, value discovery, transaction design, and integration and matchmaking, striving to build a full-service investment banking value chain and provide clients with high-quality, comprehensive financial services.

Prospects for 2026

Hengtai Changcai will remain anchored to its fundamental mission of serving the real economy, ensuring deep alignment between national strategies and the capital operation requirements of enterprises. With a strategic focus on sectors such as new energy, new technology, and high-end manufacturing, it will leverage its professional, full-chain service capabilities to further cultivate the equity business sector and drive leapfrog development. Hengtai Changcai aims to deepen engagement with existing high-quality clients, utilizing the strengths of these deep-seated partnerships to consistently replenish its pipeline of new clients and projects. Concurrently, the company will bolster its professional competence and develop a premier equity business team to continuously sharpen its competitive edge.

2. Debt financing

During the Reporting Period, Hengtai Changcai continued to consolidate and expand its geographic footprint, with primary operations covering Shandong, Guizhou, Jilin, and Jiangsu provinces. Meanwhile, it achieved significant breakthroughs in its local markets and service offerings, successfully completing underwriting projects in the Beijing area. During the Reporting Period, in accordance with regulatory guidance, Hengtai Changcai actively shifted its business focus toward industrial bonds and reduced the proportion of refinancing bonds, laying a solid foundation for the growth of its corporate bond underwriting volume. During the Reporting Period, the company completed 56 underwriting projects, with a total underwritten amount of RMB12,079 million.

Prospects for 2026

Hengtai Changcai will adhere to regulatory directives by continuously increasing the proportion of industrial bond underwriting within its total volume. It will strive to achieve significant growth in the underwriting amount of bonds related to the "Five Great Articles" while accelerating its capacity building for such projects. Furthermore, Hengtai Changcai will steadily enhance its market share in core regions including Shandong, Jilin, Guizhou, and Jiangsu provinces, while pursuing business breakthroughs in Beijing and other newly designated pilot areas. The company remains committed to the simultaneous improvement of project quality and profitability to ensure steady and sustainable business development.

3. NEEQ recommendation business

During the Reporting Period, guided by the principle of "seeking progress while maintaining stability, promoting stability through progress, and focusing on risk prevention and stringent supervision to drive high-quality development," and in accordance with the company's three-year strategic plan, Hengtai Changcai deeply cultivated its local markets and fully leveraged its competitive advantages in existing NEEQ projects. During the Reporting Period, it completed 1 listing project, 1 M&A and restructuring project, and 6 NEEQ financing projects. As of the end of the Reporting Period, Hengtai Changcai had 130 projects under ongoing supervision.

Prospects for 2026

In accordance with the requirements of the CSRC to "promote the integrated high-quality development of the Beijing Stock Exchange and the NEEQ," Hengtai Changcai will continue to adhere to a market-oriented and quality-first approach. It aims to deeply tap into the potential of its NEEQ business and expand its business scope, positioning the NEEQ as an incubation base for Beijing Stock Exchange projects while continuing to provide comprehensive and high-quality services to small and medium-sized enterprises in a steady manner.

(III) Investment Management Business

During the Reporting Period, the operating income from investment management business amounted to RMB307.50 million, representing of an increase of 9.99% as compared with 2024.

1. Assets management

During the Reporting Period, the asset management business centered on the overall strategy of "consolidating the investment research foundation, focusing on core investment themes, expanding business boundaries, and reshaping the brand image", and systematically advanced material tasks such as strategy adjustment, product innovation, market expansion, risk control, and collaborative innovation, resulting in work achievements characterized by steady growth in scale, stable business performance, a well-formed operational system, and breakthroughs in synergy. During the Reporting Period, the asset management business received favorable market reputation and customer recognition in terms of customer experience, product performance, risk management, and innovative services. It was honored with the the "Golden Hazel Award for Brokers' Outstanding Fixed Income Asset Management Plan" by CLS, and the "2025 Growth and Innovation Asset Management Financial Institution" and "2025 Securities Firm Emerging Investment Management Team" by the Eastmoney Awards.

As at the end of the Reporting Period, the total scale of asset management business was RMB14,921.37 million, of which the scale of collective asset management schemes amounted to RMB3,046.70 million, the scale of single asset management schemes amounted to RMB2,694.08 million, the scale of the asset-backed securities special schemes amounted to RMB9,180.59 million.

As at the end of the Reporting Period, the numbers of subsisting products of the collective, single asset management schemes and the asset-backed securities special schemes were 23, 12 and 5, respectively.

Prospects for 2026

In 2026, the asset management department will rely on the Group's strong resources and brand support to strengthen its management foundation and investment research capabilities, enhance its market-oriented professional capabilities, and strengthen its product innovation and creation capabilities. The asset management department will prioritize the development of strategic focuses such as FOFs, quantitative enhancement strategies and green finance, aiming to build a differentiated competitive advantage. Furthermore, the asset management department will promote the deepening of asset securitization business layout and the innovative expansion of international business, further elevating the value of the Company's asset management brand.

2. Fund management

During the Reporting Period, Xin Hua Fund embraced a new beginning with the successful completion of its equity restructuring and capital expansion, and closely involved in two main lines, i.e. consolidating the foundation for development and planning long-term strategic layout, which enhanced significant tasks in a systematical manner including product portfolio optimization, investment research capability upgrades, marketing system construction, internal control mechanism improvement, corporate culture empowerment, and high-performance governance building, with five new public offering products and three special account products launched. During the Reporting Period, Xin Hua Fund's investment research performance showed significant improvement, and the foundation for steady development was continuously strengthened, which accumulated beneficial conditions and laid a solid foundation for driving high-quality development. According to Guotai Haitong Securities' "Performance Rankings of Equity and Fixed Income Assets of Fund Managers", Xin Hua Fund's performance of equity assets ranked among the top third in the industry in the past seven and ten years, with steady performance in the medium and long term. The fixed income funds ranked among the top ten in the industry in the past three and ten years, and ranked among the top twenty in the industry in the past five and seven years, with excellent performance.

In 2025, the public offering management scale of Xin Hua Fund increased. As at the end of the Reporting Period, Xin Hua Fund had 49 publicly-raised funds with management scale of RMB57,107 million, representing a year-on-year increase of RMB1,317 million or 2.36%. As at the end of the Reporting Period, Xin Hua Fund had 55 management products of special accounts with the management scale of RMB341.33 million, representing a year- on-year decrease of RMB369.67 million or 51.99 %.

Prospects for 2026

In 2026, Xin Hua Fund will consistently concentrate on systematical planning of major tasks such as enhancing investment research capabilities, refining the product system, deepening channel expansion, and optimizing governance, systematically boosting the effective implementation of all operational objectives and development goals. In terms of investment research, Xin Hua Fund will continue to facilitate the reform of its "platform-based, integrated, multi-strategy" investment research system, constantly solidify its core investment research capabilities, and enhance the stability of investment research performance, thereby delivering consistent and steady returns for investors. In terms of products, Xin Hua Fund will reshape its product matrix with a differentiated approach to promote product layout and issuance through tiered approaches and multiple channels. In terms of sales, Xin Hua Fund will deepen the construction of its marketing ecosystem to cultivate new drivers for market growth. Additionally, Xin Hua Fund will be committed to the core principle of improving governance

efficiency, and comprehensively strengthen Party building and internal management, aiming to provision of a solid foundation for sustainable and healthy development.

3. Private equity investment

During the Reporting Period, Hengtai Capital strengthened industry research and actively expanded into new business areas. As at the end of the Reporting Period, there were 2 existing private equity funds in compliance with regulatory requirements, with a fund scale amounting to RMB2,900 million. Regarding new business expansion, Hengtai Capital actively prepared strategic placement investment funds, zero-carbon energy investment funds, and new energy industry investment funds, etc.

Prospects for 2026

Hengtai Capital will continue to refine and optimize its investment decision-making systems and processes to mitigate investment risks. Combining the current establishment with reserve of funds, Hengtai Capital will persistently expand access to high-quality resources, constantly forming differentiated advantages and distinctive features. Hengtai Capital will strengthen the enhancement of professional investment research capabilities, accelerate project investments, and contribute to regional economic development, contributing to the industrial upgrade of local governments.

4. Alternative investment

During the Reporting Period, Hengtai Pioneer continued to strengthen post-investment management of projects, carried out post-investment investigation on the invested projects, and conducted in-depth research on the invested projects through review of materials, research, interviews, etc. According to the principles of seeking truth from facts, people-oriented and horizontal comparison, Hengtai Pioneer analyzed the development of enterprises and assessed the investment value of the projects. In 2025, Hengtai Pioneer completed one project and successfully achieved its formal listing on China Beijing Equity Exchange. As at the end of the Reporting Period, Hengtai Pioneer had 23 direct investment projects.

Prospects for 2026

The advance in diversified asset allocation and participation in technological innovation investments will be the business development direction for Hengtai Pioneer in 2026. Hengtai Pioneer will expand its business channels, and explore emerging business areas to enhance its profitability. Hengtai Pioneer will also optimize the investment portfolio to ensure that the risk-return ratio remains within a reasonable range, thereby improving the return on investment. Meanwhile, in response to the continuously stringent regulatory policies, Hengtai Pioneer will operate in a compliant and prudent manner, deepen risk management, and strictly uphold risk tolerance limits, guaranteeing sustained and stable development.

(IV) Proprietary Trading Business

During the Reporting Period, the operating income from the proprietary trading business amounted to RMB843.67 million, representing an increase of 27.75% as compared with 2024.

Since the beginning of 2025, China's A-share market has shown an overall volatile upward trend, with clear phased characteristics in sector and style rotations. From the start of the year to early March, the market was dominated by the AI industry chain. From early March to early April, as technology trading became increasingly crowded and external tariff pressures emerged, the previously high-performing technology sector entered a correction phase, temporarily shifting market focus from high-volatility assets toward more stable assets. From early April to the end of August, the market entered a phase of confidence recovery and liquidity-driven momentum, leading to an overall improvement in risk appetite and characteristics of broad-based gains and dispersion. From the end of August to the end of the year, the market transitioned into a period of valuation rebalancing and earnings verification. Capital began to prioritize safety margins and certainty, gradually flowing back to large-cap blue-chip stocks with reasonable valuations and stable performance. The decrease in the overall market volatility presented a pattern of consolidation within a range.

In terms of stock investment business, the Company effectively reduced portfolio volatility, enhanced investment return stability, and established a layered equity investment system to achieve scaled return on equity investments. Through participation in stock index futures, the Company effectively saved capital costs and boosted investment returns. Meanwhile, by actively investing in high dividend investments and participating in high dividend products in the Hong Kong stock market, the Company was able to receive dividend income constantly.

In terms of fixed income business, under the moderately accommodative monetary and proactive fiscal policies throughout the year, the interest rate market ceased its four-year-long unilateral decline and experienced a range-bound volatile trend. Apart from ultra-long-term interest rates, the overall bond market remained stable. The Company successfully captured the trading pace and increased investments in fixed income assets at the beginning of 2025 and at the end of the second quarter of the year, which resulted in a better return. Meanwhile, the derivative strategy trading business and sales trading business adopted by the Company also yielded better returns.

In terms of the multi-strategy investment business, the Beijing Stock Exchange stood out among market sectors, attracting strong market capital inflows due to its high volatility and unique positioning as a hub for "Specialized and Sophisticated (專精特新)" enterprises. The outperform performance of the Beijing Stock Exchange also improved the enthusiasm of companies considering to be listed on the NEEQ, in both the quantity and quality. The Company, having long-term expertise in both NEEQ and the Beijing Stock Exchange, actively adapted to market conditions and seized investment opportunities related to NEEQ and the Beijing Stock Exchange, obtaining favorable returns. In terms of seed funds, the Company increased equity exposure and made allocations in areas such as new consumption and gold. based on an optimistic equity market outlook. Additionally, the Company initiated commodity futures investments.

Prospects for 2026

In terms of stock investment business, the Company will focus on core assets and adhere to long-term investment mindset by selecting premium stocks for investment. At the same time, the Company will flexibly adjust the proportion of its position in various products according to market performance and changes in style characteristics, with dynamic position management to capture market trends, thereby enriching returns. In addition, the Company will closely monitor the progress of private placement projects and accumulate the high-quality project resources, and appropriately seize investment opportunities in the private placement market based on market trends, market valuation levels and project quality. Based on the macro trend, the Company will actively pay attention to the Hong Kong stock market and participate in investment allocations through ETF investment in an appropriate manner. In terms of secondary market investments, the Company will focus on high-growth industries and sectors, select individual stocks to capture excess alpha returns, and moderately increase stock concentration to enhance investment efficiency.

In terms of fixed income business, the year 2026 marks the beginning year of the 15th Five-Year Plan. The trend of weak economic recovery remains unchanged. It is expected that the first half of 2026 will still be characterized by accommodative monetary and fiscal policies. The Company will continue to enhance its analyses on macroeconomic and policy, and maintain a flexible duration operation strategy against the backdrop of current interest rates. At the same time, the Company will intensify its allocation to fixed income assets and expand the scope of its fixed income business, so as to maintain the sustainable and steady development of the business.

In terms of the multi-strategy investment business, the Company will intensify research and screening of stocks listed on the NEEQ that meet the IPO requirements of the Beijing Stock Exchange, actively identifying investment opportunities therein. In terms of seed funds, the Company will continue to increase investments in outstanding private fund managers in China, with a focus on investing in diversified investment strategies and various investment products that demonstrate stable performance and low volatility, thereby mitigating the risk associated with single-asset allocation.

III. FINANCIAL STATEMENTS ANALYSIS

(I) Analysis on the Profitability during the Reporting Period

During the Reporting Period, the Group recorded operating income of RMB3,543.05 million in aggregate, representing a year-on-year increase of 27.16%. Net profit attributable to shareholders of the Company amounted to RMB324.94 million, representing a year-on-year increase of 84.33%. Earnings per share amounted to RMB0.12, representing a year-on-year increase of 71.43%. Weighted average return on net assets was 3.85%, representing a year-on-year increase of 1.69 percentage points.

(II) Asset Structure and Asset Quality

As at the end of the Reporting Period, total assets of the Group amounted to RMB43,000.39 million, up by 7.55% as compared to RMB39,981.08 million as at the end of 2024. Total liabilities amounted to RMB34,147.56 million, increased by 9.19% as compared to RMB31,274.06 million as at the end of 2024. Equity attributable to shareholders of the Company amounted to RMB8,597.36 million, increased by 3.64% as compared to RMB8,295.53 million as at the end of 2024.

The Group's asset structure remained stable with sound asset quality and liquidity. As at the end of the Reporting Period, the total assets of the Group comprised of: cash assets, which primarily included cash and bank balances (including cash held on behalf of brokerage clients), clearing settlement funds and refundable deposits, amounted to RMB24,626.82 million, representing 57.27% of the Group's total assets; margin assets, which primarily included margin accounts receivable, financial asset held under resale agreements and placements with financial institutions, amounted to RMB6,766.51 million, representing 15.74% of the Group's total assets; financial investment assets, which primarily included investment in financial assets, amounted to RMB9,717.40 million, representing 22.60% of the Group's total assets; save for the above items, assets of other categories amounted to RMB1,889.66 million, representing 4.39% of the Group's total assets.

The Group's gearing ratio and operating leverage ratio remained relatively stable. As at the end of the Reporting Period, liabilities after deducting accounts payable to brokerage clients amounted to RMB13,473.73 million, representing a year-on-year decrease of RMB1,099.71 million or 7.55%. The gearing ratio of the Group was 60.35%, down by 2.25 percentage points from 62.60% as at the end of 2024 (Note: gearing ratio = (total liabilities – accounts payable to brokerage clients)/(total assets– accounts payable to brokerage clients)). Operating leverage ratio was 2.60 folds, decreased by 7.47% from 2.81 folds as at the end of 2024 (Note: operating leverage ratio = (total assets – accounts payable to brokerage clients)/equity attributable to shareholders of the Company).

(III) Financing Channels and Financing Ability

During the Reporting Period, the Company met its operating capital requirement through debt financing. Debt financing of the Company included sci-tech innovation subordinated bonds, subordinated debts, margin and securities refinancing, beneficiary certificates, etc. During the Reporting Period, the Company issued RMB1,000 million of sci-tech innovation subordinated bonds and borrowed RMB200 million of subordinated debts, accumulated placements from China Securities Finance Corporation Limited amounted to RMB4,200 million, and accumulated capital inflow from beneficiary certificates amounted to RMB3,000 million. Meanwhile, the Company received comprehensive credit line with greater limit granted by several banks.

(IV) Liquidity Management

The Company focuses on its liquidity management. It has established a specific department responsible for liquidity management. The Company's liquidity management focused on the organic combination of the security, liquidity and profitability of capital. As requested by the CSRC, the Company established sound management system and contingency measure for liquidity risks. The Company has prepared monthly liquidity monitor statement. The liquidity monitor index of the Company in each month throughout the Reporting Period complied with the regulatory requirements.

(V) Cash Flow

Net cash flow arising from operating activities for 2025 amounted to RMB-1,537.42 million, decreased by RMB412.48 million from RMB-1,124.94 million in the corresponding period in 2024. Net cash flow arising from investing activities for 2025 amounted to RMB1,705.86600.33 million, increased by RMB1,915.34 million from RMB-315.01 million in the corresponding period in 2024. Net cash flow arising from financing activities for 2025 amounted to RMB368.64 million, down by RMB1,278.74 million from RMB1,647.38 million in the corresponding period in 2024. Net increase in cash and cash equivalents for 2025 amounted to RMB431.55 million, increased by RMB224.12 million from RMB207.43 million in the corresponding period in 2024.

(VI) Changes in Significant Accounting Policies and Estimates

There were no changes in the Company's significant accounting policies and estimates during the Reporting Period.

(VII) Analysis on Operating Revenue and Profit

1. Items under statement of profit or loss

During the Reporting Period, the Group's profit before tax amounted to RMB214.89 million, representing a year-on-year increase of 48.74%. The main financial results are as follow:

Unit: in RMB million

Item	**2025**	2024	Increase/ (decrease) from last period Amount	Increase/ (decrease) from last period Percentage
Revenue				
Fees and commission income	**1,910.80**	1,377.51	533.29	38.71%
Interest income	**737.45**	745.79	(8.34)	(1.12%)
Net investment income	**698.01**	558.26	139.75	25.03%
Other income and gains	**196.79**	104.65	92.14	88.05%
Total operating income	**3,543.05**	2,786.21	756.84	27.16%
Total operating expenses	**(3,328.16)**	(2,641.74)	686.42	25.98%
Profit before tax	**214.89**	144.47	70.42	48.74%
Income tax expense	**(45.96)**	(71.46)	(25.50)	(35.68%)
Profit for the year	**168.93**	73.01	95.92	131.38%
Net profit attributable to shareholders of the Company	**324.94**	176.28	148.66	84.33%

Revenue structure

During the Reporting Period, total operating income of the Group amounted to RMB3,543.05 million, representing a year-on-year increase of 27.16%. Among which, the proportion of commission and fee income was 53.93%, representing a year-on-year increase of 4.49 percentage points. The proportion of interest income was 20.81%, representing a year-on-year decrease of 5.96 percentage points. The proportion of net investment gains was 19.70%, representing a year-on-year decrease of 0.34 percentage point. The revenue structures of the Group in the past five years are as follow:

Unit: in RMB million

Items	**2025**	2024	2023	2022	2021
Fees and commission income	**53.93%**	49.44%	54.82%	60.49%	58.34%
Interest income	**20.81%**	26.77%	31.17%	30.14%	21.92%
Net investment income	**19.70%**	20.04%	4.67%	6.54%	16.33%
Other income and gains	**5.56%**	3.75%	9.34%	2.83%	3.41%
Total	**100.00%**	100.00%	100.00%	100.00%	100.00%

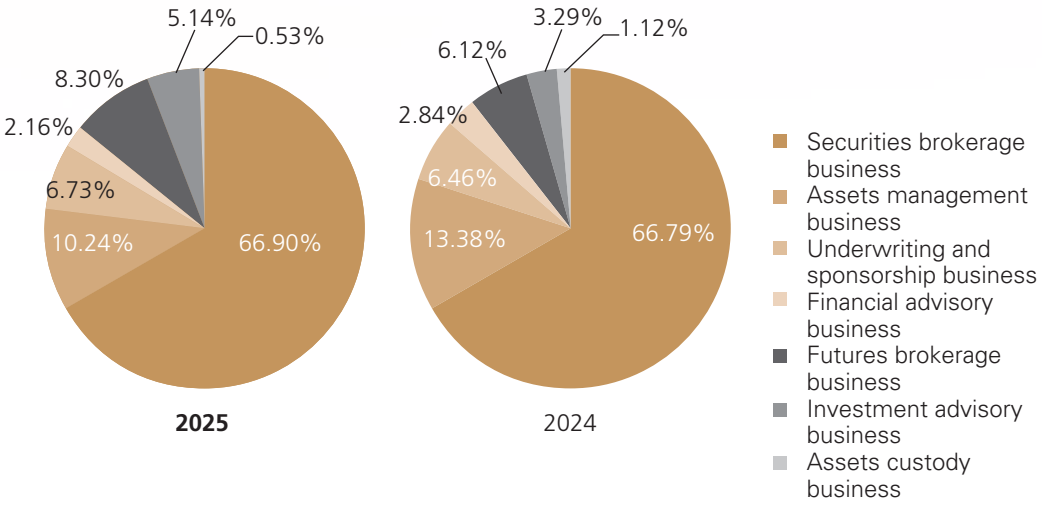
Fees and commission income

During the Reporting Period, the Group's fees and commission income consists of the following:

Unit: in RMB million

Item	2025	2024	Increase/ (decrease) from last period Amount	Increase/ (decrease) from last period Percentage
Fees and commission income				
Securities brokerage business	**1,278.39**	920.10	358.29	38.94%
Assets management business	**195.64**	184.32	11.32	6.14%
Underwriting and sponsorship business	**128.61**	88.93	39.68	44.62%
Financial advisory business	**41.20**	39.13	2.07	5.29%
Futures brokerage business	**158.62**	84.33	74.29	88.09%
Investment advisory business	**98.30**	45.30	53.00	117.00%
Assets custody business	**10.04**	15.40	(5.36)	(34.81%)
Total fees and commission income	**1,910.80**	1,377.51	533.29	38.71%
Fees and commission expenses	**287.38**	181.59	105.79	58.26%
Net fees and commission income	**1,623.42**	1,195.92	427.50	35.75%

The Group's fees and commission income consists of:



During the Reporting Period, fees and commission income of the Group amounted to RMB1,910.80 million, representing a year-on-year increase of 38.71%.

Fees and commission income generated from securities brokerage business increased by RMB358.29 million or 38.94% year-on-year, the year-on-year increase in fees and commission income was primarily attributable to the sustained upward trend in market conditions in 2025, during which the Company vigorously promoted the development of its brokerage business with the aim of expanding its market share and enhancing its brand influence, resulting in a significant increase in revenue from brokerage fees and commissions.

Fees and commission income generated from futures brokerage business increased by RMB74.29 million or 88.09% year-on-year,the year-on-year increase in fees and commission income was primarily attributable to the Company's vigorous business expansion in 2025, resulting in growth in client assets and a corresponding increase in fees and commissions from futures brokerage services.

Interest income

During the Reporting Period, interest income of the Group amounted to RMB737.45 million, representing a year-on-year decrease of 1.12%. The Group's interest income for 2025 consists of the following:

Unit: in RMB million

Items	2025	2024	Increase/ (decrease) from last period Amount	Increase/ (decrease) from last period Percentage
Interest income				
Deposits in financial institutions	**303.70**	323.85	(20.15)	(6.22%)
Margin financing and securities lending	**387.60**	343.65	43.95	12.79%
Financial assets held under resale agreements	**3.23**	11.62	(8.39)	(72.20%)
Financial assets at fair value through other comprehensive income	**37.34**	62.50	(25.16)	(40.26%)
Debt investments measured at amortised cost	**0.00**	0.70	(0.70)	(100.00%)
Others	**5.58**	3.47	2.11	60.81%
Total interest income	**737.45**	745.79	(8.34)	(1.12%)
Interest expense	**378.60**	405.23	(26.63)	(6.57%)
Net interest income	**358.85**	340.56	18.29	5.37%

Interest income from financial assets at fair value through other comprehensive income decreased by RMB25.16 million, or 40.26% year on year. The decrease in interest income was mainly due to the decline in investment scale of financial assets at fair value through other comprehensive income.

Interest expenses decreased by RMB26.63 million or 6.57% year on year, primarily due to the decrease in interest expenses on financial assets sold under repurchase agreements.

Net investment income

During the Reporting Period, net investment income of the Group amounted to RMB698.01 million, representing a year-on-year increase of 25.03%. The Group's net investment income for 2025 consists of the following:

Unit: in RMB million

Items	**2025**	2024	Increase/ (decrease) from last period Amount	Increase/ (decrease) from last period Percentage
Net investment income				
Dividend and interest income from financial assets at fair value through profit or loss and other comprehensive income	**197.16**	244.46	(47.30)	(19.35%)
Net realised profit from disposal of financial assets at fair value through profit or loss and other comprehensive income and debt investments	**500.85**	313.80	187.05	59.61%
Total	**698.01**	558.26	139.75	25.03%

Operating expenses

During the Reporting Period, operating expenses of the Group (excluding fees and commission expenses and interest expenses) amounted to RMB2,640.32 million, representing a year-on-year increase of 31.11%. The Group's operating expenses primarily consist of the following:

Unit: in RMB million

Items	**2025**	2024	Increase/ (decrease) from last period Amount	Increase/ (decrease) from last period Percentage
Staff costs	**1,274.43**	995.62	278.81	28.00%
Depreciation and amortisation expenses	**180.48**	198.92	(18.44)	(9.27%)
Other operating expenses and tax and surcharges	**724.35**	444.58	279.77	62.93%
Impairment losses on assets	**461.06**	374.69	86.37	23.05%
Total	**2,640.32**	2,013.81	626.51	31.11%

Staff costs increased by RMB278.81 million or 28.00% year on year, primarily attributable to the increase in remuneration expenses during the year.

Impairment losses on assets

Impairment losses on assets amounted to RMB461.06 million, representing a year-on-year increase of RMB86.37 million. Details are as follows:

Unit: in RMB million

Items	2025	2024	Increase/ (decrease) from last period Amount	Increase/ (decrease) from last period Percentage
Impairment losses on assets				
Margin financing	**6.43**	9.46	(3.03)	(32.03%)
Financial assets at fair value through other comprehensive income	**(1.44)**	41.81	(43.25)	(103.44%)
Financial assets held under resale agreements	**(14.40)**	95.45	(109.85)	(115.09%)
Debt investment measured at amortised cost	**0.00**	(0.67)	0.67	100.00%
Placements with a financial institution	**(10.74)**	0.00	(10.74)	N/A
Other current assets	**481.21**	228.64	252.57	110.47%
Total	**461.06**	374.69	86.37	23.05%

Impairment losses on assets increased by 23.05% year on year, primarily attributable to the year-on-year increase in provision for impairment losses on other current assets.

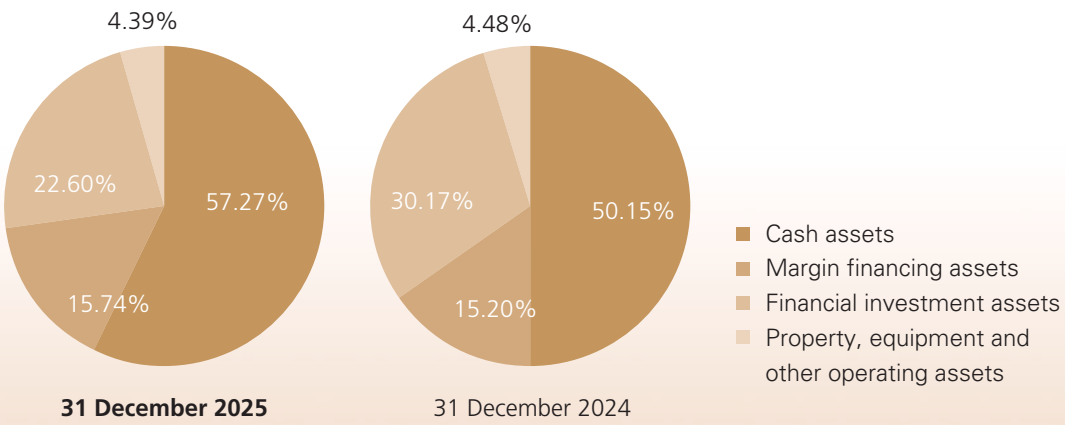
2. Assets

As at the end of the Reporting Period, total assets of the Group amounted to RMB43,000.39 million, representing a year-on-year increase of 7.55%, of which, cash assets amounted to RMB24,626.82 million, representing a year-on-year increase of 22.81%; margin financing assets amounted to RMB6,766.51 million, representing a year-on-year increase of 11.36%; financial investment assets amounted to RMB9,717.40 million, representing a year-on-year decrease of 19.45%; and property, equipment and other operating assets amounted to RMB1,889.66 million, representing a year-on-year increase of 5.63%. Changes in the total major assets of the Group are as follows:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Total assets				
Cash assets	**24,626.82**	20,052.48	4,574.34	22.81%
Margin financing assets	**6,766.51**	6,076.14	690.37	11.36%
Financial investment assets	**9,717.40**	12,063.60	(2,346.20)	(19.45%)
Property, equipment and other operating assets	**1,889.66**	1,788.86	100.80	5.63%
Total	**43,000.39**	39,981.08	3,019.31	7.55%

Total assets of the Group consist of:



Cash assets

As at the end of the Reporting Period, cash assets of the Group increased by RMB4,574.34 million or 22.81% year-on-year, representing 57.27% of the Group's total assets. The Group's cash assets consist of the following:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Cash assets				
Cash and bank balances (including cash held on behalf of brokerage clients)	**22,544.32**	18,085.77	4,458.55	24.65%
Clearing settlement funds	**773.00**	964.24	(191.24)	(19.83%)
Refundable deposits	**1,309.50**	1,002.47	307.03	30.63%
Total	**24,626.82**	20,052.48	4,574.34	22.81%

Changes in cash assets primarily were reflected in cash and bank balances (including cash held on behalf of brokerage clients). Cash and bank balances (including cash held on behalf of brokerage clients) increased by RMB4,458.55 million, representing an increase of 24.65%, which was mainly due to the increase in settlement funds for customer transactions as at the end of the Reporting Period.

Margin financing assets

As at the end of the Reporting Period, margin financing assets of the Group increased by RMB690.37 million or 11.36% year-on-year, representing 15.74% of the Group's total assets. The Group's margin financing assets consist of the followings:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Margin financing assets				
Margin accounts receivable	**6,535.75**	5,840.30	695.45	11.91%
Financial assets held under resale agreements	**167.90**	152.88	15.02	9.82%
Placements with a financial institution	**62.86**	82.96	(20.10)	(24.23%)
Total	**6,766.51**	6,076.14	690.37	11.36%

Margin financing assets amounted to RMB6,766.51 million, representing a year-on-year increase of 11.36%, which was mainly due to the increase in margin accounts receivable.

Financial investment assets

As at the end of the Reporting Period, financial investment assets of the Group decreased by RMB2,346.20 million or 19.45% year-on-year, representing 22.60% of the Group's total assets. The following table sets forth the composition of the Group's financial investment assets:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Financial investment assets				
Financial assets at fair value through other comprehensive income	**656.07**	2,418.12	(1,762.05)	(72.87%)
Financial assets at fair value through profit or loss	**9,060.54**	9,645.48	(584.94)	(6.06%)
Derivative financial assets	**0.79**	–	0.79	N/A
Total	**9,717.40**	12,063.60	（2,346.20）	（19.45%）

Financial assets at fair value through profit or loss

As at the end of the Reporting Period, the financial assets at fair value through profit or loss of the Group decreased by RMB584.94 million or 6.06% year on year, representing 21.07% of the Group's total assets. The Group's financial assets at fair value through profit or loss consist of the following:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Financial assets at fair value through profit or loss				
Debt securities	**4,216.10**	5,696.16	(1,480.06)	(25.98%)
Equity securities	**1,964.62**	1,734.03	230.59	13.30%
Investment funds	**2,304.55**	1,839.49	465.06	25.28%
Asset management plan	**545.15**	342.02	203.13	59.39%
Trust schemes	**30.12**	33.78	(3.66)	(10.83%)
Total	**9,060.54**	9,645.48	(584.94)	(6.06%)

Property, equipment and other operating assets

As at the end of the Reporting Period, property, equipment and other operating assets of the Group amounted to RMB1,889.66 million, increasing by RMB100.80 million or 5.63% year on year, representing 4.39% of the Group's total assets. The following table sets forth the composition of the Group's property, equipment and other operating assets for the dates indicated:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Property, equipment and other operating assets				
Property and equipment, investment properties and right-of-use assets	**370.45**	424.27	(53.82)	(12.69%)
Goodwill	**43.74**	43.74	0.00	0.00%
Intangible assets	**149.10**	161.62	(12.52)	(7.75%)
Deferred tax assets	**832.43**	708.01	124.42	17.57%
Other current assets and other non-current assets	**493.94**	451.22	42.72	9.47%
Total	**1,889.66**	1,788.86	100.80	5.63%

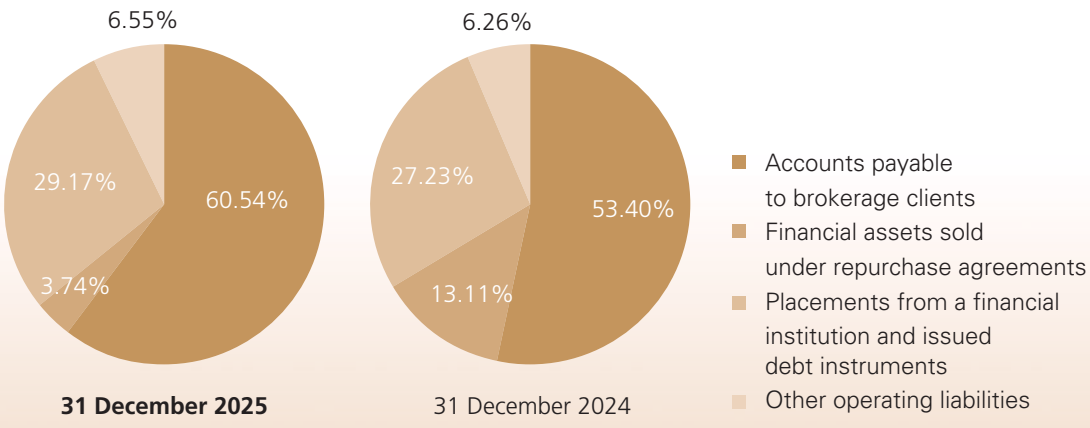
3. Liabilities

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB34,147.56 million, representing a year-on-year increase of RMB2,873.50 million or 9.19%. As at the end of the Reporting Period, accounts payable to brokerage clients amounted to RMB20,673.83 million, representing a year-on-year increase of 23.79%. Financial assets sold under repurchase agreements amounted to RMB1,276.02 million, representing a year-on-year increase of 68.87%, mainly due to the decrease in the size of pledged repurchase. Placements from financial institution and debt instruments issued amounted to RMB9,960.05 million, representing a year-on-year increase of 16.97%. Major changes in the Group's total liabilities are as follows:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Liabilities				
Accounts payable to brokerage clients	**20,673.83**	16,700.62	3,973.21	23.79%
Financial assets sold under repurchase agreements	**1,276.02**	4,099.60	(2,823.58)	(68.87%)
Placements from financial institution and issued debt instruments	**9,960.05**	8,514.90	1,445.15	16.97%
Derivative financial liabilities	**2.21**	–	2.21	N/A
Other operating liabilities	**2,235.45**	1,958.94	276.51	14.12%
Total	**34,147.56**	31,274.06	2,873.50	9.19%

The Group's total liabilities consist of:



31 December 2025 31 December 2024

Placements from financial institution and debt instruments

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Placements from financial institution and issued debt instruments				
Placements from financial institution	**3,500.00**	2,700.00	800.00	29.63%
Debt instruments	**6,460.05**	5,814.90	645.15	11.09%
Total	**9,960.05**	8,514.90	1,445.15	16.97%

Placements from financial institution increased by RMB800 million year-on-year, primarily attributable to the increase in the placements from bank during the year. Debt instruments increased by RMB645.15 million year-on-year, primarily attributable to the issuance of beneficiary certificates and subordinated debts.

Other operating liabilities

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Other operating liabilities				
Staff welfare payables	**662.81**	468.30	194.51	41.54%
Contract liabilities	**0.03**	0.12	(0.09)	(75.00%)
Lease liabilities	**71.96**	113.25	(41.29)	(36.46%)
Other liabilities	**1,499.73**	1,377.26	122.47	8.89%
Deferred tax liabilities	**0.92**	0.01	0.91	9,100.00%
Total	**2,235.45**	1,958.94	276.51	14.12%

Other liabilities increased by RMB122.47 million, representing a year-on-year increase of 8.89%, which was mainly due to the increase in other payables and provision of compensation.

4. Equity items

As at the end of the Reporting Period, total equity of the Group amounted to RMB8,852.83 million, representing a year-on-year increase of 1.67%, primarily attributable to the increase in profit of the Company. The following table sets forth the composition of the Group's equity for the dates indicated:

Unit: in RMB million

Items	**31 December 2025**	31 December 2024	Increase/ (decrease) from the end of last period amount	Increase/ (decrease) from the end of last period percentage
Share capital	**2,604.57**	2,604.57	0.00	0.00%
Share premium	**1,665.24**	1,665.24	0.00	0.00%
Reserve	**4,327.55**	4,025.72	301.83	7.50%
Non-controlling interests	**255.47**	411.49	(156.02)	(37.92%)
Total	**8,852.83**	8,707.02	145.81	1.67%

5. Segment results

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Group has five principal business lines: (i) brokerage and wealth management, (ii) investment banking, (iii) investment management, (iv) proprietary trading, and (v) others. The following discussions of the Group's segment operating income, segment expenses and segment results include the Group's inter-segment revenue and inter-segment expenses.

The following table sets forth the Group's segment operating income (including inter-segment income) for the years indicated:

Unit: in RMB million

	2025		2024	
Items	**Amount**	**Percentage**	Amount	Percentage
Brokerage and wealth management	**2,183.23**	**61.62%**	1,651.81	59.29%
Investment Banking	**179.64**	**5.07%**	141.86	5.09%
Proprietary trading	**843.67**	**23.81%**	660.39	23.70%
Investment management	**307.50**	**8.68%**	279.57	10.03%
Others	**29.01**	**0.82%**	52.58	1.89%
Total	**3,543.05**	**100.00%**	2,786.21	100.00%

The following table sets forth the Group's segment operating expenses (including inter-segment expenses) for the years indicated:

Unit: in RMB million

Items	2025 Amount	2025 Percentage	2024 Amount	2024 Percentage
Brokerage and wealth management	**1,704.00**	**51.20%**	1,395.22	52.81%
Investment Banking	**146.30**	**4.40%**	120.24	4.55%
Proprietary trading	**276.54**	**8.31%**	324.01	12.27%
Investment management	**880.06**	**26.44%**	534.92	20.25%
Others	**321.26**	**9.65%**	267.35	10.12%
Total	**3,328.16**	**100.00%**	2,641.74	100.00%

The following table sets forth the Group's segment operating profit/(loss) (including inter-segment profit) for the years indicated:

Unit: in RMB million

Items	2025 Amount	2025 Percentage	2024 Amount	2024 Percentage
Brokerage and wealth management	**479.23**	**223.01%**	256.59	177.61%
Investment Banking	**33.34**	**15.51%**	21.62	14.97%
Proprietary trading	**567.13**	**263.92%**	336.38	232.84%
Investment management	**(572.56)**	**(266.44%)**	(255.35)	(176.75%)
Others	**(292.25)**	**(136.00%)**	(214.77)	(148.67%)
Total	**214.89**	**100.00%**	144.47	100.00%

(VIII) Contingent Liability, Capital Commitment and Other Commitment

Please refer to Note 54 to the consolidated financial statements in this report for particulars of contingent liability.

Please refer to Note 52 to the consolidated financial statements in this report for particulars of capital commitment and other commitment.

Please refer to the sub-section headed "VI. Material Assets Disposal, Acquisition, Merger, Division, External Guarantee, Mortgage, Pledge and Material Contingent Liabilities" under Section 5 "Management Discussion and Analysis" for particulars of the Group's mortgaged assets as at 31 December 2025.

IV. CHANGES IN BRANCHES AND SUBSIDIARIES AND IMPACT ON RESULTS

(I) Branches of the Company

1. Establishment of and changes in securities branches

(1) Newly-established securities branches

None in the Reporting Period.

(2) Relocation of securities branches

During the Reporting Period, 12 securities branches of the Company were relocated, details of which are as follows:

No.	Name of securities branch before relocation	Name of securities branch after relocation	Address of securities branch after relocation (PRC)
1	Hengtai Securities Co., Ltd. Chengdu Tianfu Avenue Securities Branch (恒泰证券股份有限公司成都天府大道證券營業部)	Financial Street Securities Co., Limited Chengdu Tianfu Avenue Securities Branch (金融街證券股份有限公司成都天府大道證券營業部)	Room 1402, 14/F, Unit 1, Building 2, No. 188, Jirui 2nd Road, Chengdu High-Tech Zone, China (Sichuan) Pilot Free Trade Zone (中國(四川)自由貿易試驗區成都高新區吉瑞二路188號2棟1單元14層1402號)

No.	Name of securities branch before relocation	Name of securities branch after relocation	Address of securities branch after relocation (PRC)
2	Hengtai Securities Co., Ltd. Chongqing Taishan Avenue Securities Branch (恒泰证券股份有限公司重慶泰山大道證券營業部)	Financial Street Securities Co., Limited Chongqing Jiangbeizui Securities Branch (金融街證券股份有限公司重慶江北嘴證券營業部)	Unit 1, 23A/F, Mingyiceng, Building 3, No. 25, Juxian Street, Jiangbei District, Chongqing (重慶市江北區聚賢街25號3幢名義層第23A層1號單元)
3	Hengtai Securities Co., Ltd. Hangzhou Wujiang Road Securities Branch (恒泰证券股份有限公司杭州婺江路證券營業部)	Financial Street Securities Co., Limited Hangzhou Wujiang Road Securities Branch (金融街證券股份有限公司杭州婺江路證券營業部)	Room 2104, 21/F, Building 1, No. 217, Wujing Road, Wangjiang Subdistrict, Shangcheng District, Hangzhou City, Zhejiang Province (浙江省杭州市上城區望江街道婺江路217號1號樓21層2104室)
4	Hengtai Securities Co., Ltd. Shanghai Lujiazui Securities Branch (恒泰证券股份有限公司上海陸家嘴證券營業部)	Financial Street Securities Co., Limited Shanghai Pudong New District Huayuan Shiqiao Road Securities Branch (金融街證券股份有限公司上海浦東新區花園石橋路證券營業部)	Room 903-A, No. 33 Huayuan Shiqiao Road, China (Shanghai) Pilot Free Trade Zone (中國（上海）自由貿易試驗區花園石橋路33號903室-A)
5	Hengtai Securities Co., Ltd. Shanghai Longhua East Road Securities Branch (恒泰证券股份有限公司上海龍華東路證券營業部)	Financial Street Securities Co., Limited Shanghai Huangpu District Gaoxiong Road Securities Branch (金融街證券股份有限公司上海黃浦區高雄路證券營業部)	1/F, No. 309 and 1/F, No. 307, Gaoxiong Road, Huangpu District, Shanghai (上海市黃浦區高雄路307號1層、309號1層)
6	Hengtai Securities Co., Ltd. Tianjin Liuwei Road Securities Branch (恒泰证券股份有限公司天津六緯路證券營業部)	Financial Street Securities Co., Limited Tianjin Jieyuan Road Securities Branch (金融街證券股份有限公司天津芥園道證券營業部)	101-Shop 5, Ground Floor Commercial Space, Building 15, Kanghuali, Lingdangge Street, Hongqiao District, Tianjin(天津市紅橋區鈴鐺閣街道康華里15號樓底商101-商鋪5)
7	Hengtai Securities Co., Ltd. Beijing Jianguomen Nei Avenue Securities Branch (恒泰证券股份有限公司北京建國門內大街證券營業部)	Financial Street Securities Co., Limited Beijing Jianguomen Nei Avenue Securities Branch (金融街證券股份有限公司北京建國門內大街證券營業部)	Room 0301, Zhongfang Building, No. 19 Jianguomen Nei Avenue, Dongcheng District, Beijing (北京市東城區建國門內大街19號中紡大廈0301室)

No.	Name of securities branch before relocation	Name of securities branch after relocation	Address of securities branch after relocation (PRC)
8	Hengtai Securities Co., Ltd. Qianguo Hasaer Road Securities Branch (恒泰证券股份有限公司前郭哈薩爾路證券營業部)	Financial Street Securities Co., Limited Qianguo Songjiang Avenue Securities Branch (金融街證券股份有限公司前郭松江大街證券營業部)	Room 3, Building 3, Sunshine Village and Town Bank Office Building, Minzhi Committee, Bayan Community, Qianguo County, Songyuan City, Jilin Province(吉林省松原市前郭縣巴彥社區民知委陽光村鎮銀行辦公樓第3幢3號房)
9	Hengtai Securities Co., Ltd. Zibo Yanhe East Road Securities Branch (恒泰证券股份有限公司淄博沿河東路證券營業部)	Financial Street Securities Co., Limited Zibo Yanhe East Road Securities Branch (金融街證券股份有限公司淄博沿河西路證券營業部)	No. 45, Yanhe West Road, Boshan Chengxi Street, Zibo City, Shandong Province (山東省淄博市博山城西街道沿河西路45號)
10	Hengtai Securities Co., Ltd. Wenzhou Gu'an Road Securities Branch (恒泰证券股份有限公司溫州古岸路證券營業部)	Financial Street Securities Co., Limited Wenzhou Shangwu Avenue Securities Branch (金融街證券股份有限公司溫州商務大道證券營業部)	Room 2407, Oulian Building, No. 320, Shangwu Avenue, Louqiao Street, Ouhai District, Wenzhou City, Zhejiang Province (浙江省溫州市甌海區婁橋街道商務大道320號甌聯大廈2407室)
11	Hengtai Securities Co., Ltd. Zhengzhou Nanyang Road Securities Branch (恒泰证券股份有限公司鄭州南陽路證券營業部)	Financial Street Securities Co., Limited Ruyi West Road Securities Branch (金融街證券股份有限公司鄭州如意西路證券營業部)	Room 301, China Pingmei Shenma Financial Capital Operation Center, No. 93, Ruyi West Road, Zhengzhou Area (Zhengdong) of China (Henan) Pilot Free Trade Zone (河南自貿試驗區鄭州片區(鄭東)如意西路93號中國平煤神馬金融資本運營中心301號房間)
12	Hengtai Securities Co., Ltd. Shanghai Henan South Road Securities Branch (恒泰证券股份有限公司上海河南南路證券營業部)	Financial Street Securities Co., Limited Shanghai Pudong New District Chengshan Road Securities Branch (金融街證券股份有限公司上海浦東新區成山路證券營業部)	1/F, No. 21, and 1/F, Nos. 23 and 25 Lane 855, Chengshan Road, Pudong New District, Shanghai (上海市浦東新區成山路855弄21號1層、23.25號1層)

(3) Deregistration of securities branches

During the Reporting Period, according to the Company's development strategy, in order to further optimize the distribution of business outlets, a total of 2 securities branches completed the deregistration, details of which are as follows:

No.	Name of securities branch	Region (PRC)
1	Hengtai Securities Co., Ltd. Shenzhen Meilin Road Securities Branch (恒泰证券股份有限公司深圳梅林路證券營業部)	Shenzhen, Guangdong
2	Hengtai Securities Co., Ltd. Shanghai Haiqi Road Securities Branch (恒泰证券股份有限公司上海海旗路證券營業部)	Shanghai

2. Establishment of new branch offices and changes in branch offices

The establishment of new branch offices and changes in branch offices during the Reporting Period are set out below:

1. Hengtai Securities Co., Ltd. Jinan West Road of Yanzi Mountain Securities Branch (恒泰证券股份有限公司濟南燕子山西路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Shandong Branch. On 19 December 2024, Hengtai Securities Co., Ltd. Shandong Branch obtained the business licence. On 3 January 2025, Hengtai Securities Co., Ltd. Shandong Branch obtained the securities and business operation licence. On 29 October 2025, Hengtai Securities Co., Ltd. Shandong Branch was renamed to Financial Street Securities Co., Limited Shandong Branch.

2. Hengtai Securities Co., Ltd. Shanghai Zhangyang Road Securities Branch (恒泰证券股份有限公司上海張楊路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Shanghai First Branch. On 23 April 2025, Hengtai Securities Co., Ltd. Shanghai First Branch obtained the business licence. On 5 June 2025, Hengtai Securities Co., Ltd. Shanghai First Branch obtained the securities and futures business operation licence. On 5 December 2025, Hengtai Securities Co., Ltd. Shanghai First Branch was renamed to Financial Street Securities Co., Limited Shanghai First Branch.

3. Hengtai Securities Co., Ltd. Shanghai Jiujiang Road Securities Branch (恒泰证券股份有限公司上海九江路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Shanghai Second Branch. On 23 May 2025, Hengtai Securities Co., Ltd. Shanghai Second Branch obtained the business licence. On 5 June 2025, Hengtai Securities Co., Ltd. Shanghai Second Branch obtained the securities and futures business operation licence. On 5 December 2025, Hengtai Securities Co., Ltd. Shanghai Second Branch was renamed to Financial Street Securities Co., Limited Shanghai Second Branch.

4. Hengtai Securities Co., Ltd. Hangzhou Qianjiang Road Securities Branch (恒泰证券股份有限公司杭州錢江路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Zhejiang Branch. On 19 March 2025, Hengtai Securities Co., Ltd. Zhejiang Branch obtained the business licence. On 20 June 2025, Hengtai Securities Co., Ltd. Zhejiang Branch obtained the securities and futures business operation licence. On 7 November 2025, Hengtai Securities Co., Ltd. Zhejiang Branch was renamed to Financial Street Securities Co., Limited Zhejiang Branch.

5. Hengtai Securities Co., Ltd. Shenzhen Branch completed the industrial and commercial registration change of its business scope from "specialized in securities proprietary trading business" to "securities brokerage; securities investment consulting; financial advisory related to securities trading and securities investment activities; margin financing; securities investment fund distribution; agency sale of financial products" on 23 June 2025. On 14 July 2025, Hengtai Securities Co., Ltd. Shenzhen Branch obtained the securities and futures business operation licence. On 18 November 2025, Hengtai Securities Co., Ltd. Shenzhen Branch was renamed to Financial Street Securities Co., Limited Shenzhen Branch.

6. On 3 November 2025, Hengtai Securities Co., Ltd. Changchun Branch was renamed to Financial Street Securities Co., Limited Jilin Branch.

7. On 1 December 2025, Hengtai Securities Co., Ltd. Beijing Branch was renamed to Financial Street Securities Co., Limited Beijing Branch.

(II) Subsidiaries of the Company

The changes in major subsidiaries during the Reporting Period are set out below:

1. On 24 January 2025, Hengtai Futures completed the industrial and commercial change of registered capital from RMB125,000,000 to RMB228,030,300. The Company's shareholding ratio in Hengtai Futures remained unchanged.

2. On 10 March 2025, Xin Hua Fund completed the industrial and commercial change of registered capital from RMB217,500,000 to RMB627,756,410. The Company's shareholding ratio in Xin Hua Fund changed from 58.62% to 52.99%.

3. On 1 April 2025, Hengtai Pioneer completed the industrial and commercial registration for the change of legal representative to Ms. Yang Shufei.

4. On 21 August 2025, Beijing Xin Hua Fushi Asset Management Co., Ltd. completed the registration of industrial and commercial change of legal representative to Mr. Zhou Xi.

(III) Impact on Results

During the Reporting Period, the Company upgraded some securities branches to branch offices. The establishment of the branch offices is conducive to co-ordinating regional resources, strengthening regional management, enhancing regional business development capabilities, reducing management span, lowering operating costs and effectively controlling business risks, so as to increase the scale of the brokerage business and increase the Company's business revenue.

During the Reporting Period, in order to enhance the capital strength of Xin Hua Fund and Hengtai Futures and increase their operational flexibility, Xin Hua Fund and Hengtai Futures have both completed the industrial and commercial registration changes for their increased registered capital. The capital increase is conducive to expanding their business scope, increasing business scale, and improving overall competitiveness and risk resistance capabilities, therefore enhancing their profitability, and creating more value for shareholders.

V. MAJOR INVESTMENT AND FINANCING

(I) Equity Financing

None in the Reporting Period.

(II) Major Debt Financing

1. Issuance of corporate bonds

In 2025, the Company did not issue any corporate bonds. As at 31 December 2025, the outstanding balance of the corporate bonds amounted to RMB1,950 million.

2. Issuance of beneficiary certificates

In 2025, the Company raised a total of RMB3,000 million through issuing beneficiary certificates. As at 31 December 2025, the outstanding balance of the beneficiary certificates amounted to RMB1,850 million. Details of beneficiary certificates issued by the Company in 2025 are set out below:

Name	Size of the Issuance *(RMB'00 million)*	Interest rate	Term *(days)*	Issue date	Maturity date
Hengchuangtaifu No. 59	3.00	2.30%	91	2025-1-22	2025-4-23
Hengchuangtaifu No. 60	4.00	2.80%	356	2025-2-11	2026-2-2
Hengchuangtaifu No. 61	3.00	2.40%	91	2025-3-28	2025-6-27
Hengchuangtaifu No. 62	3.00	2.40%	90	2025-4-29	2025-7-28
Hengfu No. 41	0.50	2.60%	347	2025-6-13	2026-5-26
Hengchuangtaifu No. 63	2.00	2.40%	365	2025-7-9	2026-7-9
Hengchuangtaifu No. 64	1.00	2.28%	183	2025-8-12	2026-2-11
Hengfu No. 42	0.50	2.28%	136	2025-8-15	2025-12-29
Hengchuangtaifu No. 65	3.00	2.60%	728	2025-9-5	2027-9-3
Hengchuangtaifu No. 67	2.00	2.30%	91	2025-9-12	2025-12-12
Jinjiehuiying No. 1	3.00	2.50%	730	2025-10-21	2027-10-21
Jinjiehuiying No. 2	3.00	2.50%	729	2025-11-12	2027-11-11
Jinjiehuiying No. 3	2.00	2.10%	181	2025-11-26	2026-5-26

3. Issuance of subordinated bonds

In 2025, the Company raised a total of RMB 1.00 billion through the issuance of subordinated bonds. As at 31 December 2025, the outstanding balance of the subordinated bonds amounted to RMB2,500 million. Details of subordinated bonds issued by the Company in 2025 are set out below:

Name	Size of the Issuance *(RMB'00 million)*	Interest rate	Term *(years)*	Issue date	Maturity date
25 Jinzheng K1	10.00	2.39%	3	2025-10-20	2028-10-20

4. Borrowing of subordinated debts

In 2025, the Company raised an aggregate of RMB200 million through borrowing of subordinated debts. As at 31 December 2025, the outstanding balance of the subordinated debts amounted to RMB200 million. The particulars of the borrowing of subordinated debts by the Company during the Reporting Period are set out below:

Name	Size of the borrowing *(RMB'00 million)*	Interest rate	Term *(years)*	Issue date	Maturity date
Subordinated debts	1.50	4.00%	5	2025-5-15	2030-5-14
Subordinated debts	0.50	4.00%	5	2025-8-7	2030-8-6

(III) Equity Investment

During the Reporting Period, the Company's equity investments were as follows:

On 25 December 2024, the resolution regarding the "Capital Increase in Hengtai Futures Co., Ltd." was considered and approved at the 19th extraordinary meeting of the fifth session of the Board, it was agreed that the Company would increase its capital in Hengtai Futures at a price of RMB1.65 per share. The total amount of capital increase to Hengtai Futures was RMB299,970,000, which will be completed in two stages. For the first capital increase, with the total capital increase of RMB170 million, the Company subscribed for the new registered capital of Hengtai Futures in the amount of RMB97,981,800 by way of cash contribution, with a total investment of RMB161,670,000; and Hengtai Pioneer subscribed for the new registered capital of Hengtai Futures in the amount of RMB5,048,500 by way of cash contribution, with a total investment of RMB8,330,000. The registered capital of Hengtai Futures increased from RMB125,000,000 to RMB228,030,300. The shareholding ratio of Hengtai Futures remains unchanged, i.e. the Company holds 95.10% and Hengtai Pioneer holds 4.90%. On 24 January 2025, Hengtai Futures completed the change in industrial and commercial registration of its registered capital from RMB125,000,000 to RMB228,030,300.

During the Reporting Period, the Company and Hengtai Pioneer completed the second capital increase in Hengtai Futures, with a total capital injection of RMB129.97 million. The Company subscribed for RMB74.91 million of the newly increased registered capital of Hengtai Futures by way of cash contribution, representing a total investment of RMB123.60147 million. Hengtai Pioneer subscribed for RMB3.8597 million of the newly increased registered capital by way of cash contribution, representing a total investment of RMB6.36853 million. The shareholding proportions in Hengtai Futures remain unchanged, with the Company holding 95.10% and Hengtai Pioneer holding 4.90%. Following this second capital increase, the registered capital of Hengtai Futures will increase from RMB228.0303 million to RMB306.80 million. Currently, Hengtai Futures is in the process of completing the industrial and commercial registration of the change in registered capital.

As at the end of the the Reporting Period, none of the major investments held by the Group constituted 5% or more of the Group's total assets.

VI. MATERIAL ASSETS DISPOSAL, ACQUISITION, MERGER, DIVISION, EXTERNAL GUARANTEE, MORTGAGE, PLEDGE AND MATERIAL CONTINGENT LIABILITIES

Save for the matters stated above in IV and V under this Section 5 "Management Discussion and Analysis", the Company had no other material assets disposal, acquisition, merger, division or reorganization of other companies. During the Reporting Period, there was no material contingent liabilities that may affect the Company's financial position and operating results.

During the Reporting Period, the Company's external guarantee, mortgage and pledge are as follows:

On 21 September 2023, Financial Street Investment (as guarantor), the Company (as counter-guarantor) and Xin Hua Fund (as debtor) entered into the Counter-Guarantee Agreement, particulars of which are set out in the sub-section headed "IV. Connected Transactions" under Section 7 "Other Material Particulars" in this report. Pursuant to the Counter-Guarantee Agreement, the Company shall mortgage or pledge the following assets of the Company to Financial Street Investment as security in relation to the Guaranteed Amount to be guaranteed by Financial Street Investment in accordance with the Implementation Settlement Agreement, the Guarantee Agreement and the Guarantee Letter:

1. an immovable property, being a residential property of the Company located at Unit 1, Building 2, Block 6, Dongjing Road, Xicheng District, Beijing, with a gross floor area of 1,658.56 square meters and an appraisal value of approximately RMB130 million. It is currently leased to an individual, being an independent third party;

2. an immovable property, being the Manshi Shangdu Office and Commercial Complex Building of the Company located at Hailar East Street, Xincheng District, Hohhot City, Inner Mongolia Autonomous Region, with a gross floor area of 15,106.98 square meters and an appraisal value of approximately RMB120 million. It is currently used by the Company as its office; and

3. 50% equity and derivative interest of Hengtai Changcai (a wholly-owned subsidiary of the Company) with an appraisal value of approximately RMB550 million (being 50% of approximately RMB1,100 million).

The period of Counter-Guarantee shall be 2 years from the date when Financial Street Investment actually assumes its guarantee obligations.

VII. BUSINESS INNOVATION AND ITS IMPACT AND RISK CONTROL

(I) Business Innovation and its Impact

During the Reporting Period, the Company actively developed new business and management models in order to seize market opportunities and business transformation prospects and advance the high-quality development of its various business segments. The Company integrated the beta strategy into its core businesses and strived to build an ETF ecosystem centering on the value chain of "research, distribution, trading, allocation and settlement". The Company constructed a specialized research system for ETFs and advanced the development of a comprehensive research, investment and trading platform for ETF products. In product sales, the Company built a securities-settled product system featuring ETFs and indices as the core offerings. In proprietary investment business, the Company constructed core beta assets through stock index futures, adopted a "dual-drive development model" underpinned by technology and dividend-themed investments, and developed a more stable and scalable equity investment model. The Company proactively promoted the synergistic and interactive development of light and heavy capital businesses, built an integrated linkage mechanism of "investment banking + investment + research", and focused on the development of a business synergy mechanism tailored for the Beijing Stock Exchange.

(II) Risk Control of Business Innovation

The Company formulated the New Business and New Products Risk Management Measures of Financial Street Securities Co., Limited (《金融街證券股份有限公司新業務和新產品風險管理辦法》) and other internal control systems to integrate innovative businesses into the comprehensive risk management system. Under the premise of compliance, the Company followed the principle of "system first, prudent evaluation and steady development" to promote the carrying out of innovative businesses. The business department of the Company is the primary responsible person for the risk management of innovative businesses. Through intervening in major business processes, the risk management department controlled key risk points, achieving the overall management and control of the risks relating to innovative businesses at the Company level.

The Company strengthened pre-management of risks relating to new businesses by adhering to its risk preference and risk quota management, improving the construction of risk monitoring system, deepening stress test mechanism, promoting new project review quality and evaluation and ensuring the independence of risk review opinions. The Company continued to promote the development of a comprehensive risk management system, and improved the risk management relating to the innovative businesses by establishing and perfecting the mechanism for risk identification, evaluation, monitoring and control from the perspectives of credit risk, market risk, liquidity risk, operational risk and reputational risk.

(III) Prospects of Business Innovation

In 2026, the Company will proactively embrace the opportunities of the era, take return on net assets (ROE) or net capital revenue-generating capacity as the core orientation, pursue a well-rounded business layout with an appropriate scale, build localized differentiated advantages, and strive to develop into a distinctive securities firm characterized by "small but excellent, light but stable". In terms of strategic direction, the Company will prioritize light-asset businesses with heavy-asset businesses as a supplement, thus forging a development path that integrates the development of light and heavy-asset businesses. This strategic positioning will be materialized in the following three key aspects:

1. Taking the development of buy-side capabilities as the core axis, the Company will drive the synergistic development of sell-side businesses, build a buy-side service system centered on strategic research, investment advisory and financial product allocation, and simultaneously establish a buy-side investment system covering asset management and proprietary investment.

2. Taking efficient synergy as the pivotal approach, the Company will connect relevant business departments to build an institutional service system featuring collaboration between the Company and its subsidiaries as well as linkage between the Company and its branches. The Company will develop a high-quality trading service model for investment institutions, and a full-chain integrated service model of "investment banking + asset management + consulting advisory" with one core and two wings for real economy enterprises.

3. The Company will comprehensively elevate its corporate management capabilities, cultivate a lean, professional and high-efficient talent team, vigorously advance scientific, digital and refined management, improve management mechanisms as well as operational tools and processes, and further enhance the efficiency of operational management.

VIII. RISK FACTORS AND COUNTERMEASURES

(I) Credit Risk

Credit risk is the possibility of loss caused by our counterparty's failure to perform a contract or a change in its credit rating or ability to perform. Credit risk of the Company is mainly generated from two aspects: (i) financing business such as margin financing and securities lending and stock pledged repurchase transaction; and (ii) proprietary credit bond and other investment business.

Credit risk from financing activities can be controlled by (i) utilizing a system for assessing client credit ratings and implementing tiered management of collateral such as stocks; and (ii) continuously managing the risk potentials in the process of business development through client suitability management, margin translation, daily mark to market, risk reminders and forced liquidation of client's positions. Credit risks from investment business can be managed by establishing internal credit rating, blacklist and whitelist mechanism, credit management, daily risk monitoring, risk monitoring indicator limit, identification of the same customer and other measures.

(II) Market Risk

Market risk refers to risk of unexpected potential value losses of the financial assets held by the Company resulting from adverse changes in securities price, interest rate and exchange rate. In particular, risk of adverse price fluctuations refers to the risk that the stock market may fluctuate and cause the prices of securities products such as stocks, commodities, and their derivatives to change, which may incur losses for the Company. Interest rate risk refers to the risk of loss to the Company arising from changes in market interest rates and credit spread that could result in changes in the prices of bonds and other fixed-income securities. Exchange rate risk refers to possibility that the Company may incur losses due to changes in exchange rates during operating activities involving possession or use of foreign exchanges. Market risk of the Company mainly derives from proprietary businesses including equity securities investment, fixed income securities investment, asset management plan investment and financial derivatives investment.

Market risk is mainly managed by the Company through implementation of limit management, securities pool management, daily mark to market, stress test, monitoring and warning, stop-loss, risk hedge, risk report and other systems and measures. Based on risk tolerance preferences, the Company sets the annual overall limits of market risk for proprietary businesses which are decomposed and assigned to the respective business departments level by level. The Company has established a market risk indicator system including Value at Risk (VaR), Dollar Value of All 01 (DV01), Max Drawdown and Profit and Loss Limits. The risk management department conducts a daily monitoring over the proprietary position risk and regularly carries out stress test to estimate the losses under extreme circumstances and timely make risk warning and urge relevant business department to handle it when the risk control indicator exceeds the warning threshold.

(III) Liquidity Risk

Liquidity risk refers to risk where the Company fails to obtain sufficient funds in time at reasonable costs in order to repay mature debts, fulfill other payment obligations and satisfy the funding needs for carrying on normal business. The financial management department of the Company takes the lead in liquidity risk management. The Company constantly monitors Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and other liquidity risk control indicators and conducts semi-annual liquidity risk stress tests through which its liquidity risk level under the extreme circumstance is evaluated and the risk emergency plans are established. The Company has set threshold values for liquidity risk control indicators, and a risk warning will be sent to the relevant department of the Company promptly based on the real-time monitoring of the indicators. The Company monitors and analyzes the matching of the Company's assets and liabilities from various time periods under both normal and stressed situations, the diversification and stability of the Company's capital resources, the capability of high-quality liquid assets and market liquidity and at the same time strengthens the management of the Company's liquidity during operating hours and makes reasonable arrangements for financing activities to maintain adequate intraday liquidity position.

(IV) Compliance Risk

Compliance risk refers to risk of a securities company being subject to legal sanctions, regulatory measures and self-discipline penalties due to violations of laws, regulations or rules in its business activities or employee conducts. The Company has established an effective and sound compliance management system and compliance management framework. In accordance with regulatory requirements, the compliance management department of the Company manages compliance risk through compliance review, compliance monitoring, compliance examination, compliance supervision and compliance training.

(V) Operational Risk

Operational risk is possibility of losses caused by inadequate or failed internal processes, personnel and information technology systems, as well as external events. The Company has formulated operational risk management system and internal management system of various businesses and regulated its business activities. It has established an identification, assessment and control system for operational risk that fully covers the Company's business activities. The Company mainly managed operational risks through risk and control self-assessment (RCSA), loss data collection (LDC), monitoring key risk indicators (KRIs), and imposing penalties or accountability on personnel responsible for operational risk events.

(VI) Reputational Risk

Reputational risk refers to the risk to form negative opinions of investors, issuers, regulatory authorities, self-regulatory organizations, the public and the media on the Company as a result of the business act or external events of the Company and the violation of integrity requirements, professional ethics, business norms, rules and regulations by its employees, thereby damaging the Company's brand value, posing detrimental impact to its normal operations and even affecting market stability and social stability. The Company's management, led by the chief risk officer, is responsible for and establishes a reputational risk management team, which is composed of the office of the Board, the risk management department, the development planning department, the compliance management department and the human resources department. The Company has established a sound reputation risk management system and workflow, to provide guarantees for the improvement of the all-round risk management system, the enhancement of reputation risk management capability and the maintenance and promotion of the reputation and image of the Company. The Company dynamically monitors the evolution and development of various reputational risk events through public sentiment monitoring system, organizes the information about the overall situation of the reputational risk events and the corresponding measures to be taken and reports the same to the Company in a timely manner. The reputational risk management team reviews and determines the final solution.

IX. CONSTRUCTION OF RISK MANAGEMENT SYSTEM AND COMPREHENSIVE RISK MANAGEMENT IMPLEMENTATION

During the Reporting Period, the Company actively implemented various requirements of the Norms for the Comprehensive Risk Management of Securities Companies《(證券公司全面風險管理規範》) and Guidelines for Consolidated Supervision of Securities Companies (Trial) (《證券公司並表管理指引(試行)》), conducted routine risk management and various key projects based on the requirements of full coverage, detectability, measurability, analysis and risk-response ability on risk management and continuously improved the comprehensive risk management system.

(I) Management System

In accordance with the Securities Law of the PRC《(中華人民共和國證券法》), the Regulations on the Supervision and Administration of Securities Companies《(證券公司監督管理條例》), the Norms for the Comprehensive Risk Management of Securities Companies《(證券公司全面風險管理規範》) and other laws, regulations and regulatory provisions, the Company has formulated the Measures for Comprehensive Risk Management of Financial Street Securities Co., Limited《(金融街證券股份有限公司全面風險管理辦法》) and the Risk Management and Cultural Manual of Financial Street Securities Co., Limited《(金融街證券券股份有限公司風險管理文化手冊》), which sets overall requirements on the comprehensive risk management, and establishes special risk management systems on liquidity risks, market risks, credit risks, operation risks, reputation risks and other risks. In 2025, the Company comprehensively reviewed and enhanced its existing risk management systems. In response to updates in external regulatory requirements and the Company's practical risk control needs, it completed and issued the revised the Comprehensive Risk Management Measures of Financial Street Securities Co., Limited (《金融街證券股份有限公司全面風險管理辦法》) in a timely manner. Revisions were made to 15 systems including the Stress Testing Management Measures of Financial Street Securities Co., Limited (《金融街證券股份有限公司壓力測試管理辦法》) and the Operational Risk Management Regulations of Financial Street Securities Co., Limited (《金融街證券股份有限公司操作風險管理規定》). Additionally, two new regulations were established, such as the Program Trading Management Measures of Financial Street Securities Co., Limited (《金融街證券股份有限公司程序化交易管理辦法》).

(II) Framework

The Company established a four-level risk management system including the Board, the Party Committee, the management, the risk management department and business departments. It specified the responsibilities of the Board, the Party Committee, the management, all departments, branches and subsidiaries in performing comprehensive risk management and established a multi-layered and inter-connected operation mechanism with effective balances. Meanwhile, the Company has incorporated all subsidiaries into the comprehensive risk management system and guided subsidiaries in establishing and improving the governance structure, setting risk preference and perfecting the risk monitoring, reporting and response mechanism. It specified the person responsible for the risk management of subsidiaries shall be nominated by the Company's chief risk officer and the chief risk officer of the Company conducts appraisal on the person responsible.

(III) Information Technology

The Company has established a risk management system commensurate with the complexity of its business activities and risk profile. Combined with business practice, the Company has established a securities risk monitoring and management platform with the integration of dynamic risks monitoring on net capitals, market risk management, credit risk management, operation risk management, liquidity risk management, abnormal transaction monitoring and other functions. It supports collection, identification, measurement, appraisal, monitoring and reporting of various risk information and can meet the demands of the Company in risk management and decision-making. In 2025, in accordance with the practical requirements of risk management, the Company continuously refined the functionality of its risk management systems. It upgraded the dynamic net capital monitoring system and launched the "same business, same client" risk monitoring system, realised the measurement of the credit risk exposure of the same client of the parent company and subsidiaries through the system and achieved systematic and automated acquisition of risk data from subsidiaries, so as to continuously strengthen the vertical penetration and control of the risks of subsidiaries and ensure the stable and effective execution of risk monitoring and related activities.

(IV) Indicator System

The Company has established a risk preference indicator system with net capital and liquidity as the core covering market risks, credit risks, operation risks and concentration risks. The risk preference of the Company comprehensively covers all business lines, including proprietary investment business, asset management business, securities brokerage business, investment banking business, as well as all subsidiaries. Based on the development strategy, operation targets and financial conditions of the Company, it sets management and control quota on major risks, including but not limited to risk quota, business scale, value at risk, sensitivity indicator, concentration, stop loss and take profit. It also regularly appraises risk tolerance through stress tests and other methods and guides resources allocation.

(V) Talent Team

The risk management department of the Company has established four secondary department professional teams for market risk, credit risk, operation risk and comprehensive risks. The financial management department and the Board office designate special person to be responsible for the management of liquidity risks and reputation risks. Currently, risk management staff with over three years of relevant working experience account for over 2% of the total staff at the head office of the Company, which provided talent guarantees to effectively conduct the comprehensive risk management work. Each business department of the Company has set risk management positions as an integral part of the risk management system. They accept business guidance and performance evaluation from the risk management department and serve as a bridge between and link business operations and risk management.

(VI) Response Mechanism

The Company established working mechanisms on net assets trend monitoring, risk authorization, regular risk reporting, regular stress test and risk management meeting to identify significant potential risks in the business process in a timely manner and actively take prevention and response measures. The Company also has risk emergency preplans on significant risks and emergencies, specified the emergency triggering conditions, the organizational system, measures, methods and procedures in risk disposal and continuously improved them through emergency exercises. The Company has established a performance appraisal and accountability mechanism linked to risk management results. It regularly appraises the risk management performance of all business departments, subsidiaries and branches and the appraisal results are included in the performance appraisal system. Meanwhile, the audit department regularly appraised the comprehensive risk management system to guarantee the effectiveness of comprehensive risk management.

X. COMPETITION AND POSITION IN THE INDUSTRY AND CORE COMPETITIVENESS

(I) Competition in the Industry

In 2025, jointly driven by the guidance of regulatory policies and the demand for industrial transformation, the high-quality transformation of the securities industry advanced in depth, with "functional enhancement" and "differentiated development" emerging as the clear underlying themes throughout the year. As the development model evolved, the competitive landscape of the industry was consequently renewed. A new industry ecosystem featuring the coexistence of "large and comprehensive" and "small and specialized" players is now unfolding steadily. Since 2025, the consolidation process of the securities industry has accelerated. Leading securities companies have focused on integrated services and resource consolidation, consolidated their competitive edges through mergers and acquisitions and restructuring, and demonstrated an increasingly prominent leading role in the industry. Small and medium-sized securities companies, based on their inherent resource endowments, have deepened their layout in niche segments and developed distinctive competitiveness, which has validated the viability of differentiated development tracks. The industry ecosystem has shifted from a single scale-based ranking to a differentiated positioning driven by functional characteristics, achieving a transformative leap from "homogenized development across the board" to "a flourishing landscape of diverse development". Looking ahead, as industry consolidation continues to advance, the securities industry will gradually bid farewell to homogeneous competition and form a diversified pattern where leading securities companies take the lead in development and small and medium-sized securities companies provide distinctive complementary strengths.

(II) Market Position

In view of the industry data during the Reporting Period, the Company remains positioned among the small and medium-sized securities firms. In 2025, the overall performance of the securities industry rebounded, and the Company achieved double growth in operating income and profit by virtue of its agile market response and precise business layout. The solid performance lies in the Company's strategic resolve to proactively adapt to market changes and focus on its core businesses and primary responsibilities. Faced with the overwhelming advantages of leading securities companies in integrated businesses, capital strength and channel layout, the Company, as a small and medium-sized securities firm, has taken differentiation and specialization as its core strategies and embarked on a refined development path of being small but excellent, and professional but sophisticated. Looking forward, the Company will continue to explore new opportunities through differentiated development and build new competitive edges by elevating professional capabilities. The Company will deepen its presence in regional and specialized development tracks, focus on the core lines of the great wealth management and great investment banking businesses, and stay rooted in the fundamental mission of serving the real economy.

(III) Core Competitiveness

1. Professional and stable management team

The management team of the Company has extensive experience in the securities and financial service industry. The management team with extensive management experience in the industry and continued outstanding business development capabilities will enable the Company to quickly respond to the changes in the regulatory requirements and the competitive conditions in the market and make prompt adjustments of the business strategy of the Company, thus ensuring long-term stable development of the Company.

2. Implementation of effective risk management and internal control systems

The long-term implementation of effective risk management and internal control systems enables the Company to carry out compliance work and foster compliance awareness in full coverage, and to identify, assess, reduce and manage various risks in the course of business. The Board has always been dedicated to strengthening risk management, internal control and corporate governance, building corporate compliance culture, and continuously optimizing the risk management and internal control systems in accordance with regulatory requirements to enhance the ability of the Company in identifying the risks and correcting the shortcomings in risk management and internal control in a prompt manner, and continuously improving the Company's risk management and internal control systems by means of quantifying control over risk management and operational risks, thus ensuring sound and stable growth of the Company's business.

3. Sound capability in continuous innovation

The continuous and initiative innovation capability plays a key role in the development of the Company. The innovation work of the Company has focused on continuous understanding, research and satisfaction of different demands of the customers. The Company proactively responds to the competition in the market through initiative innovation. In addition, the Company has always attached importance to innovative application in the fields of Internet and fintech. The traditional securities business has been transformed to the online business model due to cooperation with third party Internet service suppliers based on compliance and effective risk control, thus allowing the Company to access and get more customer resources. The Company also provides one-stop comprehensive online diversified financial services including brokerage transactions, wealth management, asset management, margin financing and securities lending business and others to satisfy the customer demands.

4. Effective business layout to promote transformation and upgrade

The Company highly values the future development and reform of the securities industry and proactively explores and deepens transformation and upgrade of the Company's businesses. The brokerage business has been actively transformed by the Company to the wealth management with preliminary results. Through adjusting the organizational structure and optimizing the network layout, the Company further improved the online + offline, retail + institutional whole-chain business system. Facing future challenges in the market, on the basis of intensifying compliance management and control and prevention of risks, the Company will continue to deepen the innovation and transformation of businesses to enhance the advantages of characteristic and differentiated businesses and gradually expand its business scale and market influence.

5. Excellent corporate culture

The Company holds the core value of "pursuing truth and pragmatism, sharing and cooperative competition, and steady progress for sustainable growth". The constant promotion of corporate culture construction further enhances staff's recognition of corporate culture and cohesiveness and ensures the smooth implementation of the Company's overall strategy and specific businesses. At the same time, the open cooperation mechanism also laid a favorable foundation for the Company to attract excellent talents and intensify its cooperation with external parties.

6. Talent strategy centered, market-oriented staff incentive mechanism

The Company always insists on the development approach centering on talent strategy, and pays great attention to the introduction, absorption, stability and promotion of the talents, especially the stability of the core talents. The Company has continuously improved the construction of human resources system and remuneration incentive system. At the same time, the Company will increase the introduction of market-oriented excellent talents and build a more efficient human resources platform.

XI. PROSPECTS FOR FUTURE DEVELOPMENT OF THE COMPANY

2026 marks the inaugural year of the 15th Five-Year Plan and a year brimming with opportunities. The Company will closely follow the development opportunities of the industry, focus on core objectives, tackle key tasks with resolve, and drive the implementation of all initiatives with firm executive capacity to write a new chapter in the high-quality development of the Company.

The Company will adhere to the guidance of Party building, continue to give full play to the core functions of Party organizations in "charting the course, overseeing the overall situation and ensuring implementation", further leverage the supporting role of the Party in cadre management and talent team development, and deepen the integration of Party building with business operations and corporate management. The Company will resolutely implement the requirements for ethical practice in the securities industry and foster a corporate culture that underpins the sustainable and steady development of the Company. The Company will continuously raise the overall level of compliance and risk management across all staff; accelerate the advancement of the talent renewal program to strengthen human resource support; increase investment in information technology support for core business areas; and on the basis of the Company's renaming, sustain investment in brand promotion to build a completely new brand image. In terms of the brokerage business, the core focus will be on elevating the Company's industry standing. The Company will strengthen internet operation capabilities, increase the proportion of institutional business, enhance comprehensive collaboration among all business departments and branches, continuously improve the investment advisory service system, and build a high-performance business team. In terms of the proprietary business, the Company will seize market opportunities, adhere to a long-term investment philosophy, and achieve full diversification of investment models and product categories. In terms of the equity investment, the Company will actively explore option and futures hedging strategies and investment models, and increase investment in quantitative trading. In terms of the fixed income investment, the Company will enhance the yield flexibility of investment portfolios, proactively lay out the linkage of domestic and overseas investments, and enrich investment categories and income sources. In terms of the multi-strategy investment, the Company will explore structural opportunities in niche markets to form an investment landscape featuring the synergy and complementarity of multiple strategies. In terms of the asset management business, the Company will focus on optimizing the sound business development path, consolidate the foundation of management and investment research capabilities, improve market-oriented professional capabilities, advance the in-depth layout of asset securitization business and the innovative expansion of international business, and further elevate the brand value of the asset management business. In terms of the investment banking business, the Company will accelerate team building and enhance internal synergy. In terms of the equity business, the Company will drive the development of the ecosystem for the Beijing Stock Exchange; in terms of the bond business, the Company will further consolidate the business foundation and expand business scale. In terms of the futures business, the Company will adhere to the dual core of investment management and client equity protection, uphold a prudent investment philosophy, strengthen research on industry development and regulatory policies, and strive to seize policy opportunities to achieve breakthrough development.

I. INFORMATION ON THE PRINCIPAL ACTIVITIES AND PRINCIPAL SUBSIDIARIES

Relevant information on the principal activities is set out in the sub-section headed "II. Analysis of Principal Business" under Section 5 "Management Discussion and Analysis" and forms a part of this Report of the Board of Directors.

The relevant information on the principal subsidiaries is set out in the sub-section headed "IV. Subsidiaries" under Section 3 "Company Profile" and forms a part of this Report of the Board of Directors.

II. ANALYSIS OF MAJOR FINANCIAL PERFORMANCE INDICATORS

The relevant information is set out in the sub-section headed "III. Financial Statements Analysis" under Section 5 "Management Discussion and Analysis" and forms a part of this Report of the Board of Directors.

III. ANALYSIS OF PRINCIPAL RISKS AND UNCERTAINTIES

The relevant information is set out in the sub-section headed "VIII. Risk Factors and Countermeasures" under Section 5 "Management Discussion and Analysis" and forms a part of this Report of the Board of Directors.

IV. PROFIT DISTRIBUTION AND PROFIT DISTRIBUTION PLAN

(I) Formulation, Implementation or Adjustment of the Profit Distribution Policy

The Company has been attaching great importance to reasonable investment return to its shareholders, and emphasising the stability and continuity of investment return. According to the order of profit distribution specified in the Articles of Association, the Company may distribute dividend by way of cash or shares. When the Board proposes declaration of dividends, the Board has formulated its profit distribution plan on a reasonable basis to safeguard shareholders' interests in accordance with relevant requirements of the Articles of Association and with reference to the Group's financial performance, overall financial position, expected working capital needs and surplus, future development plan and external financing environment. The annual profit distribution plan shall be proposed by the Board and subject to consideration and approval at the general meeting of the Company. During the Reporting Period, the profit distribution policy was strictly implemented by the Company without any adjustment.

(II) Implementation of the 2024 Profit Distribution Plan

The Company held the 2024 annual general meeting on 16 May 2025 to consider and approve the resolution in relation to the 2024 Profit Distribution Plan, which approved the Company not to conduct profit distribution for the year ended 31 December 2024.

(III) The 2025 Annual Profit Distribution Proposal

In accordance with the financial statements as audited by the Company's auditors, the Company's accumulated retained profit is RMB1,956,944,205.84. According to the provision "Among profits available for distribution, those from fair value change shall not be used for cash distribution" under No. 1 Guidance on Supervision over Annual Reports of Securities Companies《證券公司年報監管工作指引第一號》issued by the CSRC, after deducting the cumulative after-tax influence of RMB167,552,830.52 of such part, the Company's profit distributable to Shareholders in cash as at the end of 2025 is RMB1,789,391,375.32.

In view of long-term development of the Company and interests of investors and as proposed by all Directors, the Board proposed to distribute cash dividend of RMB0.15 per 10 shares (tax inclusive) and RMB39,068,511.18 in aggregate (tax inclusive) based on the total number of issued shares of the Company of 2,604,567,412 shares as at 31 December 2025 to holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on the record date of the equity interests. The cash dividend is denominated and declared in RMB and payable in RMB to holders of Domestic Shares, and in HK$ to holders of H Shares.

The 2025 Annual Profit Distribution Plan is subject to consideration and approval at the general meeting of the Company. The Company will announce information on the closure of register of members, the record date for determining entitlement to the cash dividend and the payment date in due course.

V. DIRECTORS AND SUPERVISORS

Details of the Directors and the Supervisors during the Reporting Period and as at the date of this report are set out in "Section 9 Directors, Supervisors, Senior Management and Employees", which forms a part of this Report of the Board of Directors.

The Company has received the annual written independence confirmation prepared by each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules and believes that all the independent non-executive Directors are independent of the Company.

VI. DIRECTOR SERVICE CONTRACT

No Director has entered any service contract with the Company or its subsidiaries which shall be compensated (except for statutory compensation) upon termination within one year.

VII. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Interests of Directors in Transactions, Arrangements and Contracts of Significance

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which any Director or an entity connected with any Director had a material interest, whether directly or indirectly, has been entered into and subsisted during the Reporting Period.

Controlling Shareholders' Interests in Contracts of Significance

Save as disclosed in this report, during the Reporting Period, there is no any other contract of significance to which the Company or any of its subsidiaries was a party to and in which a controlling shareholder had a material interest, whether directly or indirectly, has been entered into and subsisted.

VIII. DIRECTORS' INTERESTS IN THE BUSINESS COMPETING WITH THE COMPANY

None of the Directors has interest in business competing with the Company during the Reporting Period.

IX. DIRECTORS AND SUPERVISORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, no Directors, Supervisors of the Company or their respective spouses or children under the age of 18 purchased the shares or debentures of the Company to obtain rights, nor did such persons exercise any such rights; and no arrangements have been made by the Company or any of its subsidiaries to enable any Directors, Supervisors of the Company or their respective spouses or children under the age of 18 to obtain such rights from any other body corporate.

X. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, based on the information acquired by the Company and to the knowledge of the Directors, none of the Directors and chief executives of the Company has (i) interests or short positions (including the interests or short positions considered or deemed to have according to such provisions of the SFO) which shall be notified to the Company and the Hong Kong Stock Exchange in accordance with Sections 7 and 8 of Part XV under the SFO; (ii) interests or short positions which shall be recorded in the interests register in accordance with section 352 of the SFO; or (iii) interests or short positions which shall be notified to the Company and the Hong Kong Stock Exchange in accordance with the requirements of the Model Code in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO).

XI. COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS

As disclosed in the Prospectus, each of Baotou Huazi, Beijing Qingyun Intercontinental Technology Co., Ltd. (北京慶雲洲際科技有限公司), Financial Street Xihuan Properties, Beijing Huijin Jiaye Investment Co., Ltd. (北京匯金嘉業投資有限公司), Financial Street Investment, Huarong Infrastructure, Huifa Technology, Hongzhi Huitong, Zhongchang Hengyuan Holdings Co., Limited (中昌恒遠控股有限公司), Shanghai Yida Technology Investment Co., Ltd. (上海怡達科技投資有限責任公司) and Tomorrow Holding Limited Company (明天控股有限公司) has signed a non-competition undertaking (collectively, the "Non-competition Undertakings"). Pursuant to the Non-competition Undertakings:

(a) each of Baotou Huazi, Beijing Qingyun Intercontinental Technology Co., Ltd., Beijing Huijin Jiaye Investment Co., Ltd., Huifa Technology and Hongzhi Huitong has undertaken that (i) it and its controlled entities do not currently engage in any business which competes with our business; and (ii) after the Listing, it and its controlled entities will not engage in any competing business that is the same as or similar with our business;

(b) each of Financial Street Xihuan Properties, Financial Street Investment and Huarong Infrastructure has undertaken that (i) it and its controlled entities do not currently engage in any business which requires approvals from CSRC and competes with our primary business; and (ii) after the Listing, it and its respective controlled entities will not directly or indirectly hold any equity interests in other securities companies by establishment or acquisition of companies; and

(c) each of Zhongchang Hengyuan Holdings Co., Limited, Shanghai Yida Technology Investment Co., Ltd. and Tomorrow Holding Limited Company has undertaken that, other than their shareholding interests in New Times Securities Co., Ltd, (i) it and its controlled entities do not currently engage in any business which requires approvals from CSRC and competes with our primary business; and (ii) after the Listing, it and its respective controlled entities will not directly or indirectly hold any equity interests in other securities companies by establishment or acquisition of companies.

From March 2020 to April 2020, Zhongchang Hengyuan Holdings Co., Limited, Shanghai Yida Technology Investment Co., Ltd. and Beijing Huijin Jiaye Investment Co., Ltd. transferred their respective shares in the Company to Tianfeng Securities. Upon completion of the transfer, Zhongchang Hengyuan Holdings Co., Limited, Shanghai Yida Technology Investment Co., Ltd. and Beijing Huijin Jiaye Investment Co., Ltd. no longer held any shares of the Company. In February 2023, Financial Street Investment and Huarong Infrastructure transferred their shares in the Company to Huarong Zonghe Investment at nil consideration. Upon completion of the gratuitous transfer, Huarong Infrastructure ceased to directly hold any shares of the Company, and Financial Street Investment ceased to directly hold any shares of the Company.

XII. EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Company did not enter into any equity-linked agreement.

XIII. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including the disposal of treasury shares (as defined in the Listing Rules)) during the Reporting Period. At the end of the Reporting Period, the Company did not hold any treasury shares.

XIV. OTHER DISCLOSURES

(I) Share Capital

Information on share capital is contained in Note 49(a) to the consolidated financial statements of this report and forms a part of this Report of the Board of Directors.

(II) Pre-emptive Rights Arrangements

According to the PRC laws and the Articles of Association, currently, the Company has no pre-emptive rights arrangements.

(III) Sufficiency of Public Float

According to the information publicly available to the Company and within the knowledge of the Directors, as at 25 March 2026, being the latest practicable date prior to the issue of this report, the public shareholding of H Shares has satisfied the minimum percentage as modified in the waiver granted by the Hong Kong Stock Exchange from strict compliance with Rule 8.08(1) (d) of the Listing Rules.

(IV) Management Contract

During the Reporting Period, no management and administration contracts relating to all or any substantial part of the business of the Company was entered into or existed.

(V) Data on Tax Reduction and Exemption by the Shareholders of H Shares

Individual investors

In accordance with the Individual Income Tax Law of the People's Republic of China (2018 Amendment)《(中華人民共和國個人所得税法》(2018 修正)) and the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China (2018 Revision)《(中華人民共和國個人所得税法實施條例》(2018修訂)), the dividends paid by Chinese companies shall be subject to the withholding tax at a uniform rate of 20%. Non-Chinese resident foreign individuals shall be imposed 20% of individual income tax on the dividends gained from Chinese companies, except for specific exemptions allowed by the tax authorities of the State Council or special deductions in accordance with an applicable tax treaty.

According to the Notice on the Management of Individual Income Tax Impose after the Abolition of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No. 348)《(國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[2011]348號)) issued by the State Administration of Taxation and effective on 28 June 2011, for domestic non-foreign-invested enterprises making public offering in Hong Kong, the foreign resident individual shareholders are entitled to the associated tax preference according to the provisions in the taxation treaties signed between their nations and China as well as the taxation arrangements between Mainland China and Hong Kong (Macao). The dividends paid by domestic non-foreign-invested enterprises which have made the public offering in Hong Kong to foreign resident H Shares individual holders shall be imposed individual income tax at the rate of 10%, without having to make applications to the Chinese tax authorities. If the tax rate of 10% is not applicable, (1) for a foreign resident who is H Shares individual holder to receive dividend, if his country has signed income tax treaty at the rate of less than 10% with China, non-foreign invested enterprises which have made public offering in Hong Kong may, on behalf of such holder, apply for lower tax rate preference; upon approved by the tax authorities, the excessive part of withholding tax paid will be refunded; (2) for a foreign resident who is H Shares individual holder to receive dividend, if his country has signed income tax treaty at the rate of higher than 10% but less than 20% with China, non-foreign-invested enterprises which have made public offering in Hong Kong shall pay withholding tax in accordance with the treaty and no need to make an application; and (3) for a foreign resident who is H Share individual holder to receive dividend, if his country has not signed any tax treaty or otherwise, non-foreign-invested enterprises which have made public offering in Hong Kong shall pay withholding tax at the rate of 20%.

Enterprise

According to the Enterprise Income Tax law of the People's Republic of China (2018 Amendment)《(中華人民共和國企業所得税法》(2018修正)) and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (2024 Amendment)《(中華人民共和國企業所得税法實施條例》(2024修訂)), if non-resident enterprises do not establish organizations and sites within the territory of China, or though establishing organizations and sites but the income received have no real connection to the organizations and sites established, such enterprises shall pay the corporate income tax at the rate of 10% of its income from the Chinese territory.

According to the Circular concerning Questions on Withholding and Payment of Enterprise Income Tax when PRC Resident Enterprises Distribute Dividends to Non-resident Corporate Shareholders of Foreign H Shares (Guo Shui Han [2008] No. 897)《(關於中國居民企業向境外H股非居民企業股東派發股利代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)) issued by the State Administration of Taxation, which became effective on 6 November 2008, PRC resident enterprises should withhold enterprise income tax at a unified rate of 10% when they distribute dividends for the year of 2008 and beyond to non-resident corporate shareholders of foreign H Shares. After receiving dividends, non-resident corporate shareholders may apply to the relevant tax authorities for enjoying treatment of taxation agreements (arrangement), in person or by proxy or by a person who has obligation for withholding or paying dividend and provide materials to prove it is an actual beneficiary under the requirement of taxation agreements (arrangement). After the relevant tax authorities have verified that there is no error, it shall refund tax with reference to the tax levied and the difference in the amount of tax payable calculated at the tax rate under the taxation agreements (arrangement).

(VI) Reserves and Reserves Available for Distribution to Shareholders

The changes in reserves and reserves available for distribution to shareholders of the Group during the Reporting Period are set out in Note 50 to the consolidated financial statements and the "consolidated statement of changes in equity" in this report, and the reserves available for distribution to shareholders equals the undistributed profit of the Company, which forms a part of the Report of the Board of Directors.

(VII) Relationship with Key Stakeholders

1. Employees

Employees are regarded as the most important and valuable assets of the Group. The Group has established complete systems and procedures of human resource management in order to regulate the use of human resources and realistically protect employees' rights and interests. Through compensation and welfare schemes and annual appraisal plans, the Company has awarded and commended outstanding employees while enhancing employees' vocational capabilities and widening their room for promotion by way of training and others.

Details of the employees are contained in "VI. Details and Remuneration of Staff" under Section 9 "Directors, Supervisors, Senior Management and Employees", which forms a part of this Report of the Board of Directors.

2. Major customers and suppliers

The Company provides services for various individual customers and institutional customers. The Company's large customers include financial institutions, large, small and medium enterprises, institutional investors and individual customers. Most customers of the Company are located in China, mainly in Inner Mongolia. As of 31 December 2025, the total operating revenue from the top five customers accounted for 1.68% of the total operating revenue of the Group, and total operating revenue from the largest customer accounted for 0.48% of the total operating revenue of the Group. During the Reporting Period, as far as the Directors are aware, none of the Directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers.

Due to the nature of the business, the Company does not have major suppliers.

(VIII) Property and Equipment

The relevant information is set out in Note 22 to the consolidated financial statements of this report, which forms a part of this Report of the Board of Directors.

(IX) Fulfillment of Social Responsibilities

1. Investor education

Adhering to an investor-centred development philosophy, the Company continues to regard investor education as an important starting point for fulfilling its social responsibilities, protecting the legitimate rights and interests of investors, and promoting the healthy development of the capital market.

During the Reporting Period, the Company continued to optimise the "entity + internet" online and offline dual operation system. The national-level physical investor education base, the provincial-level investor education base of the Jilin Branch, and the provincial-level internet investor education base exerted synergistic efforts. Centering on the principles of professionalism, distinctiveness, and public welfare, they actively built an investor education platform with extensive coverage, solid content, and innovative forms. The base received more than 20,000 visitor-times from various categories throughout the year, covering multiple groups such as regulatory departments, financial institutions, teachers and students of universities and colleges, and the community public.

The Company has deeply promoted the "going out" initiative for investor education and continued to carry out the "seven-entry" series of activities, reaching out to diverse settings such as communities, campuses, enterprises, pastoral areas, and business districts. During the Reporting Period, the Company collaborated with the Inner Mongolia Bureau of the CSRC to conduct face-to-face investor symposiums in the Changhai community; partnered with the Inner Mongolia Securities and Futures Association to innovatively host the "Little Grass Park Investor Education Music Market", attracting nearly a thousand citizens through an edutainment format; continued to deepen the "police-enterprise cooperation" mechanism by collaborating with public security organs to conduct anti-illegal fund-raising and anti-fraud training for community grid members; collaborated with the Inner Mongolia Association of Listed Companies to help listed companies within the jurisdiction jointly build a new ecosystem for investor education through training sessions; organised the 5th " Walk in Summer Day for Investor Education and Fitness Run with Campaign to Prevent Illegal Securities and Futures (投教夏日行防非健康跑)" fitness walking activity for the securities and futures industry in the Inner Mongolia jurisdiction to further foster a healthy and positive industry culture and optimise the capital market ecosystem; and promoted the integration of investor education into the higher education system by offering financial literacy course series and organising internships and practical training at partner institutions, providing a cumulative total of 13 internship positions, delivering 64 teaching hours, and holding online knowledge competitions covering over a thousand students.

In terms of regulatory cooperation and the implementation of activities, the Company has actively responded to the calls of various exchanges and self-regulatory organisations, and has completed multiple investor education tasks with high quality, including the Shanghai Stock Exchange's "I am a Shareholder" series of activities for visiting listed companies and the Shanghai market ETF special investor education activities; the Shenzhen Stock Exchange's "Striving Forward on a New Journey, Relaunching Investor Education Services (踔厲奮發新征程投教服務再出發)" theme activities and "Rational Investment Accompanies Me (理性投資伴我行)" precision investor education projects; the Beijing Stock Exchange's "Direct Services Travelling a Thousand Miles, Rational Investment Entering Ten Thousand Households (直達服務行千里理性投資進萬家)" series of promotions; as well as the Securities Association of China's "Investor Education Entering a Hundred Schools (投資者教育進百校)" related courses and competitions. Various activities have been recognised by regulatory authorities, and a number of items have been adopted and published by official platforms.

The Company was honoured with multiple awards, including the first prize in the video category for Beijing Legal Culture Works, the 2025 "Golden Wisdom Award" for Outstanding Benchmark Institution in Consumer Rights Protection by JRJ.com, and the Innovation Internet Investor Education Base Award at the second "Cailian Xingyin Cup" by Cailian Press.

Looking ahead, the Company will remain true to its original aspiration of public welfare, continue to enrich the supply of investor education products and services, innovate communication methods, and expand the breadth and depth of coverage, so as to effectively enhance investors' financial literacy and risk prevention capabilities, and contribute to the long-term healthy development of the capital market.

2. Social activities and public benefit donations

Deepen the "One Enterprise for One County" pairing assistance and establish a long-term mechanism for rural revitalization

The Company has always taken serving national strategies as its fundamental mission, and has deeply implemented the major decision-making arrangements of the Central Committee of the Communist Party of China regarding the effective alignment of consolidating and expanding the achievements of poverty alleviation with rural revitalization. In 2025, based on the "One Enterprise for One County" pairing assistance mechanism, the Company focused on five regions, namely Chahar Right Middle Banner, Taibus Banner, Oroqen Autonomous Banner, Harqin Banner, and Arxan City in Inner Mongolia, and implemented the "targeted policy implementation + region-wide empowerment (靶向施策+全域赋能)" assistance strategy. Throughout the year, it invested a total of approximately RMB1.23 million in special assistance funds and implemented 20 key projects, covering fields such as industrial upgrading, livelihood protection, and ecological governance. The Company collaborates closely with local governments to jointly explore development paths that align with local realities, demonstrating the Company's political commitment and social responsibility.

Focusing on regional coordinated development to compose a new chapter of common prosperity

In 2025, the Company deeply integrated into the local development landscape and carried out multi-dimensional collaboration in areas such as Alxa Left Banner, Huimin District and Xincheng District of Hohhot City in Inner Mongolia, forming a characteristic practical path of "Party building leadership + industrial empowerment + improvement of people's livelihood" to promote balanced regional development with practical actions.

In Barunhuode Gacha, Wendu'erletu Town, Alxa Left Banner, the Company continued to appoint key Party members to serve as the First Secretary stationed in the village, which significantly strengthened the construction of primary-level Party organisations during the term of office; the leadership team of the Party Committee led teams to visit and express sympathy to people in need and distributed living materials; donated Party and government books, signed Party building co-construction agreements, and effectively consolidated the foundation of theoretical armament. At the same time, it conducted specialised training on financial knowledge and provided in-depth analysis of policies regarding financial support for the real economy.

In respect of Huimin District, Hohhot, the Company innovatively implemented the "Healthy Childhood (健康童行)" Party building public welfare project, donating a paperless physical examination mini-programme and Ruibao children's growth and development 3D detection cabins, benefiting the maternal and child health care centres in the jurisdiction; jointly organised intangible cultural heritage inheritance activities with sub-district Party branches and conducted training on the prevention of illegal fund-raising, effectively enhancing the financial risk prevention awareness of the public at the grassroots level; and procured specialty agricultural products of approximately RMB130,000 through the labour union, driving the upgrade of characteristic industrial chains in local agricultural and pastoral areas.

In the Haidong Road Community of Xincheng District, the Company entered into a tripartite co-construction agreement with the police station and the community to organise activities such as anti-fraud publicity and joint public security defence; it procured approximately RMB210,000 of specialty agricultural products for employee benefits, boosting the development of characteristic industries in local farming and pastoral areas.

Actively participating in a series of public welfare activities to practise the original mission of "Finance for the People"

Demonstrating true character in flood control and disaster relief. From July to August in 2025, many places in Northern China were hit by continuous heavy rainfall, resulting in a severe situation for flood control and disaster relief. The Party Committee of the Company urgently launched a special action of "Flood Control and Disaster Relief, Party Members Take the Lead", where all Party members spontaneously donated approximately RMB80,000 to provide targeted support to disaster-stricken areas such as Xincheng District and Huimin District in Hohhot and Miyun in Beijing, which was specifically used for grassroots flood control and disaster relief work.

Assisting the young and the needy to warm the hearts of the people. In response to the call of the Inner Mongolia Autonomous Region Charity Federation, the Company participated in the "Donate Love Schoolbags • Warm the Hearts of Children in Need" public welfare activity, donating 132 sets of love schoolbags to children in need in Taipusi Banner and Chahar Right Middle Banner, with a total amount exceeding RMB50,000.

Dual-driven by public welfare and ecology. Through the "charitable donation + voluntary action" model, a special fund of RMB18,000 was donated to the Hohhot Hongyan Wetland Ecological Protection Association for supporting tree planting and afforestation in the core area of Hongyan Wetland, as well as the construction of science popularisation facilities at the nature education base. It organised employee volunteers to participate in afforestation, contributing to the ecological restoration of the Hongyan Wetland and the significant improvement of biological habitats. It vividly practised the original mission of "finance for the people", demonstrating the sense of social responsibility of a state-owned enterprise.

(X) Material Events after the Reporting Period

The relevant information is set out in "VIII. Other Important Particulars and Subsequent Events" under Section 7 "Other Material Particulars", which forms a part of this Report of the Board of Directors.

(XI) Compliance of Laws and Regulations

The Company operated in strict compliance with requirements of laws, regulations and regulatory documents of the PRC and jurisdictions where the Company's shares are listed, including the Company Law of the PRC, the Securities Law of the PRC, the Regulations on the Supervision and Administration of Securities Companies, the Corporate Governance Rules for Securities Companies, the Listing Rules and the SFO, to standardize the operation of the Company and improve the management system. For punishment or public censure on the Company during the Reporting Period, please refer to the subsection headed "I. Punishment or Public Censure in the Reporting Period" under Section 7 "Other Material Particulars" of this report.

(XII) Environmental Policies and Performance

The Group has been attaching importance to environmental protection and reducing the impact on the environment through measures such as resource protection, resource recycling as well as energy conservation and emission reduction. The Group constantly carries out internal recycling measures in terms of its consumables (e.g. toner cartridge and paper) in order to lessen its impact on consumption of resources and impact on environment resulting from the operating activities. Furthermore, the Company encourages employees to adopt duplex printing when printing and collect one-side paper for recycling.

The Group implements energy saving measures in its offices, securities branches and other areas, encourages its employees to reduce unnecessary use of lighting and air conditioning, and actively promotes green travel.

For more details, please refer to the "2025 Environmental, Social and Governance Report" to be published separately.

(XIII) Business Review

The relevant information is set out in Section 5 "Management Discussion and Analysis", which forms a part of this Report of the Board of Directors.

(XIV) Future Development

The relevant information is set out in XI. "Prospects for Future Development of the Company" under Section 5 "Management Discussion Analysis", which forms a part of this Report of the Board of Directors.

(XV) Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The relevant information is set out in Section 5 "Management Discussion and Analysis", which forms a part of this Report of the Board of Directors.

(XVI) Donations

During the Reporting Period, the Group made charitable donations amounting to approximately RMB1,256,900. Please refer to (IX) "Fulfillment of Social Responsibilities" under XIV. "Other Disclosures" in this section.

(XVII) Bonds

The relevant information is set out in V. "Major Investment and Financing" under Section 5 "Management Discussion and Analysis", which forms a part of this Report of the Board of Directors.

By order of the Board
Zhu Yanhui
Chairman

Beijing, the PRC
25 March 2026

Section 7 Other Material Particulars

I. PUNISHMENT OR PUBLIC CENSURE IN THE REPORTING PERIOD

During the Reporting Period, the Directors, Supervisors and senior management of the Company were not punished or subject to any public censure. The punishments or public censures against the Company are set out below:

1. On 12 February 2025, the Anhui Supervision Bureau of the CSRC issued the Decision on Administrative Regulatory Measures: Decision on Taking the Measure of Issuing a Warning Letter to Hengtai Changcai Securities Co., Ltd.* (Administrative Regulatory Measures Decision No. 15 [2025]). Upon investigation, it was found that the bond proceeds from the "23 Huaikong 01", "23 Huaikong 02" and "23 Huaikong 03" corporate bonds, for which Hengtai Changcai Securities Co., Ltd. acted as the trustee manager, were misappropriated by the issuer's controlling shareholder, with the amount exceeding 60% of the total bond proceeds. In respect of the above matters, Hengtai Changcai failed to exercise due diligence, failed to timely obtain the relevant vouchers and bank statements in relation to the issuer's use of the bond proceeds, and also failed to perform the undertaking stipulated in the prospectus: "During the term of the bonds, the trustee manager shall conduct continuous supervision and quarterly inspection on whether the issuer's use of the bond proceeds is consistent with the prospectus". The decision ordered that the administrative regulatory measure of issuing a Warning Letter be taken against Hengtai Changcai, and that the matter be recorded in the securities and futures market integrity archive.

   The Company attaches great importance to this matter. First, it has required the business departments of Hengtai Changcai to collect the working papers of the bond proceeds through the access channels agreed in the bond proceeds supervision agreement. Second, it has initiated an accountability procedure to hold the responsible departments and liable persons related to this regulatory measure accountable. Third, it will enhance business training for the issuer in the later stage, strengthen the verification of the use of bond proceeds and the collection of relevant vouchers, and proactively report to the regulatory authorities. Rectification has been completed as of the date hereof.

2. On 4 December 2025, the Inner Mongolia Supervision Bureau of the CSRC issued the Decision on Administrative Regulatory Measures: Decision on Taking the Measure of Ordering an Increase in the Frequency of Internal Compliance Inspections against Financial Street Securities Co., Ltd.* (Administrative Regulatory Measures Decision No. 30 [2025]). Upon investigation, it was found that multiple employees in multiple regions of the Company privately promoted or sold products of platforms including Beijing Hengtai Puhui Information Service Co., Ltd., which were not issued or distributed on an agency basis by Financial Street Securities Co., Ltd. (formerly known as Hengtai Securities Co., Ltd; certain individual employees privately organized investors to sign an agreement for the joint purchase of Lehe Zhonghe Film and Television Tranche Equity Private Investment Fund ("Lehe Fund"), and transferred the funds into their personal accounts to purchase the fund product;

certain individual employees failed to use the fund promotional materials uniformly produced by the Company when promoting and recommending Lehe Fund to clients, and the materials used contained statements that may cause investors to fail to accurately understand the risks of private equity funds; certain individual employees conferred improper benefits to clients in the process of selling Lehe Fund. The above circumstances reflect deficiencies in the Company's internal control and compliance management, insufficient effectiveness in the management and control of practitioners' conduct, and failure to effectively prevent and control risks. The decision ordered that the administrative regulatory measure of ordering the Company to increase the frequency of internal compliance inspections and submit compliance inspection reports be taken against the Company.

The Company attaches great importance to this matter. First, it has implemented regulatory requirements, organized the formulation of a compliance inspection work plan, promoted the implementation of compliance inspections, and submitted feedback reports in a timely manner. Second, it has initiated an accountability investigation procedure for the irregularities, implemented full-chain accountability, and held relevant personnel liable.

3. On 25 December 2025, the Guangdong Supervision Bureau of the CSRC issued the Decision on Taking the Measure of Issuing a Warning Letter to Financial Street Securities Co., Limited Chaozhou Xitai Avenue Securities Branch.* (Administrative Regulatory Measures Decision No. 185 [2025]). Upon investigation, it was found that: during his employment period, Mr. Lu Mingbin, an employee of the Company's securities branch, engaged in the acts of selling products not distributed on an agency basis by the Company to investors and obtaining improper benefits therefrom, as well as guaranteed capital preservation and returns to investors. The securities branch failed to effectively prevent relevant compliance risks, reflecting deficiencies in its compliance management. The decision ordered that the administrative regulatory measure of issuing a Warning Letter be taken against the Company's Chaozhou Xitai Avenue Securities Branch.

   The Company attaches great importance to this matter. First, in accordance with regulatory requirements, it has prepared and submitted the rectification report on compliance management and control, personnel management, and practice conduct management of the securities business department in a timely manner. Second, it has initiated an accountability investigation procedure for the violations, implemented full-chain accountability, and held relevant personnel liable.

II. SIGNIFICANT LAWSUITS AND ARBITRATIONS

(I) New Significant Lawsuits and Arbitrations in the Reporting Period

1. Cases involving the Company as the defendant in Lawsuits with Hualing Series Investors

(1) Infringement case filed by Canny Elevator and Ms. Zhu Xiaojuan

Shanghai Hualing Asset Management Co., Ltd. (上海華領資產管理有限公司)("Hualing Company") is the manager of private equity fund products, and the Company is the custodian of such private equity fund products. In January 2019, on suspicion of illegal fund-raising, Hualing Company unilaterally announced the extension of the managed products without convening a fund shareholders' meeting, and ceased the redemption of principal and income to investors whose investment terms had expired. Canny Elevator Co., Ltd. (康力電梯股份有限公司)("Canny Elevator ") made successive investments in the private equity fund products managed by Hualing Company from 2016 to 2018. When Hualing Company announced the product extension in January 2019, Canny Elevator held the Customized No.9 Bank Acceptance Bill Tiered Private Equity Fund Product with an investment amount of RMB79 million. Ms. Zhu Xiaojuan made successive investments in the private equity fund products managed by Hualing Company from 2016 to 2018. When Hualing Company announced the product extension in January 2019, Ms. Zhu Xiaojuan held the Hualing Customized No.7, No.8 and No.9 Bank Acceptance Bill Tiered Private Equity Fund Products with a total investment amount of RMB49.07 million.

In June 2024, Canny Elevator and Ms. Zhu Xiaojuan separately filed a lawsuit against the Company, Beijing Dahanhua Energy Group Co., Ltd. (北京大瀚發能源集團有限公司) and Shanghai Huamu International Trade Co., Ltd. (上海華木國際貿易有限公司) with the Huqiu People's Court of Suzhou on the ground of tort liability dispute, claiming joint compensation for their investment principal and income from the defendants. Subsequent to the Company's assertion of jurisdiction objection, the case of Canny Elevator was transferred to Shanghai Chongming District People's Court of Shanghai for further trial, which was heard in court on 29 October 2025 and is currently in the first instance stage. The case of Ms. Zhu Xiaojuan is still under further trial by the Huqiu District People's Court of Suzhou. On 17 September 2025, Suzhou Huqiu District People's Court issued a first-instance judgment, holding the Company not liable on the grounds that the Company had performed its contractual obligations in accordance with the agreement, had no breach of contract and corresponding fault, and there was no causation link in between the performance of the contractual obligations by the Company under the agreement and the losses suffered by the Plaintiff(s). Ms. Zhu Xiaojuan has filed an appeal with the Intermediate People's Court of Suzhou on 7 October 2025, which has accepted the case.

(2) Cases involving entrusted wealth management contract disputes with multiple other investors

Among the private equity fund products issued by Hualing Company as the manager, a total of 18 products for which the Company acts as the custodian failed to be redeemed upon maturity. As at the end of December 2025, multiple investors filed lawsuits with the Chongming District People's Court of Shanghai, claiming that the Company should compensate for 10% of their investment principal as losses. The Chongming District People's Court of Shanghai has issued a series of first-instance judgments successively. As of 31 December 2025, the aggregate amount the Company is required to compensate pursuant to the relevant judgments was approximately RMB69.4741 million in connection with such judgments. The Company has filed an appeal with the Shanghai Financial Court within the statutory appeal period. Those cases are currently proceeding in an orderly manner.

(II) Subsequent Progress of the Significant Lawsuits and Arbitrations in the Previous Years

1. <u>The dispute with regard to the Qinghui Leasing asset-backed special scheme Phase I under the management of the Company</u>

For details of the case, please refer to II. "Significant Lawsuits and Arbitrations" in Section 7"Other Material Particulars" of the 2018 annual report, 2019 annual report, 2020 annual report,2021 annual report, 2022 annual report, 2023 annual report and 2024 annual report of the Company.

(1) Complaints filed by the Company against Hongyuan Petrochemical and Qinghui Leasing

As the manager, the Company set up the Qinghui Leasing asset-backed special scheme Phase I (the "Project", the "Special Scheme") on 7 January 2016. The basic assets are the rent claim and other rights under a single lease contract and their collateral security interests. The Project was originally scheduled to expire on 4 November 2018. In December 2017, the Company learned that Xianyang Hongyuan Petrochemical Co., Ltd. (咸陽鴻元石油化工有限責任公司) ("Hongyuan Petrochemical"), the single lessee of the Special Scheme, was in a state of suspension of production, and Hongyuan Petrochemical had been taken legal procedures by many financial institutions to collect debts. The early termination of the Special Scheme was triggered by the risk that Hongyuan Petrochemical could not pay the rent in full. In order to safeguard the legitimate rights and interests of the priority holders of this Project, on 15 January 2018, the Company filed a lawsuit with the Beijing High People's Court, suing Qinghui Leasing Co., Ltd. (慶匯租賃有限公司) ("Qinghui Leasing"), the equity originator of the Special Scheme, and Hongyuan Petrochemical with a total amount of approximately RMB530 million, and the Beijing High People's Court filed the case

on 22 January 2018. On 17 November 2021, the Beijing High People's Court ruled on such case and suspended the trial as involving criminal cases. In December 2021, the High People's Court of Shaanxi Province made a final judgment on the criminal cases involved. On 11 August 2022, the Company agreed to Qinghui Leasing's application to add King & Wood Mallesons, China Chengxin Certification and Evaluation Information Technology Co., Ltd. (中誠信證評資料科技有限公司) and BDO China Shu Lun Pan CPAs as defendants, and applied to the Beijing High People's Court to change the litigation request to order the defendants to jointly bear the losses and legal fees of the Company. On 14 July 2023, Beijing High People's Court ruled on such case and rejected the application made by the Company. On 25 July 2023, the Company filed an appeal to the Supreme People's Court through the Beijing High People's Court, and the Company received a notice of acceptance of the case from the Supreme People's Court on 8 March 2024. On 30 June 2025, the Company received the second-instance ruling from the Supreme People's Court, which the Supreme People's Court has revoked the first-instance ruling and instructing the Beijing High People's Court to conduct the trial. On 24 September 2025 and 23 December 2025, two hearings were held in this case at the Beijing High People's Court. As at the end of 2025, the Company had not yet received the judgement.

III. SIGNIFICANT CONTRACTS AND CONTRACT FULFILLMENT

During the Reporting Period, the Company entered into a new framework agreement with Beijing Desheng Investment Co., Ltd. regarding property leasing and related services. For details, please refer to "IV. Connected Transactions" in this section. During the Reporting Period, the rent paid by the Company amounted to approximately RMB23.6136 million, and the property service fees amounted to approximately RMB3.8760 million.

IV. CONNECTED TRANSACTIONS

The Group carried out connected transactions in strict compliance with the Listing Rules and requirements of the Group's internal regulations under the principles of impartiality, openness and fairness.

1. Connected transactions – Guarantee and counter-guarantee agreement

On 21 September 2023, Financial Street Investment (as guarantor) entered into a guarantee agreement with Xin Hua Fund (as guaranteed), pursuant to which, Financial Street Investment agreed to provide joint liability guarantee in favour of ICBC Beijing branch in respect of 58.6207% of the indebtedness owed by Xin Hua Fund; and Financial Street Investment (as guarantor), the Company (as counter-guarantor) and Xin Hua Fund (as debtor) entered into a counter-guarantee agreement, pursuant to which, the Company agreed to mortgage or pledge its assets to Financial Street Investment as security in relation to the guaranteed amount to be guaranteed by Financial Street Investment in accordance with the implementation of settlement agreement, the guarantee agreement and the guarantee letter. Please refer to the announcements published by the Company

on 13 August 2023 and 9 October 2023 for further details. Financial Street Investment is indirectly interested in 29.99% of the issued share capital of the Company and therefore a substantial shareholder of the Company and hence a connected person of the Company. Accordingly, each of the transactions (namely the guarantee and the counter-guarantee) constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios is more than 5%, and the guaranteed amount under the guarantee and the counter-guarantee value under the counter-guarantee respectively is above HK$10 million, each of the guarantee and the counter-guarantee constitutes a discloseable and connected transaction, and is subject to (1) the reporting and announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules; and (2) the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company convened the 2023 third extraordinary general meeting on 20 September 2023 to consider and approve the above connected transactions.

2. Connected transactions – Tenancy agreement

On 16 December 2023, Beijing Financial Street Securities Branch of the Company entered into the Tenancy Agreement with the lessor, Financial Street Xihuan Properties, pursuant to which, the Group agreed to lease the Premise from the lessor for a term of 60 months commencing from 16 December 2023 to 15 December 2028 (both days inclusive) at a total rental of RMB8,250,000. Please refer to the announcement published by the Company on 17 December 2023 for further details. The SASAC Xicheng District, through Financial Street Group (collectively referred to for Financial Street Xihuan Properties, Financial Street Capital, Financial Street Investment and Huarong Zonghe Investment, each being subsidiaries of SASAC Xicheng District), is interested in approximately 29.99% of the total issued share capital of the Company, and therefore a substantial shareholder of the Company. Pursuant to Rule 14A.07 of the Listing Rules, the lessor (being a 30%-controlled company indirectly held by SASAC Xicheng District) is an associate of SASAC Xicheng District and therefore is a connected person of the Company. Accordingly, the transaction contemplated under the Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were all otherwise related. The Group and Financial Street Group had entered into other tenancy agreements within a 12-month period preceding the Tenancy Agreement. Accordingly, these transactions shall be aggregated and treated as if they were one transaction. As the highest applicable percentage ratio (as defined under the Listing Rules) in relation to the total rentals under (i) the Tenancy Agreement (standing alone) and (ii) the other tenancy agreements entered between the Group and Financial Street Group during the previous 12 months (in aggregate) exceeds 0.1% but is less than 5%, the Tenancy Agreement is therefore subject to the reporting, announcement and annual review requirements, but is exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Continuing connected transactions – New Framework agreement for property leasing and related services (the "New Framework Agreement")

Beijing Desheng Investment Co., Ltd. ("Desheng Investment") has been leasing various premises, which mainly comprises of offices, to the Group. Reference is made to the announcement of the Company dated 27 September 2022, in relation to the continuing connected transactions under the 2022 Framework Agreement. As the 2022 Framework Agreement expired on 31 December 2024, the Company has entered into the New Framework Agreement with Desheng Investment. Pursuant to which, the Company will lease the same properties owned by Desheng Investment in China for a term of two years from 1 January 2025 to 31 December 2026. For details, please refer to the announcements of the Company dated 11 April 2025 and 25 May 2025. Tianfeng Securities held approximately 16.9171% of the Company's total issued share capital, and therefore is a substantial shareholder of the Company. Tianfeng (Shanghai) Securities Asset Management Co., Ltd.* (天風(上海)證券資產管理有限公司) ("Tianfeng Asset Management") is a wholly-owned subsidiary of Tianfeng Securities and therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Tianfeng Asset Management is the issuer and manager of the ABS Scheme which, through a private equity investment fund, holds Desheng Investment which in turn holds the properties. As such, the Company considered it appropriate to treat Desheng Investment as a "deemed connected person" of the Company in respect of the New Framework Agreement pursuant to the Articles of Association, the related party (connected) transactions management system of the Company and Rule 14A.20 of the Listing Rules. Accordingly, transactions contemplated under the New Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the highest annual caps for the New Framework Agreement exceed 0.1% but less than 5%, the New Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The estimated annual caps for the value of right-of-use assets related to the Leases for the two years ended 31 December 2026 are RMB60,000,000 and RMB10,000,000, respectively; and the estimated annual caps for the property service fees related to the Leases for the two years ended 31 December 2026 are RMB7,000,000 and RMB8,000,000, respectively. During the Reporting Period, the value of right-of-use assets and property service fees were RMB15,151,757 and RMB3,875,992 respectively, not exceeding the 2025 annual caps as disclosed.

* *For identification purposes only*

The independent non-executive Directors have reviewed the above continuing connected transactions and have confirmed that such continuing connected transactions and the transactions contemplated thereunder:

(1) are in the ordinary and usual course of business of the Group;

(2) are conducted on normal commercial terms or better; and

(3) are conducted in accordance with the relevant agreement governing such transactions on terms that are fair and reasonable and in the interests of the Group and shareholders of the Company as a whole.

The Board has received a letter from the auditors of the Company in respect of the continuing connected transactions mentioned above, and in which the auditors have expressed the following opinion on the disclosed continuing connected transactions:

Based on the foregoing and for the continuing connected transactions disclosed:

a. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.

b. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group.

c. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

d. with respect to the aggregate amount of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the 2025 annual cap as set by the Company in the Announcement.

Save as disclosed above, other transactions set out in Note 55 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions or are exempt from compliance with reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

V. ATTAINED QUALIFICATIONS FOR SINGLE BUSINESS

The Company did not obtain any new business qualifications during the Reporting Period.

VI. SHARE OPTION SCHEME AND EQUITY INCENTIVE SCHEME

During the Reporting Period, the Company did not adopt nor implement any share option scheme or equity incentive scheme.

VII. ENGAGEMENT OF ACCOUNTING FIRMS

The Company appointed Grant Thornton (Special General Partnership) and Grant Thornton Hong Kong Limited as its external auditors for 2025 for providing correlated audit and review services, based on China's Accounting Standards for Business Enterprises and International Financial Reporting Standards, respectively.

Whether appointed other accounting firms in the past three years: No.

1. Domestic accounting firms, signing accountants and service lengths:

Grant Thornton (Special General Partnership), Mr. Song Zhiyun and Ms. Deng Bingqing, 6.5 years.

2. International accounting firms and service lengths:

Grant Thornton Hong Kong Limited, 6 years.

3. Remunerations for accounting firm

	Remuneration for 2025 *(RMB'000)*
Service provided by annual auditor engaged	
–audit and review services for the Group's annual financial report and interim financial report	3,745
–special audits services	690
–other review services	349
Services provided by other accounting firms engaged	
–other assurance services	597
Total	5,381

VIII. OTHER IMPORTANT PARTICULARS AND SUBSEQUENT EVENTS

(I) Change of Shareholders, Directors and Senior Management of the Company after the Reporting Period

Nil.

(II) Annual Profit Distribution Plan of the Company

Please refer to IV. "Profit Distribution and Profit Distribution Plan" under Section 6 "Report of the Board of Directors" of this report.

(III) Major Investment and Financing after the Reporting Period

1. Major investment of the Company

Nil.

2. Major financing of the Company

The Company has raised a total of RMB1,000 million through the issue of subordinated bonds. The details are as follows:

Name	Size of the borrowing *(RMB'00 million)*	Interest rate	Term *(years)*	Issue date	Maturity date
26 Jinzheng C1	10.00	2.39%	3	2026-1-22	2029-1-22

(IV) Significant Litigations and Arbitrations after the Reporting Period

Nil.

(V) Merger or Disposal of Subsidiaries after the Reporting Period

Nil.

(VI) Penalties Imposed on a Director Subsequent to the Reporting Period

Administrative Penalty from the CSRC Hubei Bureau

Pursuant to the Notice of Intended Administrative Penalty (Hubei Penalty [2026] No.7) and the Administrative Penalty Decision ([2026] No. 5) issued by the CSRC Hubei Bureau, Mr. Wang Linjing ("Mr. Wang") was given a warning and fined RMB3 million in accordance with the provisions of Article 197(2) of the 2019 Securities Law of the People's Republic of China.

Disciplinary Action by the Shanghai Stock Exchange

Pursuant to the "Decision on Disciplinary Actions against Tianfeng Securities Co., Ltd. and Relevant Responsible Personnel" (Disciplinary Decision Letter [2026] No. 36) issued by the Shanghai Stock Exchange, a public censure was imposed on Mr. Wang, then a director and the president of TF Securities.

Administrative Penalty from the CSRC Fujian Bureau

Pursuant to the Advance Notice of Administrative Penalties (Min Zheng Jian Han [2026] No. 132) and the Administrative Penalty Decision ([2026] No.3) issued by the Fujian Bureau of the CRSC and in accordance with the provisions of Paragraph 1 of Article 197 of the Securities Law of the People's Republic of China, Mr. Wang was issued with a warning and imposed a fine of RMB1.4 million.

For details of the above, please refer to the announcements of the Company dated 16 February 2026 and 16 March 2026 respectively (the "Announcements").

The Board (other than Mr. Wang) has carefully considered the current findings and administrative penalties against Mr. Wang by the relevant Chinese regulatory bodies, and the requirements under Rules 3.08 and 3.09 of the Listing Rules. Having made all reasonable enquiries and based on information currently available to the Board, the Board (other than Mr. Wang) considers that the abovementioned incidents do not affect Mr. Wang's ability to discharge his duties as a non-executive Director. As at 25 March 2026, being the latest practicable date prior to the issue of this report, Mr. Wang remains suitable to act as a non-executive Director, having taken into consideration, among other things, the following:

(a) notwithstanding the warning and fine by the relevant Chinese regulatory bodies, there is no finding and conclusion stated that Mr. Wang is unsuitable to act as a director of listed companies in Hong Kong;

(b) the abovementioned incidents do not involve any act of dishonesty, fraud or integrity issue on the part of Mr. Wang;

(c) it is understood that the role of Mr. Wang was primarily to oversee the overall operation and management of TF Securities Co., Ltd. at a supervisory and oversight level. He was not the direct handler for preparing the contents of relevant disclosure documents relating to the relevant incident(s);

(d) Mr. Wang has confirmed to the Company that he understands his obligations as a director of a Hong Kong listed company and will strictly comply with the requirements under the Listing Rules, including the duties set out in Rule 3.08 of the Listing Rules; and

(e) the abovementioned incidents do not relate to the affairs of the Group and directors and senior management of the Company (other than Mr. Wang), nor would it impact on the business operations of the Group.

Mr. Wang has confirmed to the Company that, save as disclosed in the Announcements, there is no information about Mr. Wang that is required to be disclosed pursuant to Rules 13.51(2) (h) to (v) or 13.51B(2) of the Listing Rules, and there are no matters about Mr. Wang that need to be brought to the attention of the shareholders of the Company.

The Board (other than Mr. Wang) will continue to monitor the development of the incident and the relevant matters, and will, based on information available from time to time, make timely assessments as to whether Mr. Wang remains suitable to serve as a non-executive Director, and will duly comply with the relevant disclosure obligations.

(VII) Other Major Subsequent Events which may Affect the Financial Conditions, Operating Results, and Cash Flow of the Company

Nil.

Section 8 Equity (Capital) Changes and Substantial Shareholders

I. SHAREHOLDING STRUCTURE

At the end of the Reporting Period, the Company's share capital was 2,604,567,412 shares, among which 2,153,721,412 shares were held by holders of Domestic Shares, representing 82.69% of the total issued share capital, and 450,846,000 shares were held by holders of H Shares, representing 17.31% of the total issued share capital.

II. CHANGES IN SHARES

None in the Reporting Period.

III. SHAREHOLDERS

At the end of the Reporting Period, the Company had 46 registered shareholders, including 19 registered holders of Domestic Shares and 27 registered holders of H Shares.

(I) At the End of the Reporting Period, the Top 10 Shareholders is as Follows:

No.	Name of shareholders	Nature of shareholders	Class of shares	Number of shares held	Percentage	Number of shares changed during the Reporting Period	Number of shares held without sale limitations	Number of shares held with sale limitations	Pledge or freezing status	
									Status of shares	Number
1	Beijing Huarong Zonghe Investment Co., Ltd.	State-own legal person	Domestic Shares	569,895,304	21.8806%	0	569,895,304	0	–	–
2	HKSCC Nominees Limited[1]	Overseas legal person	H Shares	450,787,107	17.3076%	-600	450,787,107	0	–	–
3	Tianfeng Securities Co., Ltd.	State-own legal person	Domestic Shares	440,618,114	16.9171%	0	440,618,114	0	–	–
4	Baotou Huazi Industry Co., Ltd.	Domestic non-state-owned legal person	Domestic Shares	308,000,000	11.8254%	0	308,000,000	0	Pledged	153,995,700
5	Beijing Financial Street Xihuan Properties Co., Ltd.	State-own legal person	Domestic Shares	211,472,315	8.1193%	0	211,472,315	0	–	–
6	Zhejiang Free Trade Zone Huifa Technology Co., Ltd.	Domestic non-state-owned legal person	Domestic Shares	154,000,000	5.9127%	0	154,000,000	0	–	–
7	Beijing Hongzhi Huitong Industrial Co., Ltd.	Domestic non-state-owned legal person	Domestic Shares	123,500,000	4.7417%	0	123,500,000	0	Pledged	123,500,000
8	Jinan Bojie Narong Information Technology Co., Ltd.	Domestic non-state-owned legal person	Domestic Shares	68,980,000	2.6484%	0	68,980,000	0	Pledged	68,980,000

No.	Name of shareholders	Nature of shareholders	Class of shares	Number of shares held	Percentage	Number of shares changed during the Reporting Period	Number of shares held without sale limitations	Number of shares held with sale limitations	Pledge or freezing status	
									Status of shares	Number
9	Tengye Holding Group Co., Ltd.	Domestic non-state-owned legal person	Domestic Shares	59,000,000	2.2653%	0	59,000,000	0	–	–
10	Xi'an Qujiang Investment Management Co., Ltd.	State-own legal person	Domestic Shares	46,485,600	1.7848%	0	46,485,600	0	–	–

Note:

1. Shares held by HKSCC Nominees Limited are owned by non-registered H shareholders.

(II) Company's Controlling Shareholder and De Facto Controller

The controlling shareholder of the Company is Beijing Huarong Zonghe Investment Co. Ltd. and the de facto controller of the Company is Beijing Financial Street Investment (Group) Co., Ltd..

On 30 January 2023, the Reply on Approval for the Change of Shareholder of Hengtai Securities Co., Ltd. and De Facto Controller of Hengtai Changcai Securities Co., Ltd. and Xin Hua Fund Management Co., Ltd. (Zheng Jian Xu Ke [2023] No. 198)《(關於核准恒泰证券股份有限公司變更股東及恒泰長財證券有限責任公司、新華基金管理股份有限公司變更實際控制人的批覆》(證監許可[2023]198號)) was issued by CSRC, pursuant to which, Beijing Huarong Zonghe Investment Co. Ltd. was approved as a substantial shareholder of the Company and Beijing Financial Street Investment (Group) Co., Ltd. was approved as the de facto controller of the Company.

(III) Status of Shareholders Holding more than 10% of the Company's Shares as at the end of the Reporting Period

Excluding HKSCC Nominees Limited, the shares held by which were owned by non-registered H shareholders.

No.	Name of shareholders	Legal representative	Date of establishment	Registered capital *(RMB'000)*	Registered address	Principal business
1	Beijing Huarong Zonghe Investment Co., Ltd.	Zhu Yanhui (祝豔輝)	8 July 1992	651,692.786765	East Zone, 11/F Block B, Tongtai Mansion, No. 33 Financial Street, Xicheng District, Beijing	Investment management; assets management; investment consultancy; economic and trade consultancy; financial consultancy; technology development and service
2	Tianfeng Securities Co., Ltd.	Pang Jiemin (龐介民)	29 March 2000	1,007,398.5234	20/F, Tianfeng Securities Building, No.446 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan, Hubei	Provisions of intermediary business for futures companies; securities brokerage; securities investment and consultation; financial advisor related to securities transactions and securities investment activities; proxy sale of securities investment funds; securities under writing and sponsorship; securities dealing; securities margin trading; proxy sale of financial products
3	Baotou Huazi Industry Co., Ltd.	Zhang Zhijun (張志軍)	30 November 1998	48,493.20	No. 40 Lvye Avenue, Donghe District, Baotou City, Inner Mongolia Autonomous Region	Food production; food additive production; food sales; grain processing and food production; production of wine products; animal feeding and breeding; grain purchase; grain and oil storage service; food additives sales; wholesale of edible agricultural products, etc.

IV. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, to the knowledge of the Directors after having made all reasonable enquiries, the following persons (excluding the Directors or senior management of the Company) had interests or short positions in the shares or underlying shares of the Company which had to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and were recorded, pursuant to Section 336 of the SFO, in the register referred to therein:

Name of substantial shareholders	Class of Shares	Nature of interest	Number of shares held *(shares)*	Approximate percentage of total number of issued shares of the Company[1] *(%)*	Approximate percentage of the Company's total issued Domestic Shares/ H Shares[1] *(%)*	Long positions/ short positions/ shares available for lending
Huarong Zonghe Investment [2]	Domestic Shares	Beneficial owner	569,895,304	21.8806	26.4610	Long positions
Financial Street Xihuan Properties [3]	Domestic Shares	Beneficial owner	211,472,315	8.1193	9.8189	Long positions
Huarong Infrastructure [3]	Domestic Shares	Interests of controlled corporation	211,472,315	8.1193	9.8189	Long positions
Financial Street Investment [2, 3, 4]	Domestic Shares	Interests of controlled corporation	781,367,619	29.9999	36.2799	Long positions
Financial Street Capital [2, 3, 4]	Domestic Shares	Interests of controlled corporation	781,367,619	29.9999	36.2799	Long positions
SASAC Xicheng District [2, 3, 4]	Domestic Shares	Interests of controlled corporation	781,367,619	29.9999	36.2799	Long positions
Tianfeng Securities	Domestic Shares	Beneficial owner	440,618,114	16.9171	20.4585	Long positions
Baotou Huazi	Domestic Shares	Beneficial owner	308,000,000	11.8254	14.3008	Long positions
Huifa Technology [5]	Domestic Shares	Beneficial owner	154,000,000	5.9127	7.1504	Long positions
Ms. Chen Shan [5]	Domestic Shares	Interests of controlled corporation	154,000,000	5.9127	7.1504	Long positions
Mr. Shen Weimin [5]	Domestic Shares	Interests of controlled corporation	154,000,000	5.9127	7.1504	Long positions
Hongzhi Huitong [6]	Domestic Shares	Beneficial owner	123,500,000	4.7417	5.7343	Long positions
Shaanxi Tianchen [6]	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions
Hangzhou Ruisi [6]	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions
Suzhou Bingtai [6]	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions
Mr. Zhou Zhiqiang [6]	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions

Name of substantial shareholders	Class of Shares	Nature of interest	Number of shares held *(shares)*	Approximate percentage of total number of issued shares of the Company[1] *(%)*	Approximate percentage of the Company's total issued Domestic Shares/ H Shares[1] *(%)*	Long positions/ short positions/ shares available for lending
Glowing Lane Limited[7]	H Shares	Beneficial owner	124,724,000	4.7887	27.6644	Long positions
KUO YUNG CHUN[7]	H Shares	Interests of controlled corporation	124,724,000	4.7887	27.6644	Long positions
Ravi Global Limited[8]	H Shares	Beneficial owner	123,206,000	4.7304	27.3277	Long positions
Quick Idea Investments Limited[8]	H Shares	Interests of controlled corporation	123,206,000	4.7304	27.3277	Long positions
G-Resources Group Limited[8]	H Shares	Interests of controlled corporation	123,206,000	4.7304	27.3277	Long positions
Guotai Fund Management Co., Ltd. (國泰基金管理有限公司)	H Shares	Investment manager	72,161,000	2.7706	16.0057	Long positions

Notes：

1. As at 31 December 2025, there was a total of 2,604,567,412 shares of the Company in issue, comprising 2,153,721,412 Domestic Shares and 450,846,000 H Shares.

2. Huarong Zonghe Investment is wholly owned by Financial Street Investment. Therefore, Financial Street Investment is deemed to be interested in 569,895,304 Domestic Shares held by Huarong Zonghe Investment.

3. 90.00% of the equity interest in Financial Street Xihuan Properties is held by Huarong Infrastructure, and 100% of the equity interest in Huarong Infrastructure is held by Financial Street Investment. Therefore, each of Huarong Infrastructure and Financial Street Investment is deemed to be interested in 211,472,315 Domestic Shares held by Financial Street Xihuan Properties.

4. 62.06% and 37.94% of the equity interest in Financial Street Investment is held by Financial Street Capital and SASAC Xicheng District, respectively, and 100% of the equity interest of Financial Street Capital is held by SASAC Xicheng District. Therefore, each of Financial Street Capital and SASAC Xicheng District is deemed to be interested in 781,367,619 Domestic Shares held indirectly by Financial Street Investment.

5. 53.33% and 46.67% of the equity interest in Huifa Technology is held by Mr. Shen Weimin (沈為民) and Ms. Chen Shan (陳姍), respectively. Therefore, each of Mr. Shen Weimin (沈為民) and Ms. Chen Shan (陳姍) is deemed to be interested in 154,000,000 Domestic Shares held by Huifa Technology.

6. 97.67% of the equity interest in Hongzhi Huitong is held by Shaanxi Tianchen. 98.67% of the equity interest in Shaanxi Tianchen is held by Hangzhou Ruisi. 100% of the equity interest in Hangzhou Ruisi is held by Suzhou Bingtai. 81.82% of the equity interest in Suzhou Bingtai is held by Mr. Zhou Zhiqiang (周志強). Therefore, each of Shaanxi Tianchen, Hangzhou Ruisi, Suzhou Bingtai and Mr. Zhou Zhiqiang (周志強) is deemed to be interested in 123,500,000 Domestic Shares held by Hongzhi Huitong.

7. 100.00% of the equity interest in Glowing Lane Limited is held by KUO YUNG CHUN. Therefore, KUO YUNG CHUN is deemed to be interested in 124,724,000 H Shares held by Glowing Lane Limited.

8. 100% of the equity interest in Ravi Global Limited is held by Quick Idea Investments Limited. 100% of the equity interest in Quick Idea Investments Limited is held by G-Resources Group Limited. Therefore, each of Quick Idea Investments Limited and G-Resources Group Limited is deemed to be interested in the 123,206,000 H Shares held by Ravi Global Limited.

Save as disclosed above, as at 31 December 2025, the Company is not aware of any other persons (excluding the Directors and senior management of the Company) having any interest or short position in the shares or underlying shares of the Company which will be required to be recorded in the register under Section 336 of the SFO.

V. PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the relevant PRC laws which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

I. BASIC INFORMATION ABOUT INCUMBENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THOSE LEAVING OFFICE DURING THE REPORTING PERIOD

(I) Directors

No.	Name	Gender	Age	Positions	Term of office	Total remuneration (before tax) received from the Company during the Reporting Period *(RMB in thousand)*	Remarks
1	Zhu Yanhui (祝豔輝)	Male	51	Chairman of the Board and executive Director	8 September 2023 to 7 September 2026	0	–
2	Yin Guohong (銀國宏)	Male	52	Executive Director	25 November 2025 to 7 September 2026	2,335	Appointed on 25 November 2025.
3	Pang Jiemin (龐介民)	Male	54	Non-executive Director	10 January 2025 to 7 September 2026	73	Appointed on 10 January 2025.
4	Wang Linjing (王琳晶)	Male	51	Non-executive Director	8 September 2023 to 7 September 2026	75	–
5	Li Yanyong (李延永)	Male	59	Non-executive Director	8 September 2023 to 7 September 2026	75	–
6	Xie Xin (謝鑫)	Male	43	Non-executive Director	25 November 2025 to 7 September 2026	0	Appointed on 25 November 2025.
7	Zhou Lijun (周立軍)	Male	47	Employee Representative Director	25 November 2025 to 7 September 2026	1,366	Appointed on 25 November 2025.
8	Chen Xin (陳欣)	Male	50	Independent non–executive Director	8 September 2023 to 7 September 2026	150	–
9	Xu Hongcai (徐洪才)	Male	61	Independent non–executive Director	8 September 2023 to 7 September 2026	150	–
10	Cheng Zhuo (程茁)	Female	51	Independent non–executive Director	8 September 2023 to 7 September 2026	150	–
11	Qi Liang (齊亮)	Male	56	Independent non-executive Director	25 November 2025 to 7 September 2026	13	Appointed on 25 November 2025.

No.	Name	Gender	Age	Positions	Term of office	Total remuneration (before tax) received from the Company during the Reporting Period *(RMB in thousand)*	Remarks
12	Yu Lei (余磊)	Male	48	Non-executive Director (resigned)	8 September 2023 to 10 January 2025	2	Resigned as a non-executive Director with effect from 10 January 2025.
13	Li Ye (李曄)	Male	51	Non-executive Director (resigned)	8 September 2023 to 25 November 2025	0	Resigned as a non-executive Director with effect from 25 November 2025.
14	Yang Qin (楊琴)	Female	45	Non-executive Director (resigned)	8 September 2023 to 25 November 2025	0	Resigned as a non-executive Director with effect from 25 November 2025.

Notes:

1. According to the resolution on "Allowance of the Directors of the Fifth Session of the Board of Directors and the Supervisors of the Fifth Session of the Supervisory Committee" considered and approved at the 2023 second extraordinary general meeting, Mr. Zhu Yanhui, being an executive Director, did not receive any remuneration or allowance as a Director from the Company. Non-executive Directors is proposed to receive the annual fixed allowance of RMB75,000 (tax inclusive) per person per annum. Among them, Mr. Xie Xin, a Non-executive Director, Mr. Li Ye and Ms. Yang Qin, both being non-executive Directors who have resigned, waived their allowances as Directors of the Company. Independent non-executive Directors is proposed to receive the annual fixed allowance of RMB150,000 (tax inclusive) per person per annum.

2. During the Reporting Period, Mr. Yin Guohong, an Executive Director, did not receive any Director's allowance from the Company. The total remuneration (before tax) received by Mr. Yin Guohong from the Company during the Reporting Period comprised the remuneration he received for serving as the president of the Company, in accordance with the Company's relevant remuneration management system.

3. During the Reporting Period, Mr. Zhou Lijun, the employee representative director, did not receive any director's allowance from the Company. The total remuneration (before tax) received by Mr. Zhou Lijun from the Company during the Reporting Period comprised the remuneration he received for his management role at the Company, in accordance with the Company's relevant remuneration management system.

(II) Supervisors

No.	Name	Gender	Age	Positions	Term of office	Total remuneration (before tax) received from the Company during the Reporting Period *(RMB in thousand)*	Remarks
1	Yu Lei (于蕾)	Female	53	Chairman of the Supervisory Committee	8 September 2023 to 25 November 2025	1,822	Supervisory Committee revoked on 25 November 2025.
2	Chen Feng (陳風)	Male	46	Shareholder representative Supervisor	8 September 2023 to 25 November 2025	55	Supervisory Committee revoked on 25 November 2025.
3	Wang Hui (王慧)	Male	52	Employee representative Supervisor	8 September 2023 to 25 November 2025	1,211	Supervisory Committee revoked on 25 November 2025.

Note:

1. On 25 November 2025, the resolution on the Proposed Abolishment of the Supervisory Committee and Amendments to the Articles of Association was considered and approved at the 2025 fourth extraordinary general meeting of the Company. The Company abolished the Supervisory Committee on 25 November 2025.

2. During the Reporting Period, Ms. Yu Lei did not receive any supervisor allowance from the Company. The total pre-tax remuneration received by Ms. Yu Lei from the Company during the Reporting Period represents the remunerations paid to her in accordance with the Company's relevant remuneration management policies in respect of her managerial position with the Company.

3. During the Reporting Period, Mr. Wang Hui did not receive any supervisor allowance from the Company. The total pre-tax remuneration received by Mr. Wang Hui from the Company during the Reporting Period represents the remunerations paid to him in accordance with the Company's relevant remuneration management policies in respect of his managerial position with the Company.

(III) Senior Management

No.	Name	Gender	Age	Positions	Term of office	Total remuneration (before tax) received from the Company during the Reporting Period *(RMB in thousand)*	Remarks
1	Yin Guohong (銀國宏)	Male	52	President	8 September 2023 to 7 September 2026	–	–
2	Yu Lei (于蕾)	Female	53	Vice president and chief financial officer	25 November 2025 to 7 September 2026	–	Appointed on 25 November 2025.
3	Zhang Wei (張偉)	Male	55	Vice president	8 September 2023 to 7 September 2026	1,480	–
4	Yang Shufei (楊淑飛)	Female	52	Vice president	8 September 2023 to 7 September 2026	1,809	–
5	Tang Jun (唐軍)	Male	56	Vice president	8 September 2023 to 7 September 2026	1,674	–
6	Yang Jinliang (楊金亮)	Male	49	Vice president	29 March 2025 to 7 September 2026	989	Appointed on 29 March 2025.
7	Zhang Jingshun (張景順)	Male	42	Secretary of the Board and joint company secretary	8 September 2023 to 7 September 2026	1,763	–

No.	Name	Gender	Age	Positions	Term of office	Total remuneration (before tax) received from the Company during the Reporting Period *(RMB in thousand)*	Remarks
8	Liu Zhanjun (劉佔軍)	Male	49	Chief compliance officer and chief risk officer	8 September 2023 to 7 September 2026	1,862	–
9	Cheng Wendong (程文東)	Male	55	Chief information officer	28 September 2023 to 7 September 2026	1,539	–
10	Sun Hang (孫航)	Male	60	Chief financial officer (Retired)	8 September 2023 to 31 October 2025	1,577	Retired on 31 October 2025.

Notes:

1. During the Reporting Period, details of the total pre-tax remuneration received by Mr. Yin Guohong, president of the Company, from the Company are set out in (I) Directors of this section.

2. During the Reporting Period, details of the total pre-tax remuneration received by Ms. Yu Lei, vice president and chief financial officer of the Company, from the Company are set out in (II) Supervisors of this section.

II. APPOINTMENT OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN SHAREHOLDERS' COMPANIES AND OTHER COMPANIES

(I) Appointment in Shareholders' Companies

No.	Name	Position in the Company	Employing unit	Position in shareholders' company	Term of office
1	Zhu Yanhui (祝豔輝)	Chairman of the Board and executive Director	Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司)	Deputy Secretary of the Party Committee, vice chairman and general manager	September 2023 to present
			Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司)	Legal representative, chairman of the board and general manager	October 2022 to present
2	Pang Jiemin (龐介民)	Non-executive Director	Tianfeng Securities Co., Ltd. (天風證券股份有限公司)	Secretary of the Party Committee	October 2024 to present
			Tianfeng Securities Co., Ltd. (天風證券股份有限公司)	Chairman of the board	February 2024 to present
3	Wang Linjing (王琳晶)	Non-executive Director	Tianfeng Securities Co., Ltd. (天風證券股份有限公司)	Director	November 2020 to present
			Tianfeng Securities Co., Ltd. (天風證券股份有限公司)	President	December 2019 to present
4	Xie Xin (謝鑫)	Non-executive Director	Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司)	Chief of human resources officer	January 2023 to president
			Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司)	Chief administrative officer, chief security officer	November 2023 to president
5	Li Yanyong (李延永)	Non-executive Director	Baotou Huazi Industry Co., Ltd. (包頭華資實業股份有限公司)	Legal representative and chairman	May 2022 to July 2025
			Baotou Huazi Industry Co., Ltd. (包頭華資實業股份有限公司)	Senior advisor	July 2025 to present

(II) Appointment in other Units

No.	Name	Position in the Company	Employing unit	Position in other units	Term of office
1	Zhu Yanhui (祝豔輝)	Chairman of the Board and executive Director	Beijing Xicheng Charity Association (北京西城慈善協會)	Chairman	May 2018 to July 2025
			China Structural Reform Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司)	Director	December 2023 to present
			Beijing Financial Street Chamber of Commerce (北京金融街商會)	Executive vice chairman	May 2024 to present
			Beijing Xicheng District Enterprise and Entrepreneur Association (北京市西城區企業和企業家聯合會)	President of the third session of the board of directors	December 2024 to present
2	Yin Guohong (銀國宏)	Executive Director	Inner Mongolia Securities and Futures Industry Association (內蒙古證券期貨業協會理事會)	President	September 2023 to present
3	Xie Xin (謝鑫)	Non-executive Director	CASIC Smart Development Co., Ltd. (航天科工智慧產業發展有限公司)	Director	November 2017 to present
4	Li Yanyong (李延永)	Non-executive Director	Shandong Yuanjun Real Estate Co., Ltd. (山東元駿置業有限公司)	Supervisor	August 2013 to present
			Hainan Shengtai Chuangfa Industrial Co., Ltd. (海南盛泰創發實業有限公司)	Legal representative, executive director and chief financial officer	October 2020 to April 2025
			Shenzhen Guoer Investment Co., Ltd. (深圳國而投資有限公司)	Legal representative, executive director and general manager	August 2007 to present

No.	Name	Position in the Company	Employing unit	Position in other units	Term of office
5	Chen Xin (陳欣)	Independent non-executive Director	Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學上海高級金融學院)	Professor	January 2017 to January 2025
			Yunnan Investment Holding Group Co., Ltd. (雲南省投資控股集團有限公司)	Director	January 2021 to April 2025
			Shengsheng Supply CHAIN Management (Ningbo) Co., Ltd. (上海生生醫藥冷鏈科技股份有限公司)	Director	January 2022 to February 2025
			Xiamen Bank Co., Ltd. (廈門銀行股份有限公司)	Independent director	July 2021 to present
			Guangdong Qunxing Toys Joint-Stock Co., Ltd. (廣東群興玩具股份有限公司)	Independent director	October 2022 to November 2025
			Da Ming International Holdings Limited (大明國際控股有限公司)	Independent non-executive director	December 2021 to present
			Shanghai Lingang Holdings Co., Ltd. (上海臨港控股股份有限公司)	Independent director	October 2024 to present
			Axera Semiconductor Co., Ltd. (愛芯元智半導體股份有限公司)	Independent non-executive director	February 2026 to present
			Dishui Lake Advanced Finance Institute of Shanghai University of Finance and Economics (上海財經大學滴水湖高級金融學院)	Professor and director of the capital market research center	February 2025 to present
			Shanghai University of Finance and Economics-Shanghai Pudong Development Bank Financial Innovation Research Institute (上海財經大學浦發銀行金融創新研究院)	Deputy director	June 2025 to present

No.	Name	Position in the Company	Employing unit	Position in other units	Term of office
6	Cheng Zhuo (程茁)	Independent non-executive Director	School of Accounting and Finance of The Hong Kong Polytechnic University (香港理工大學會計金融學院)	Associate professor	July 2012 to present
7	Xu Hongcai (徐洪才)	Independent non-executive Director	China Everbright Group Ltd.* (中國光大集團股份公司)	Independent director	January 2022 to present
			China Life Asset Management Company Ltd. (中國人壽資產管理公司)	Independent director	December 2020 to present
			Beijing Honglue Consulting Co., Ltd. (北京洪略諮詢有限公司)	Chairman of the board	August 2025 to present
			Chongqing VDL. Electronics Co., Ltd. (重慶市紫建電子股份有限公司)	Independent director	October 2025 to present
			Fuze Life Insurance Co., Ltd. (富澤人壽保險股份有限公司)	Independent director	December 2025 to present
8	Qi Liang (齊亮)	Independent non-executive Director	Mingshi Group Company Limited (明世集團有限公司)	Chairman of the board	June 2018 to present
			Mingshi Partners Private Equity Fund Management (Zhuhai) Co., Ltd. (明世夥伴私募基金管理(珠海)有限公司)	Chairman of the board	June 2018 to present
			Zhongguancun Fintech Industry Development Alliance (中關村金融科技產業發展聯盟)	Chairman of the board of supervisors	October 2019 to present
			Pacific Asset Management Co., Ltd. (太平洋資產管理有限責任公司)	Independent director	August 2022 to present

* *For identification purpose only*

III. BIOGRAPHICAL DETAILS OF INCUMBENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Directors

Mr. Zhu Yanhui (祝豔輝) ("Mr. Zhu"), aged 51, has been the Chairman of the Board and an executive Director since December 2022. Mr. Zhu is currently the deputy secretary to the Party Committee, vice chairman and general manager of Financial Street Investment, the legal representative, chairman and general manager of Huarong Zonghe Investment, the director of China Structural Reform Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司), the executive vice chairman of the Beijing Financial Street Chamber of Commerce (北京金融街商會) and the president of the third session of the board of directors of Beijing Xicheng District Enterprise and Entrepreneur Association (北京市西城區企業和企業家聯合會). Mr. Zhu successively served as an engineer and the project manager of the engineering department, an assistant to the general manager and the deputy general manager of the manager office of Financial Street Holdings Co., Ltd. (金融街控股股份有限公司), as well as the general manager of the manager office and an executive director of Financial Street (Beijing) Real Estate Co., Ltd.* (金融街(北京)置業有限公司) and Financial Street (Tianjin) Real Estate Co., Ltd. (金融街(天津)置業有限公司). Mr. Zhu served as the chairman of the supervisory committee, secretary to the Party Committee and a director of Greatwall Life Insurance Co., Ltd. (長城人壽保險股份有限公司). Mr. Zhu also served as the member to the Party Committee, deputy general manager and director of Financial Street Investment. Mr. Zhu graduated from the Beijing Institute of Civil Engineering and Architecture (北京建築工程學院) in July 1996 with a bachelor's degree majoring in civil engineering.

Mr. Yin Guohong (銀國宏) ("Mr. Yin"), aged 52, has been an executive Director since November 2025. Mr. Yin has been the President of the Company since September 2023 and the deputy secretary to the Party Committee since March 2024. Mr. Yin has been the legal representative and chairman of the board of Hengtai Futures since October 2023 as well as the legal representative and chairman of Xin Hua Fund since December 2024. Mr. Yin is currently the president of Inner Mongolia Securities and Futures Industry Association (內蒙古證券期貨業協會理事會). Mr. Yin successively served as senior researcher and the assistant director of the Research Institute of CSC Financial Co., Ltd. (中信建投證券股份有限公司研究所). Mr. Yin successively served as the director of the Research Institute, general manager of asset management headquarters, assistant general manager and deputy general manager of Dongxing Securities Co., Ltd. (東興證券股份有限公司), the chairman of Dongxing Fund Management Co., Ltd. (東興基金管理有限公司) and the chairman of Dongxing Futures Co., ltd. (東興期貨有限責任公司). Mr. Yin served as the deputy head of the preparatory team of the asset management subsidiary of China United Insurance Holding Corporation (中華聯合保險集團股份有限公司). Mr. Yin graduated from Central University of Finance and Economics (中央財經大學) in July 1996 with a bachelor's degree in economics, from Central University of Finance and Economics in June 1999 with a master's degree in economics and from the Chinese Academy of Social Sciences (中國社會科學院) in July 2005 with a doctorate degree in economics.

Mr. Pang Jiemin (龐介民) ("Mr. Pang"), aged 54, has been a non-executive Director since January 2025. Mr. Pang is currently the secretary of the Party Committee and chairman of Tianfeng Securities (天風證券) (a company listed on the Shanghai Stock Exchange, stock code: 601162). Mr. Pang worked at the Beijing Branch of the People's Bank of China (中國人民銀行北京分行), the institutional supervision department of China Securities Regulatory Commission (中國證監會機構監管部), and the Financial Services Office of Xicheng District, Beijing (北京市西城區金融服務辦公室). Mr. Pang served as the deputy general manager of Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司), and chief operating officer and general manager of compliance and risk control department of China Galaxy Financial Holdings Company Limited (中國銀河金融控股有限責任公司). Mr. Pang served as the chairman of the Company from December 2010 to December 2020. From January 2024 to September 2024, Mr. Pang served as the deputy secretary of the Party Committee of Tianfeng Securities. Mr. Pang graduated from Hebei College of Finance and Economics (河北財經學院) (now known as Hebei University of Economics and Business (河北經貿大學)) with a bachelor's degree in finance in July 1993; obtained a master's degree in economics from Central Institute of Finance and Banking (中央財政金融學院) (now known as Central University of Finance and Economics (中央財經大學)) in March 1996; and obtained a doctor's degree in economics in Southwestern University of Finance and Economics (西南財經大學) in January 2005.

Mr. Wang Linjing (王琳晶) ("Mr. Wang"), aged 51, has been a non-executive Director since September 2019. Mr. Wang is currently the president and a director of Tianfeng Securities (listed on the Shanghai Stock Exchange, stock code: 601162). Mr. Wang has been the chairman and a legal representative of Hengtai Changcai from October 2020 to January 2026. Mr. Wang worked at National Development and Reform Commission and China Tongda Electronic Network System Company (中國通達電子網絡系統公司). Mr. Wang obtained his doctorate degree from the Chinese Academy of Social Sciences (中國社會科學院) in July 2005.

Mr. Li Yanyong (李延永) ("Mr. Li"), aged 59, has been a non-executive Director since September 2023. Mr. Li is currently the senior advisor of Baotou Huazi (listed on the Shanghai Stock Exchange, stock code: 600191), the legal representative, an executive director and the general manager of Shenzhen Guoer Investment Co., Ltd. (深圳國而投資有限公司) and a supervisor of Shandong Yuanjun Real Estate Co., Ltd. (山東元駿置業有限公司). Mr. Li was the deputy director of the securities department of Shengli Oilfield Daming Group Co., Ltd. (勝利油田大明集團股份有限公司), the general manager of Shenzhen Bojie Investment Development Co., Ltd. (深圳博傑投資發展有限公司), the legal representative of Shenzhen Guoxin Guarantee Co., Ltd. (深圳國信擔保有限公司), the secretary to the board of directors of Shandong Huiying Technology Co., Ltd. (山東惠影科技股份有限公司) and the legal representative of Huimin Chenguang Experimental School. Mr. Li was the legal representative, an executive director and the chief financial officer of Hainan Shengtai Chuangfa Industrial Co., Ltd. (海南盛泰創發實業有限公司). Mr. Li graduated from China University of Petroleum in July 1989 with a bachelor's degree in industrial management engineering and graduated from China University of Petroleum in March 1993 with a master's degree in industrial management engineering.

Mr. Xie Xin (謝鑫) ("Mr. Xie"), aged 43, has been a non-executive Director since November 2025. Mr. Xie currently serves as the human resources director, administrative director and security director of Financial Street Investment and a director of CASIC Smart Development Co., Ltd.* (航天科工智慧產業發展有限公司). Mr. Xie successively served as the training manager of the human resources department of Huarong Zonghe Investment, the business manager, deputy general manager and general manager of the human resources department of Financial Street Investment and the associate director of the human resources of Financial Street Investment. Mr. Xie served as a supervisor of Financial Street Holdings Co., Ltd. (金融街控股股份有限公司) and a supervisor of Huarong Zonghe Investment. Mr. Xie graduated from Lanzhou Jiaotong University in July 2007 with a bachelor's degree in management, from Peking University in June 2019 with a master's degree in science and from Shanghai Jiao Tong University in March 2021 with a master's degree in business administration.

Mr. Zhou Lijun (周立軍) ("Mr. Zhou"), aged 47, has been the employee representative Director (Non-executive Director) since November 2025. Mr. Zhou has been serving as the general manager of the financial management department of the Company since September 2021, as a director of Hengtai Futures since July 2023, and as a director of Hengtai Changcai since January 2025. Mr. Zhou previously served as an audit project manager of Reanda Certified Public Accountants (利安達信隆會計師事務所), audit department manager of Hubei Huafeng Certified Public Accountants (湖北華豐會計師事務所), and on-site office head of the audit and inspection department of Union Life Insurance Co., Ltd. (合眾人壽保險股份有限公司). Mr. Zhou has successively held the positions of the audit responsible person, general manager of the audit department, employee supervisor, and a member of the discipline inspection committee of Great Wall Life Insurance Co., Ltd. (長城人壽保險股份有限公司). Mr. Zhou also served as the business manager of the risk and audit department of Financial Street Investment. Mr. Zhou graduated from Jilin University of Finance and Economics with a bachelor's degree in economics in July 2001 and obtained a master's degree in accounting from Wuhan University in July 2007.

Mr. Chen Xin (陳欣) ("Mr. Chen"), aged 50, has been an independent non-executive Director since September 2023. Mr. Chen is currently a professor of practice, the director of the capital market research center at Dishui Lake Advanced Finance Institute of Shanghai University of Finance and Economics (上海財經大學滴水湖高級金融學院) and the deputy director of of practice Shanghai University of Finance and Economics-Shanghai Pudong Development Bank Financial Innovation Research Institute (上海財經大學浦發銀行金融創新研究院). Mr. Chen is currently an independent director of Xiamen Bank Co., Ltd. (廈門銀行股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 601187), and Shanghai Lingang Holdings Co., Ltd. (上海臨港控股股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600848). Mr. Chen is currently an independent non-executive director of both Axera Semiconductor Co., Ltd. (愛芯元智半導體股份有限公司) (listed on the Hong Kong Stock Exchange, stock code: 00600) and Da Ming International Holdings Limited (大明國際控股有限公司) (listed on the Hong Kong Stock Exchange, Stock code: 01090). Mr. Chen is a member of the Third Session of the Independent Directors Special Committee of the China Association for Public Companies. Mr. Chen served as the chairman of Yunnan Credit Promotion Co., Ltd. (雲南省信用增進有限公司), an associate professor of Antai School of Economics and Management of Shanghai Jiao Tong University, an associate professor and professor of Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University. Mr. Chen graduated from the Huazhong University of Science and Technology with a bachelor's degree in international trade in July 1996 and from the University of Minnesota System with a doctorate degree in finance in August 2005.

Mr. Xu Hongcai (徐洪才) ("Mr. Xu"), aged 61, has been an independent non-executive Director since September 2023. Mr. Xu currently serves as an independent director of China Life Asset Management Company Ltd., China Everbright Group Ltd.*, Chongqing VDL. Electronics Co., Ltd. (重慶市紫建電子股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 301121) and Fuze Life Insurance Co., Ltd. (富澤人壽保險股份有限公司). Mr. Xu currently serves as chairman of Beijing Honglue Consulting Co., Ltd. (北京洪略諮詢有限公司). Mr. Xu served as the assistant engineer of Anqing Sinopec of Sinopec Group, a chief officer of the National Financial Debt Office of the Head Office of the People's Bank of China, the deputy general manager of the Shanghai Head Office of GF Securities Co., Ltd., the vice president of Beijing Venture Capital Co., Ltd., a professor of Capital University of Economics and Business, and a deputy chief economist of China Center for International Economic Exchanges. Mr. Xu graduated from Renmin University of China in July 1993 with a master's degree in philosophy, and graduated from the Chinese Academy of Social Sciences in July 1996 with a doctorate degree in industrial economics.

Ms. Cheng Zhuo (程茁) ("Ms. Cheng"), aged 51, has been an independent non-executive Director since September 2023. Ms. Cheng has been an associate professor since July 2012 at the School of Accounting and Finance of The Hong Kong Polytechnic University. From August 2005 to June 2012, Ms. Cheng served as an assistant professor at the School of Accounting and Finance of The Hong Kong Polytechnic University. Ms. Cheng served as a lecturer at Hubei University of Economics and a research assistant at the University of Missouri in the United States. Ms. Cheng graduated from Huazhong University of Science and Technology in July 1996 with a bachelor's degree and a major in Industrial Management and Engineering (with a minor in Computer and Application), and graduated from the Fisher College of Business of The Ohio State University in July 2005 with a doctoral degree and a major in Accounting and Management Information Systems.

Mr. Qi Liang (齊亮) ("Mr. Qi"), aged 56, has been an independent non-executive Director since November 2025. Mr. Qi currently serves as the chairman of Mingshi Group Company Limited, the chairman of Mingshi Partners Private Equity Fund Management (Zhuhai) Co., Ltd. (明世夥伴私募基金管理(珠海)有限公司), the chairman of the board of supervisors of the Zhongguancun Fintech Industry Development Alliance, and an independent director of Pacific Asset Management Co., Ltd. Mr. Qi served as president of CSC Financial Co., Ltd., the vice president of China Galaxy Securities Co., Ltd., the director of the Shenzhen Stock Exchange, the vice chairman of the brokerage committee of the Securities Association of China, the vice chairman of the Market Trading Management Committee of the Shanghai Stock Exchange, and the vice chairman of the Listing Cultivation Committee of the Shenzhen Stock Exchange. Mr. Qi graduated from the University of International Business and Economics in July 1992 with a bachelor's degree in finance, from the Central University of Finance and Economics in September 1999 with a master's degree in accounting and from Guanghua School of Management of Peking University in April 2001 with an executive master's degree in business administration.

(II) Senior Management

Mr. Yin Guohong (銀國宏) ("Mr. Yin"), aged 52, has been an executive Director since November 2025. Mr. Yin has been the President of the Company since September 2023 and the deputy secretary to the Party Committee since March 2024. Mr. Yin has been the legal representative and chairman of the board of Hengtai Futures since October 2023 as well as the legal representative and chairman of Xin Hua Fund since December 2024. Mr. Yin is currently the president of Inner Mongolia Securities and Futures Industry Association (內蒙古證券期貨業協會理事會). Mr. Yin successively served as senior researcher and the assistant director of the Research Institute of CSC Financial Co., Ltd. (中信建投證券股份有限公司研究所). Mr. Yin successively served as the director of the Research Institute, general manager of asset management headquarters, assistant general manager and deputy general manager of Dongxing Securities Co., Ltd. (東興證券股份有限公司), the chairman of Dongxing Fund Management Co., Ltd. (東興基金管理有限公司) and the chairman of Dongxing Futures Co., ltd. (東興期貨有限責任公司). Mr. Yin served as the deputy head of the preparatory team of the asset management subsidiary of China United Insurance Holding Corporation (中華聯合保險集團股份有限公司). Mr. Yin graduated from Central University of Finance and Economics (中央財經大學) in July 1996 with a bachelor's degree in economics, from Central University of Finance and Economics in June 1999 with a master's degree in economics and from the Chinese Academy of Social Sciences (中國社會科學院) in July 2005 with a doctorate degree in economics.

Ms. Yu Lei (于蕾) ("Ms. Yu"), aged 53, has been the vice president and chief financial officer of the Company since November 2025. Ms. Yu previously served as the project manager and a partner of Jilin Certified Public Accountants* (吉林會計師事務所), the deputy director, deputy chief accountant and a partner of Jilin Reanda Certified Public Accountants* (吉林利安達會計師事務所), a department manager of Beijing Reanda Xinlong Certified Public Accounts Co., Ltd.* (北京利安達信隆會計師事務所). Ms. Yu previously served as the manager of the audit department of Greatwall Life Insurance Co., Ltd. (長城人壽保險股份有限公司). Ms. Yu successively served as the deputy general manager of the audit department, general manager of the risk audit department and chief risk officer of Financial Street Investment. Ms. Yu previously served as the chairman of the board of supervisors of Greatwall Wealth Insurance Asset Management Co., Ltd. (長城財富保險資產管理股份有限公司), the chairman of the board of supervisors of Beijing Financial Street Group Finance Company Limited (北京金融街集團財務有限公司), a director of Beijing Financial Assets Exchange Co., Ltd. (北京金融資產交易所有限公司) and the chairlady of the board of supervisors of Huarong Zonghe Investment. Ms. Yu served as a non-executive director of the Company from December 2022 to September 2023. Ms. Yu was the chairlady of the Supervisory Committee from September 2023 to November 2025. Ms. Yu graduated from Changchun Taxation College (長春稅務學院) in July 1994 with a bachelor's degree majoring in accounting. Ms. Yu possesses professional qualifications including Chinese certified public accountant, certified public valuer, certified tax accountant and international certified internal auditor.

Mr. Zhang Wei (張偉) ("Mr. Zhang"), aged 55, has been a vice president of the Company since October 2008. Mr. Zhang has served as a director of Hengtai Capital since March 2025. Mr. Zhang served as the president assistant and a vice president of the Company from August 2002 to November 2006 and from November 2006 to September 2008, respectively. Mr. Zhang served as the secretary of the Board of the Company from November 2011 to April 2020, the legal representative and an executive director of Hengtai Changcai from June 2014 to October 2020, and one of the joint company secretaries of the Company from March 2015 to June 2020. Mr. Zhang served as the general manager of Hengtai Changcai from June 2014 to January 2026, and as a director of Hengtai Changcai from October 2020 to January 2026. Mr. Zhang served as a manager of general management department in China National Heavy Duty Truck Finance Co., Ltd. (中國重汽財務有限公司) and a secretary of the Communist Youth League of China National Heavy Duty Truck Group Jinan Truck Co., Ltd. (中國重汽集團濟南卡車公司). Mr. Zhang graduated from Shandong University (山東大學) with a bachelor's degree majoring in public finance in July 1994.

Ms. Yang Shufei (楊淑飛) ("Ms. Yang"), aged 52, has been the vice president of the Company since April 2020. Ms. Yang has served as a director of Hengtai Futures since August 2021. Ms. Yang has served as the chairman and legal representative of Hengtai Pioneer since March 2025. Ms. Yang served as the chief financial officer of the Company from October 2016 to April 2020. Ms. Yang has served as a supervisor of Hengtai Capital from October 2017 to March 2025. Ms. Yang worked at Aerospace Trust Investment Co., Ltd. (航天信託投資有限責任公司), and successively served as the manager of the clearing department, the manager of the risk management department, chief accountant, general counsel, board secretary and vice president of CASIC Finance Co., Ltd. (航天科工財務有限責任公司), and the chief financial officer of Huahao Xinlian (Beijing) Kemao Co., Ltd. (華浩信聯(北京)科貿有限公司). Ms. Yang graduated from Renmin University of China (中國人民大學) with a bachelor degree in international finance in July 1995 and obtained a master degree in economics from Peking University (北京大學) in November 2005 and an executive master degree of business administration from Tsinghua University (清華大學) in July 2010.

Mr. Tang Jun (唐軍) ("Mr. Tang"), aged 56, has been the vice president of the Company since May 2020. Mr. Tang served successively as the director, chief economic manager and general manager of CNPC Xinjiang Petroleum Administration (中國石油新疆石油管理局). Mr. Tang served as the assistant dean of Research Institute of Chemical Industry in Beijing (北京市化學工業研究院), the assistant to the president of Mingtian Group (明天集團), the chief executive officer of Jian Tong Investment Co., Ltd. (建通投資有限公司), the vice president of Fortune Joint Investment Group Co., Ltd. (財富聯合投資集團有限公司), the manager of finance and insurance department of Financial Street Investment, and the post-doctor of Institute of Industrial Economics of CASS (中國社會科學院工業經濟研究所). Mr. Tang served successively as the secretary of the board of directors and the deputy general manager of Greatwall Life Insurance Co., Ltd. (長城人壽保險股份有限公司). Mr. Tang graduated from Southwest Petroleum University (西南石油學院) in July 1989 with a bachelor's degree, and obtained a master's degree and a doctor's degree from China University of Petroleum (中國石油大學) in July 2000 and July 2007, respectively.

Mr. Yang Jinliang (楊金亮) ("Mr. Yang"), aged 49, has been the vice president of the Company since March 2025. Mr. Yang has been serving as the chairman and legal representative of Hengtai Capital since January 2026. Mr. Yang has also been serving as a director of Hengtai Changcai since January 2026. Mr. Yang previously served as the director of the office at the China Securities Regulatory Commission, the deputy general manager and chief risk officer at Huarong Securities Co., Ltd. (華融證券股份有限公司), a member of the Party Committee and the deputy general manager at Huarong Zhongguancun Distressed Assets Exchange Center Co., Ltd.* (華融中關村不良資產交易中心股份有限公司), and the chief risk officer concurrently serving as compliance director at China Post Securities Co., Ltd. (中郵證券有限責任公司). Mr. Yang has served as the general manager of Xin Hua Fund from September 2023 to January 2025. Mr. Yang graduated from Beijing Technology and Business University in July 1999 with a bachelor's degree, majoring in accounting. Mr. Yang obtained a master's degree in economics from Peking University in July 2010.

Mr. Zhang Jingshun (張景順) ("Mr. Zhang"), aged 42, has been the secretary of the Board and one of the joint company secretaries of the Company since April 2020 and June 2020, respectively. Mr. Zhang has been serving as the legal representative, chairman and general manager of Hengtai Changcai since January 2026. Mr. Zhang has been the legal representative, executive director and general manager of Hengtai Capital from December 2022 to January 2026. Mr. Zhang has served as the chairman of the supervisory committee of Hengtai Futures since August 2023 to June 2025. Mr. Zhang served as the auditor of Shenzhen Global Jingwei Enterprise Management Consulting Co., Ltd. (深圳環球經緯企業管理諮詢有限公司), the deputy director of the department of political and legal affairs of the National Population and Family Planning Commission (國家人口計生委), the director of the general office of CSRC, and the executive general manager of the investment banking department of Xinda Securities Co., Ltd. (信達證券股份有公司). Mr. Zhang successively served as the deputy director of the secretariat of executive committee and the deputy general manager of the operation and management department of Tianfeng Securities. Mr. Zhang graduated from China University of Political Science and Law (中國政法大學) with a bachelor's degree in economics in June 2006. He obtained a master's degree in economics from China University of Political Science and Law in June 2009, and obtained a doctorate degree in economics from the Chinese Academy of Social Sciences (中國社會科學院) in June 2013 and obtained a master of business administration degree from Tsinghua University in December 2025.

Mr. Liu Zhanjun (劉佔軍) ("Mr. Liu"), aged 49, has been the chief compliance officer of the Company since April 2020, and has been also the chief risk officer of the Company from September 2023. Mr. Liu successively served as the deputy director of the supervision department of listed companies, the director of the office, the director of the institutional supervision department and the director of the inspection department of Inner Mongolia Securities Regulatory Bureau of CSRC. Mr. Liu graduated from Inner Mongolia University of Finance and Economics (內蒙古財經大學) in July 2001 with a bachelor's degree majoring in finance and taxation. He obtained a master's degree in business administration from the School of Economics and Management of Inner Mongolia University of Technology (內蒙古工業大學) in January 2011.

Mr. Cheng Wendong (程文東) ("Mr. Cheng"), aged 55, has been the chief information officer of the Company since September 2023. Mr. Cheng served as an operation and maintenance engineer, deputy general manager and general manager of the information technology department of the Company from August 1997 to August 2023. Mr. Cheng graduated from Inner Mongolia Normal University in July 1992 with a bachelor's degree in Physics, from Inner Mongolia University in July 1997 with a master's degree in Theoretical Physics and from Peking University in July 2006 with a master's degree in Finance.

IV. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in Directors

1. On 10 January 2025, the resolution in relation to the Election of Mr. Pang Jiemin as a Non-executive Director of the Fifth Session of the Board was considered and approved at the 2025 first extraordinary general meeting. Mr. Pang Jiemin was appointed as a non-executive director of the fifth session of the Board for a term commencing from 10 January 2025 until the expiration of the term of office of the fifth session of the Board. Mr. Yu Lei resigned as a non-executive director of the fifth session of the Board with effect from 10 January 2025.

2. On 25 November 2025, the resolutions in relation to the Election of Mr. Yin Guohong as an Executive Director of the Fifth Session of the Board, the Election of Mr. Xie Xin as a Non-executive Director of the Fifth Session of the Board and the Election of Mr. Qi Liang as an Independent Non-executive Director of the Fifth Session of the Board were considered and approved at the 2025 fourth extraordinary general meeting. Mr. Yin Guohong was appointed as an executive Director of the fifth session of the Board, Mr. Xie Xin was appointed as a non-executive Director of the fifth session of the Board, and Mr. Qi Liang was appointed as an independent non-executive Director of the fifth session of the Board, each for a term commencing from 25 November 2025 until the conclusion of the fifth session of the Board. Mr. Li Ye has resigned as a non-executive Director of the fifth session of the Board and Ms. Yang Qin has resigned as a non-executive Director of the fifth session of the Board, both with effect from 25 November 2025.

3. On 25 November 2025, the resolution in relation to the Election of Mr. Zhou Lijun as the Employee Representative Director of the Fifth Session of the Board was considered and approved at the Twelfth Plenary Meeting of the Fourth Session of the Workers' Congress. Mr. Zhou Lijun was appointed as the employee representative Director of the fifth session of the Board (Non-executive Director) for a term commencing from 25 November 2025 until the conclusion of the fifth session of the Board.

(II) Changes in Supervisors

1. On 25 November 2025, the resolution in relation to the Proposed Abolishment of the Supervisory Committee and Amendments to the Articles of Association was considered and approved at the 2025 fourth extraordinary general meeting. The Company abolished the Supervisory Committee on 25 November 2025. Ms. Yu Lei, Mr. Chen Feng and Mr. Wang Hui ceased to serve as Supervisors.

(III) Changes in Senior Management

1. On 29 March 2025, the resolution in relation to the Appointment of Mr. Yang Jinliang as the Company's Vice President was considered and approved at the 21st extraordinary meeting of the fifth session of the Board. It was agreed to appoint Mr. Yang Jinliang as the Company's vice president for a term commencing from 29 March 2025 until the expiration of the term of office of the fifth session of the Board.

2. On 31 October 2025, the resolutions in relation to Mr. Sun Hang's Resignation from the Position of Chief Financial Officer and the Appointment of the President to Act as the Chief Financial Officer were considered and approved at the 32nd extraordinary meeting of the fifth session of the Board. The Board agreed to Mr. Sun Hang's application to retire from his position as Chief Financial Officer of the Company with effect from 31 October 2025. It was further agreed that Mr. Yin Guohong, president of the Company, shall act as chief financial officer of the Company from 31 October 2025 until such time as the Board appoints a new chief financial officer.

3. On 25 November 2025, the resolution in relation to the Appointment of Ms. Yu Lei as the Vice President and Chief Financial Officer of the Company was considered and approved at the 34th extraordinary meeting of the fifth session of the Board. The Board resolved to appoint Ms. Yu Lei as the vice president and chief financial officer of the Company, with a term commencing from 25 November 2025 until the conclusion of the fifth session of the Board. Mr. Yin Guohong, the president of the Company, ceased his role acting as the chief financial officer from 25 November 2025.

V. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Remuneration System and Decision-making Procedures of Directors, Supervisors and Senior Management

The remuneration of the Directors shall be proposed by the Remuneration and Nomination Committee for consideration and approval by the Board, and submitted to general meeting for approval. The remuneration of the Supervisors shall be reviewed and approved by the general meeting. The remuneration of the senior management of the Company shall be proposed by the Remuneration and Nomination Committee to the Board for approval.

(II) Basis for Determining the Remuneration of Directors, Supervisors and Senior Management

Directors and Supervisors who have not entered into any employment contracts with the Company are entitled to allowances, and those who have entered into employment contracts with the Company shall obtain remuneration in accordance with the requirement of the Company.

The remuneration of the senior management of the Company shall be proposed by the Remuneration and Nomination Committee in accordance with the remuneration and assessment system with reference to operating results, responsibilities and the comparable level of the industry and market for consideration and approval by the Board.

Payment of more than 40% of annual performance-based remuneration for full-time Directors, Chairman of the Supervisory Committee and senior management of the Company shall be deferred for a period of at least three years. The deferred payment of remuneration shall be divided equally. The specific proportion of deferred payment and the period of deferred payment shall be reviewed and determined by the Board. The Board will formulate and implement the specific plan for deferred payment of annual performance-based remuneration of business managers according to the requirements of these measures on an annual basis. The Company does not pay non-cash compensation.

(III) Changes in Shareholdings of Directors, Supervisors and Senior Management

During the Reporting Period, none of the Directors, Supervisors and senior management of the Company held any shares, share options or restricted shares of the Company.

(IV) Remuneration Payment of Directors, Supervisors and Senior Management

For remuneration payment of the Directors, Supervisors and senior management during the Reporting Period, please refer to "I. Basic Information about Incumbent Directors, Supervisors and Senior Management and those leaving office during the Reporting Period" in this section. Total remuneration for the Directors, Supervisors and senior management in 2025 was RMB20,170 thousand. The remuneration of the Directors and Supervisors is set out in Note 19 to the consolidated financial statements of this report.

Remuneration of the five highest paid individuals of the Company is set out in Note 20 to the consolidated financial statements of this report.

VI. DETAILS AND REMUNERATION OF STAFF

(I) Number and Composition of Employees

As at the end of the Reporting Period, the Group had 2,475 employees in total, including 2,068 employed by the Company and 407 employed by its subsidiaries, the structure of which is as below:

	The Group		The Company	
Age	**Number**	**Percentage**	**Number**	**Percentage**
30 or below	285	11.52%	223	10.78%
31–40	1,165	47.07%	961	46.47%
41 or above	1,025	41.41%	884	42.75%
Total	2,475	100.00%	2,068	100.00%

	The Group		The Company	
Specialty composition	**Number**	**Percentage**	**Number**	**Percentage**
Brokerage	1,359	54.91%	1,312	63.44%
Asset management	78	3.15%	50	2.42%
Proprietary trading	40	1.62%	40	1.93%
Investment banking	115	4.65%	0	0.00%
Compliance, risk control and audit	192	7.76%	162	7.83%
Research	44	1.78%	20	0.97%
Financial management	84	3.39%	67	3.24%
Information technology	144	5.82%	120	5.80%
Transaction settlement	197	7.96%	170	8.22%
Administration	132	5.33%	103	4.98%
Other services	90	3.64%	24	1.16%
Total	2,475	100.00%	2,068	100.00%

Educational background	**Number**	**Percentage**	**Number**	**Percentage**
Postgraduate or above	550	22.22%	338	16.34%
College graduate	1,792	72.41%	1,611	77.90%
Junior college graduate or below	133	5.37%	119	5.76%
Total	2,475	100.00%	2,068	100.00%

(II) Remuneration of Employees

The Company established a stable and long-term remuneration management mechanism that integrated incentives and constraints, and integrated fairness and efficiency, aiming to implement the principle of prudent operation, ensure compliance with the requirements and, promote the positive incentives. The Company consolidated the governance foundation, risk control foundation, compliance foundation, cultural foundation and talent base for high-quality development. The Company has built a diversified remuneration structure consisting of fixed remuneration, variable remuneration and benefits, continuously improved the income distribution system, and given full play to the security and incentive effects of remuneration and the talent filtration role. The Company established and continuously refined a mechanism for deferred payment of remuneration allocation and a mechanism for recovery and deduction of wages, utilizing the restraint role of remuneration in corporate governance and risk control and promoting its sound operation and sustainable development. The Company has made contributions to various social insurance and housing provident funds on behalf of employees in accordance with relevant laws and regulations of the PRC. During the Reporting Period, an occupational pension scheme was established to provide employees with long-term incentives. The Company has strictly observed the Labor Law of the PRC, Labor Contract Law of the PRC and other applicable laws and regulations, and has established a sound human resources management system and process to ensure its recruitment complies with regulation, thus effectively protecting the rights and interests of the employees.

(III) Staff Training Plans

The Company has always paid special attention to the enhancement of employees' capabilities across various dimensions, including professional service delivery and management skills. In early 2025, the 2025 Training Plan of the Company was formulated based on the Company's strategic development objectives, operational targets, and the practical needs of its workforce. During the Reporting Period, various trainings regarding compliance and risks management, Party building culture, internal control and macroeconomics were organized and carried out. A total of 182 specialised professional courses were organised and implemented following a total of 23,067 participants and a training coverage rate of 100%, thereby enhancing the comprehensive capabilities and professional competencies of all staff. Furthermore, specialised talent development initiatives such as the "Kunpeng Program (鯤鵬計劃)" and "Hundred Talents Program (百人計劃)" were prioritised and implemented. This deepened the construction of the talent supply chain, fostering long-term competitiveness and providing a talent foundation for the Company's sustained and stable development.

VII. INFORMATION ABOUT CUSTOMERS SOLICITATION AND CUSTOMER SERVICES OF COMMISSIONS BROKERS

As at the end of the Reporting Period, the securities branches of the Company had 256 brokers distributed in each team, who were directly managed by the wealth management center of the securities branches. The securities practitioner qualifications of the brokers were under centralized management of the human resources department of the Company. Upon signing the entrustment contracts, the brokers will receive pre-job training provided by the Company on the training platform and follow-up training provided by the Company. The Company's management of its in-house brokers has complied with the relevant laws, regulations of the PRC and the wealth management system of the Company. Brokers could introduce the general information of the Company and the securities market; the basic information of securities investment, and business processes such as account opening, trading, fund deposit and withdrawal; laws and regulations relating to securities trading, relevant provisions of the CSRC, self-regulatory rules and relevant regulations of the Company to the customers.

Section 10 Corporate Governance Report

I. OVERVIEW OF CORPORATE GOVERNANCE

(I) Basic Information on Corporate Governance

During the Reporting Period, the Company operated in strict compliance with requirements of laws, regulations and regulatory documents of the PRC and jurisdictions where the Company's shares are listed, including the Company Law of the PRC, the Securities Law of the PRC, the Regulations on the Supervision and Administration of Securities Companies, the Corporate Governance Rules for Securities Companies and the Corporate Governance Code, to continuously improve the corporate governance level. The Company has further optimised its rules and systems and constantly improved its corporate governance structure.

During the Reporting Period, the general meetings, the board of directors, the supervisory committee and the business management of the Company have assumed their respective functions according to the relevant requirements, ensuring the standard operation of the Company. The convocation, voting and decision-making procedures of general meetings of the Company and meetings of the board of directors and the supervisory committee were legal and valid.

Directors believe that high standards of corporate governance underpin the effective execution of corporate strategy and, in consequence, the Company's ability to generate increasing value for shareholders over the long term. Details of the Company's progress in this respect can be found in Section 5 "Management Discussion and Analysis".

(II) Corporate Governance Policies and the Board's Responsibilities on Corporate Governance

During the Reporting Period, the Company has strictly complied with the Corporate Governance Code and all applicable provisions under the Corporate Governance Code, and satisfied most all of the recommended best practices in the Corporate Governance Code. In respect of the corporate governance, the responsibilities of the Board shall include:

1. to develop and review the Company's policies and practices on corporate governance;

2. to review and monitor the training and continuous professional development of directors and senior management;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

5. to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

During the Reporting Period, the Board had performed the aforementioned responsibilities and reviewed the Corporate Governance Report contained in this report prior to the publication of this report, and is of the view that the content of this section is in line with the relevant requirements under the Listing Rules.

II. SHAREHOLDERS AND GENERAL MEETINGS

(I) Rights of General Meetings and Shareholders

The Articles of Association and the Rules of Procedure for General Meetings have stipulated the rights and obligations of the shareholders, the authority of general meetings, and the convocation, voting and decision-making of general meetings. The general meeting is the supreme authority of the Company.

(II) General Meetings

During the Reporting Period, 5 general meetings were convened in total, the details of which are set out as follows:

1. On 10 January 2025, the 2025 first extraordinary general meeting of the Company was held, at which the resolutions in relation to the Election of Mr. Pang Jiemin as a Non-executive Director of the Fifth Session of the Board, the Proposed Amendments to the Related Party (Connected) Transactions Management Policy and the Proposed Borrowing of Subordinated Debt were considered and approved.

2. On 25 April 2025, the 2025 second extraordinary general meeting of the Company was held, at which the resolution in relation to the Borrowing of Subordinated Debt and the Related Party Transactions was considered and approved.

3. On 16 May 2025, the 2024 annual general meeting of the Company was held, at which the resolutions in relation to the Report of the Board of Directors for the year 2024, the Report of the Supervisory Committee for the year 2024, the Work Report of Independent Directors for the year 2024, the Annual Report for the year 2024, the Profit Distribution Plan for the year 2024, the Final Accounts Report for the year 2024, the Re-appointment of Domestic Auditor for the year 2025, and the Re-appointment of International Auditor for the year 2025 were considered and approved.

4. On 25 July 2025, the 2025 third extraordinary general meeting of the Company was held, at which the resolutions in relation to the Proposed Issue of Science and Technology Innovation Corporate Bonds and Science and Technology Innovation Subordinated Bonds in the PRC and the Proposed Issue of Short-term Corporate Bonds in the PRC were considered and approved.

5. On 25 November 2025, the 2025 fourth extraordinary general meeting of the Company was held, at which the resolutions in relation to the Proposed Abolishment of the Supervisory Committee and Amendments to the Articles of Association, the Proposed Amendments to the Rules of Procedure for General Meetings, the Proposed Amendments to the Rules of Procedure for the Board of Directors, the Proposed Abolishment of the Rules of Procedure for the Supervisory Committee, the Proposed Amendments to the Information Disclosure Management System, the Proposed Amendments to the Related Party (Connected) Transactions Management Policy, the Proposed Amendments to the Investor Relations Management System, the Election of Mr. Yin Guohong as an Executive Director of the Fifth Session of the Board, the Election of Mr. Xie Xin as a Non-executive Director of the Fifth Session of the Board and the Election of Mr. Qi Liang as an Independent Non-executive Director of the Fifth Session of the Board were considered and approved.

III. BOARD OF DIRECTORS AND PERFORMANCE OF DUTIES

(I) Duties of the Board and the Management

Duties of the Board

The Board should assume responsibility for leadership and governance of the Company; and is collectively responsible for directing and supervising the Company's affairs. The rights and duties of the Board are set out in the Articles of Association. The main duties of the Board include convening general meetings and reporting to the general meeting; implementing resolutions of general meeting; determining the Company's medium- and long-term development plans, business plans and investment plans; determining the annual financial budgets and final accounting plans of the Company; formulating the profit distribution plan and loss makeup plan of the Company; formulating proposals for the Company in respect of increase or reduction of the registered capital, issue of bonds or other securities and the listing thereof; formulating plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution or transformation of the Company; determining within the authority granted by the general meeting such matters as external investment, acquisition and disposal of assets, asset mortgage, entrusted wealth management, connected transactions and other matters; determining the establishment of internal management

organizations of the Company; appointing or dismissing the Company's president, secretary to the Board, chief compliance officer, chief risk officer; appointing or dismissing the Company's senior management including vice president(s), chief financial officer, and chief information officer in accordance with the nominations by the president, and determining their remunerations and rewards and penalties; formulating the basic management system of the Company, etc.

Duties of the management

The main duties of the management include organising and implementing the Board's resolutions and to report to the Board; organising and implementing the annual operation plan and investment plan of the Company; preparing plans for the establishment of the Company's internal management organizations; developing the Company's basic management system and specific rules; supplying the Board and its committees with adequate, complete, and reliable information in a timely manner to enable it to make informed decisions; providing sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval; deciding to appoint or remove executives other than those appointed or removed by the Board; and performing such other duties and powers as authorised by the Board.

(II) Composition of the Board

Non-employee representative Directors shall be elected or replaced by general meetings. Employee representative Directors shall be democratically elected by the employees of the Company through the workers' congress, the workers' assembly or other democratic forms. A Director shall serve a term of three years from the date of the resolution passed at general meeting, and may seek re-election upon expiry of the said term. Currently, the Board consists of 11 Directors, including two executive Directors (Mr. Zhu Yanhui (祝豔輝) (Chairman) and Mr. Yin Guohong (銀國宏)), five non-executive Directors (Mr. Pang Jiemin (龐介民), Mr. Wang Linjing (王琳晶), Mr. Li Yanyong (李延永), Mr. Xie Xin (謝鑫) and Mr. Zhou Lijun (周立軍) (employee representative Director)) and four independent non-executive Directors (Mr. Chen Xin (陳欣), Mr. Xu Hongcai (徐洪才), Ms. Cheng Zhuo (程茁) and Mr. Qi Liang (齊亮)).

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

There is no financial, business, family or other material/relevant relationship among the Board members.

(III) Meetings of the Board

The Board convenes meetings on a regular basis and at least four Board meetings are held each year. All Directors will be given a notice at least 14 days prior to every regular Board meeting or within an appropriate time period prior to any other special Board meeting, and they can add new matters to be discussed to the agenda. The agenda and enclosed documents relating to a Board meeting will be sent to all Directors at least three days before the proposed date of the Board meeting. Each Director shall be entitled to access to documents relating to Board meetings and other relevant documents and to receive advices and services provided by the company secretary. The Directors may also seek independent professional opinions. The minutes shall be kept by the company secretary. After conclusion of a Board meeting, the initial and finalised minutes shall be sent to all the Directors in due time, with the initial ones to be commented on by the Directors and the finalised ones for their record.

The Board held 17 meetings during the Reporting Period, particulars of which are as follows:

1. On 24 March 2025, the 4th meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: the 2024 Annual Work Report of the Management, the 2024 Annual Report of the Board, the 2024 Annual Work Report of the Independent Directors of the Company, the Annual Results Announcement of the Company for the year ended 31 December 2024, the 2024 Annual Report of the Company, the 2024 Self-Assessment Report of Internal Controls of the Company, the 2024 Annual Audit and Inspection Work Report, the 2024 Profit Distribution Plan of the Company, the 2024 Compliance Report of the Company, the 2024 Risk Management Report of the Company, the 2024 Annual Final Accounting Report of the Company, the 2024 Environmental, Social and Governance Report, the 2025 Annual Budget Proposal of the Company, the 2025 Annual Business Plan of the Company, the Risk Preference for the Year 2025, the 2025 Work Plan for Auditing Projects of the Company, the Re-appointment of Domestic Auditor for the Year 2025, the Re-appointment of International Auditor for the Year 2025, and the Convening of the 2024 Annual General Meeting of the Company. The following reports were circulated: the Special Report on Net Capital and Other Risk Management Indicators for the Year 2024, the Report on Assessment of the Effectiveness of Compliance Management for the Year 2024, the Report on Information Technology Management for the Year 2024, the Report on Anti-Money Laundering Work for the Year 2024, Anti-Money Laundering Work Plan for the Year 2025, Money Laundering Risk Management Objectives for the Year 2025, and the Money Laundering and Terrorist Financing Risk Self-assessment Report and Circular on Typical Issues in Diligence Performance of the Company.

2. On 29 March 2025, the 21st extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: Changes in the Business Scope of the Shenzhen Branch and Incorporation of the Shenzhen Meilin Road Securities Branch into the Shenzhen Branch; and the Appointment of Mr. Yang Jinliang as Vice President of the Company.

3. On 2 April 2025, the 22nd extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: the Company's Borrowing of Subordinated Debt Constituting Related-party (Connected) Transactions, the 2024 Special Audit Report on the Management of Major Connected Transactions of the Company, and the Convening of 2025 Second Extraordinary General Meeting.

4. On 11 April 2025, the 23rd extraordinary meeting of the fifth session of the Board was held, at which the resolution in relation to the Continuing Connected Transactions relating to the Property Leasing and Related Services of Desheng International Center was considered and approved.

5. On 8 May 2025, the 24th extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: the Company's Donation to Oroqen Autonomous Banner, and the Disposal Plan for *ST Modern Avenue Following Lock-up Expiry.

6. On 7 July 2025, the 25th extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: the Application for Issue of Science and Technology Innovation Corporate Bonds and Science and Technology Innovation Subordinated Bonds, the Application for Issue of Short-term Corporate Bonds, the Amendments to the Administration Measures for the Information Technology Governance Work of Hengtai Securities Co., Ltd., and the Convening of the 2025 Third Extraordinary General Meeting of the Company.

7. On 1 August 2025, the 26th extraordinary meeting of the fifth session of the Board was held, at which the resolution in relation to the Proposed Reduction of capital in Hengtai Capital Investment Co., Ltd. (恒泰資本投資有限責任公司) and Capital Increase in Hengtai Pioneer Investment Co., Ltd. (恒泰先鋒投資有限公司) was considered and approved.

8. On 18 August 2025, the 27th meeting of the fifth session of the Board was held, at which the resolution in relation to the Year-end Bonus Distribution Plan for Senior Management for the Year 2024 was considered and approved.

9. On 22 August 2025, the 5th meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: the Interim Results Announcement for the Six Months Ended 30 June 2025 and the 2025 Interim Report. The following report was heard: the Special Report on Net Capital and Other Risk Management Indicators for the First Half of 2025.

10. On 23 August 2025, the 28th extraordinary meeting of the fifth session of the Board was held, at which the resolution in relation to the Incentives Management Measures of Hengtai Securities Co., Ltd. was considered and approved.

11. On 24 August 2025, the 29th extraordinary meeting of the fifth session of the Board was held, at which the resolution in relation to the Consolidation and Merge of Shanghai Haiqilu Securities Branch was considered and approved.

12. On 30 September 2025, the 30th extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: Amendments to the Names of 26 Corporate Regulations, and Amendments to the Measures for Comprehensive Risk Management of Financial Street Securities Co., Ltd. (《金融街證券股份有限公司全面風險管理辦法》).

13. On 24 October 2025, the 31th extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: the Proposed Abolishment of the Supervisory Committee and Amendments to the Articles of Association, the Proposed Amendments to the Rules of Procedure for General Meetings, the Proposed Amendments to the Rules of Procedure for the Board of Directors, the Proposed Amendments to the Information Disclosure Management System, the Proposed Amendments to the Related Party (Connected) Transactions Management Policy, the Proposed Amendments to the Investor Relations Management System, and the Convening of 2025 fourth Extraordinary General Meeting.

14. On 31 October 2025, the 32nd extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: Mr. Sun Hang's Resignation from the Position of Chief Financial Officer of the Company, and the Chief Executive Officer Acting as Chief Financial Officer.

15. On 7 November 2025, the 33rd extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: the Resignations of Mr. Li Ye and Ms. Yang Qin from the Fifth Session of the Board as a Non-executive Director, the Nomination of Mr. Yin Guohong as Candidate for Executive Director of the Fifth Session of the Board, the Nomination of Mr. Xie Xin as Candidate for Non-executive Director of the Fifth Session of the Board, the Nomination of Mr. Qi Liang as Candidate for Independent Non-executive Director of the Fifth Session of the Board, and the addition of extraordinary motion to the 2025 Fourth Extraordinary General Meeting.

16. On 25 November 2025, the 34th extraordinary meeting of the fifth session of the Board was held, at which the resolutions in relation to the following matters were considered and approved: Amendments to the Rules of Procedure for the Audit Committee, Election of Additional Members to the Board's Strategy and Investment Committee; Election of Additional Members to the Board's Audit Committee; Resignation of Mr. Chen Xin and Mr. Zhu Yanhui from the Board's Remuneration and Nomination Committee; Election of Additional Members to the Board's Remuneration and Nomination Committee; and Appointment of Ms. Yu Lei as Vice President and Chief Financial Officer of the Company.

17. On 12 December 2025, the 35th extraordinary meeting of the fifth session of the Board was held, at which the resolution in relation to the Settlement Proposal for the Huailing Chongming Consolidated Cases and the Disposal of Properties at Beijing Dongjing Road were considered and approved.

(IV) Disagreement of Independent Non-executive Directors on Relevant Issues of the Company

None in the Reporting Period.

(V) Attendances of Directors at Board Meetings and General Meetings during Their Terms of Office for the Reporting Period

		Attendances at Board Meetings					Attendances at general meetings		
Name of Directors	Position	Number of required attendances at Board meetings	Number of attendances in person	Number of attendances by proxy	Number of absences	Voting results	Number of required attendances at general meetings	Number of attendances at general meetings	Remarks
Zhu Yanhui (祝豔輝)	Executive Director	17	17	0	0	All agreed	5	5	–
Yin Guohong (銀國宏)	Executive Director	2	2	0	0	All agreed	0	0	Appointed on 25 November 2025
Pang Jiemin (龐介民)	Non-executive Director	17	17	0	0	All agreed	4	4	Appointed on 10 January 2025
Wang Linjing (王琳晶)	Non-executive Director	17	17	0	0	All agreed	5	3	–
Li Yanyong (李延永)	Non-executive Director	17	17	0	0	Opposed	5	5	Voted against the resolution on the 2024 Profit Distribution Plan at the fourth meeting of the fifth session of the Board
Xie Xin (謝鑫)	Non-executive Director	2	2	0	0	All agreed	0	0	Appointed on 25 November 2025
Zhou Lijun (周立軍)	Employee Representative Director	2	2	0	0	All agreed	0	0	Appointed on 25 November 2025
Chen Xin (陳欣)	Independent Non-executive Director	17	17	0	0	All agreed	5	5	–
Xu Hongcai (徐洪才)	Independent Non-executive Director	17	17	0	0	All agreed	5	5	–

Name of Directors	Position	Attendances at Board Meetings: Number of required attendances at Board meetings	Number of attendances in person	Number of attendances by proxy	Number of absences	Voting results	Attendances at general meetings: Number of required attendances at general meetings	Number of attendances at general meetings	Remarks
Cheng Zhuo (程茁)	Independent Non-executive Director	17	17	0	0	All agreed	5	5	–
Qi Liang (齊亮)	Independent Non-executive Director	2	2	0	0	All agreed	0	0	Appointed on 25 November 2025.
Yu Lei (余磊)	Non-executive Director (Resigned)	0	0	0	0	–	1	0	Resignation as non-executive Director with effect from 10 January 2025
Li Ye (李曄)	Non-executive Director (Resigned)	15	15	0	0	All agreed	5	5	Resignation as non-executive Director with effect from 25 November 2025
Yang Qin (楊琴)	Non-executive Director (Resigned)	15	15	0	0	All agreed	5	5	Resignation as non-executive Director with effect from 25 November 2025

The Chairman met with the independent non-executive Directors without any Directors present once during the Reporting Period.

Minutes of all meetings of the Board and special committees of the Board are kept at the Company, and are available for inspection by the Directors upon request.

(VI) Trainings for Directors and Supervisors

All Directors confirmed that they had complied with the code provisions of the Corporate Governance Code in relation to the training of Directors.

The Company attached great importance to the continuous training for the Directors and Supervisors. During the Reporting Period, Directors read carefully the latest regulatory laws and regulations in the industry, and proactively participated in trainings and seminars organized by the industrial associations so as to improve their capabilities to fulfill their duties. Details of the trainings are as follows:

Name	Position	Training Content
Zhu Yanhui	Chairman, Executive Director	29 May 2025: Attended the special training on Opinions on Improving the Modern Enterprise System with Chinese Characteristics organised by Financial Street Investment. 20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
Yin Guohong	Executive Director	20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
Pang Jiemin	Non-Executive Director	20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
Wang Linjing	Non-Executive Director	20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
Li Yanyong	Non-Executive Director	20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
Xie Xin	Non-Executive Director	29 May 2025: Attended the special training session on the Opinions on Improving the Modern Enterprise System with Chinese Characteristics organized by Finance Street Investment

Name	Position	Training Content
Zhou Lijun	Employee Representative Director	20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
Chen Xin	Independent Non-Executive Director	16 June 2025: Attended the pre-listing director training of Axera semiconductor Co., Ltd. for its listing in Hong Kong
		17 December 2025: Attended the 2025 Annual Director Training of Daming International Holdings Limited
Xu Hongcai	Independent Non-Executive Director	20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
		24 October 2025: Attended the training on Improving ESG Performance of Insurance Institutions and Strengthening Sustainable Information Disclosure organised by the China Insurance Association
Cheng Zhuo	Independent Non-Executive Director	20 August 2025 to 31 August 2025: Attended the Company's 2025 Anti-Money Laundering Special Training
Qi Liang	Independent Non-Executive Director	4 July 2025: Attended the training on Opportunities and Challenges of Enterprise Innovation in the AI+ Era at the Yabuli China Entrepreneurs Forum
		1 August 2025: Attended the training on Discussion on Ecological Cooperation of Intelligent Investment Advisory organised by Mingshi Group Co., Ltd.
		4 December 2025: Attended the 2025 Digital Finance and Sci-Tech Finance Conference organised by the Zhongguancun Financial Science and Technology Industry Development Alliance

IV. SPECIAL COMMITTEES OF THE BOARD AND DUTY PERFORMANCE

The Board has four special committees, namely, Strategy and Investment Committee, Risk Control and Supervisory Committee, Audit Committee and Remuneration and Nomination Committee. The special committees of the Board shall, within their terms of reference specified in their respective rules of procedures, perform their duties and be accountable to the Board.

Composition of the current special committees of the Board:

Strategy and Investment Committee:	Zhu Yanhui (*chairman of the committee*, executive Director), Yin Guohong (executive Director), Pang Jiemin (non-executive Director), Xu Hongcai (independent non-executive Director), Qi Liang (independent non-executive Director)
Risk Control and Supervisory Committee:	Zhu Yanhui (*chairman of the committee*, executive Director), Wang Linjing (non-executive Director), Li Yanyong (non-executive Director)
Audit Committee:	Chen Xin (*chairman of the committee*, independent non-executive Director), Wang Linjing (non-executive Director), Cheng Zhuo (independent non- executive Director), Qi Liang (independent non-executive Director), Zhou Lijun (employee representative Director)
Remuneration and Nomination Committee:	Cheng Zhuo (*chairman of the committee*, independent non-executive Director), Xu Hongcai (independent non-executive Director), Xie Xin (non-executive Director)

(I) Strategy and Investment Committee

1. Duties of the Committee

The main duties and responsibilities of the Strategy and Investment Committee include: studying the national macro-economic policies; studying the medium and long-term strategic goals and development plans of the Company; studying the business plans of the Company, understanding the basic operational situation of the Company, analysing and understanding the latest development of the domestic industries; studying and making suggestions on the capital budgets projects and financing plans within the authorisation of the Board; studying and making suggestions on projects of capital operation, assets management, and assets disposal within the authorisation of the Board; conducting inspection for the implementation status of the above items; and other duties as authorised by the Board. For specific duties and responsibilities of the Strategy and Investment Committee, please refer to Rules of Procedure for the Strategic and Investment Decision-making Committee of the Board of Directors of Financial Street Securities Co., Limited, which has been published on the Company's website and the HKExnews website.

The main work completed by the Strategy and Investment Committee in 2025 includes:

– proposed reasonable suggestions on the Company's operation in the light of the current development of the domestic industry;

– provided opinions on the Company's medium and long-term strategic development plans.

2. Meetings of the Committee

During the Reporting Period, the Strategy and Investment Committee held 1 meeting, the details of which are as follows:

1. On 21 March 2025, the Strategy and Investment Committee of the fifth session of the Board held its first meeting in 2025, at which the resolution in relation to the 2024 Annual Work Report of the Strategy and Investment Committee of the Board was considered and approved.

Name of member	Number of required attendances	Number of actual attendances
Zhu Yanhui (祝豔輝)	1	1
Xu Hongcai (徐洪才)	1	1
Li Ye (李曄) (Resigned with effective since 25 November 2025)	1	1
Yin Guohong (銀國宏) (Appointed on 25 November 2025)	0	0
Pang Jiemin (龐介民) (Appointed on 25 November 2025)	0	0
Qi Liang (齊亮) (Appointed on 25 November 2025)	0	0

(II) Risk Control and Supervisory Committee

1. Duties of the Committee

The main duties and responsibilities of the Risk Control and Supervisory Committee include: reviewing and making suggestions on overall goals and fundamental policies of the compliance management, risk management and internal control of the Company; reviewing and making suggestions on the establishment and responsibilities of the compliance management, risk management and internal control; evaluating the risks of major decisions which shall be reviewed by the Board and making suggestions on the solutions to the major risks; reviewing the compliance report and risk assessment report which shall be reviewed by the Board and making suggestions; formulating regulation system of the Company,

supervising its implementation status and making suggestions to the Board; reviewing and supervising the training and continuing professional development of Directors and senior management officers; reviewing and supervising the policies of the Company in compliance with laws and regulations and the implementation status of such policies; formulating, reviewing and supervising the code of professional conduct and compliance manual of employees and Directors; reviewing the observance of Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules as well as the information disclosure according to Corporate Governance Report by the Company; and other duties as authorised by the Board. For specific duties and responsibilities of the Risk Control and Supervisory Committee, please refer to Rules of Procedure for the Risk Control and Supervisory Committee of the Board of Directors of Financial Street Securities Co., Limited, which has been published on the Company's website and the HKExnews website.

The main work completed by the Risk Control and Supervisory Committee in 2025 includes:

– considered and approved the 2024 Compliance and Risk Management Report of the Company, and proposed reasonable suggestions on the Company's compliance management and risk management work for the year 2025;

– proactively promoted the construction of the Company's internal control system and evaluated the scientificity, rationality, effectiveness and implementation of the internal control system.

2. Meetings of the Committee

During the Reporting Period, 2 meetings were held by the Risk Control and Supervisory Committee, particulars of which are as follows:

1. On 21 March 2025, the Risk Control and Supervisory Committee of the fifth session of the Board held the 1st meeting in 2025, at which the resolutions in relation to the Work Report of the Risk Control and Supervisory Committee of the Board of Directors for the Year 2024, the 2024 Compliance Report, the 2024 Risk Management Report, the Special Report on Net Capital and Other Risk Management Indicators for the Year 2024 and the Risk Preference for the Year 2025 were considered and approved. The 2024 Self-Assessment Report of Internal Controls was circulated at the meeting.

2. On 21 August 2025, the Risk Control and Supervisory Committee of the fifth session of the Board held the 2nd meeting in 2025, at which the resolution in relation to the Company's Special Report on Net Capital and Other Risk Management Indicators in the First Half of 2025 was considered and approved.

Name of member	Number of required attendances	Number of actual attendances
Zhu Yanhui (祝豔輝)	2	2
Wang Linjing (王琳晶)	2	2
Li Yanyong (李延永)	2	2

(III) Audit Committee

1. Duties of the Committee

The main duties and responsibilities of the Audit Committee include, among others: reviewing the financial monitoring, risk management and internal control systems of the Company and the effectiveness of the implementation of these systems, discussing the risk management and internal control systems with the management to ensure that management has performed its duty to have in place effective systems and reporting to the Board. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function; conducting study on important findings of risk management and internal control and management's responses on such findings actively or commissioned by the Board; guiding the work of the internal audit department of the Company, and supervising the internal audit system and its implementation; monitoring the annual audits; acting as the major representative of both the Company and external auditors, and being responsible for overseeing the relationship between them; assessing the mechanism for the Company's staff to whistle- blow, carry out internal control or report on other misconducts, and the mechanism of the Company for making independent and fair investigations on reported matters and taking appropriate actions; examining and supervising connected transactions and assessing the appropriateness of connected transactions; making suggestions to the Board on the appointment, reappointment or replacement of external auditors, approving the compensation and terms of engagement for external auditors, as well as handling any matters regarding the resignation or dismissal of external auditors; reporting relevant affairs of the Hong Kong Listing Rules, and other duties as authorised by the Board of the Company and as required by the laws, regulations and rules including the Hong Kong Listing Rules. For specific duties and responsibilities of the Audit Committee, please refer to Rules of Procedure for the Audit Committee of the Board of Directors of Financial Street Securities Co., Limited, which has been published on the Company's website and the HKExnews website.

The main work completed by the Audit Committee in 2025 includes:

– supervised and evaluated the audit on the Company's financial report, and listened to the special report of the Company's auditor on the audit on the 2024 financial report and 2025 mid-term review, discussed the relevant issues in the audit process, and evaluated the audit plan, procedures and report;

– listened to the 2024 annual work report and the 2025 work plan of the Company's internal auditors, provided guidance on the internal audit work of the Company, and supervised the formulation of the corresponding system and its implementation;

– examined and supervised connected transactions and assessed the appropriateness of connected transactions.

2. Meetings of the Committee

During the Reporting Period, 7 meetings were held by the Audit Committee, particulars of which are as follows:

1. On 27 January 2025, the Audit Committee of the fifth session of the Board held the 1st meeting in 2025, at which the Audit Plan of the Company for the Year ended 31 December 2024 was circulated.

2. On 20 March 2025, the Audit Committee of the fifth session of the Board held the 2nd meeting in 2025, at which the resolutions in relation to the 2024 Annual Report, the Annual Results Announcement for the Year Ended 31 December 2024, the Re-appointment of Domestic Auditor for the Year 2025, the Re-appointment of International Auditor for the Year 2025, the 2024 Auditing Work Report, the 2025 Work Plan for Auditing Projects of the Company, the 2024 Work Report of the Audit Committee of the Board and the 2024 Self-Assessment Report on Internal Controls of the Company were considered and approved.

3. On 28 March 2025, the Audit Committee of the fifth session of the Board held the 3rd meeting in 2025, at which the resolutions in relation to the Borrowing of Subordinated Debt Constitutes a Related Party Transaction and the 2024 Special Audit Report on Major Related Party Transactions of the Company were considered and approved.

4. On 8 April 2025, the Audit Committee of the fifth session of the Board held the 4th meeting in 2025, at which the resolution in relation to the Continuing Connected Transactions Regarding the Property Leasing and Related Services at Desheng International Center was considered and approved.

5. On 7 June 2025, the Audit Committee of the fifth session of the Board held the 5th meeting in 2025, at which the resolution in relation to the Audit Fees for the 2024 Annual Financial Statements was considered and approved.

6. On 21 August 2025, the Audit Committee of the fifth session of the Board held the 6th meeting in 2025, at which the resolutions in relation to the Company's Interim Results Announcement for the Six Months Ended 30 June 2025 and the Company's 2025 Interim Report were considered and approved.

7. On 30 September 2025, the Audit Committee of the fifth session of the Board held the 7th meeting in 2025, at which the resolution in relation to the Amendments to the Names of Two Company Regulations was considered and approved.

Name of member	Number of required attendances	Number of actual attendances
Chen Xin (陳欣)	7	7
Wang Linjing (王琳晶)	7	7
Cheng Zhuo (程茁)	7	7
Qi Liang (齊亮) (Appointed on 25 November 2025)	0	0
Zhou Lijun (周立軍) (Appointed on 25 November 2025)	0	0

(IV) Remuneration and Nomination Committee

1. Duties of the Committee

The main duties and responsibilities of the Remuneration and Nomination Committee include: considering appropriate remuneration policy, performance measuring system, and rewards and punishments incentives for the Company in accordance with the features of the securities industry, the responsibilities and importance of Directors and senior management officers, and comparing with the remuneration level of relevant companies, making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; reviewing the structure, scale and composition (including the skills, knowledge and experience) of the Board at least annually, and making recommendations on any proposed changes to be made to the Board to complement the Company's corporate strategy; reviewing and approving the remuneration proposals of Directors and senior management officers in accordance with the Company's development

strategy and goal set by the Board; reviewing the selection criteria and procedures of the Directors, senior management officers of the Company, and making recommendations to the Board extensively; identifying candidates with suitable qualifications to become Board members, senior management officers of the Company and selecting and nominating relevant candidates for Directors and senior management officers or making recommendations to the Board in this regard; assessing and making recommendations on the candidates of Directors and senior management officers, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (especially chairman of the Board and the president); reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise fair and not excessive; ensuring that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; where necessary, seeking independent professional advice, at the Company's expense, to perform its responsibilities; other duties as authorised by the Board. For specific duties and responsibilities of the Remuneration and Nomination Committee, please refer to Rules of Procedure for the Remuneration and Nomination Committee of the Board of Directors of Financial Street Securities Co., Limited, which has been published on the Company's website and the HKExnews website.

The Remuneration and Nomination Committee extensively searches for qualified candidates for Directors through various channels and advises the Board on the appointment or reappointment of Directors. In assessing the suitability of candidates for Directors, the Remuneration and Nomination Committee will consider factors including the achievements, professional knowledge and industry experience of the candidates which are relevant to the Company, the commitment in respect of available time and the Board diversity policy of the Company. For candidates for independent non-executive Directors, their independence will also be assessed. Upon review and determination of candidates for Directors by way of resolution by the Remuneration and Nomination Committee and the Board, the nomination will be tabled at the general meeting of the Company in the form of a written proposal for consideration.

The main work completed by the Remuneration and Nomination Committee in 2025 includes:

– reviewed the structure, scale and composition (including the skills, knowledge and experience) of the Board, and made recommendations on any proposed changes to be made to the Board to complement the Company's corporate strategy;

– considered appropriate remuneration policy, performance measuring system, and rewards and punishments incentives for the Company in accordance with the features of the securities industry, the responsibilities and importance of Directors and senior management officers, compared with the remuneration level of relevant companies.

The Board diversity policy is set out in the subsection headed "VIII. Other Related Issues – IX Board Diversity Policy" under this section.

2. Meetings of the Committee

During the Reporting Period, 4 meetings were held by the Remuneration and Nomination Committee, the particulars of which are as follows:

1. On 21 March 2025, the Remuneration and Nomination Committee of the fifth session of the Board held the 1st meeting in 2025, at which the resolution in relation to the Work Report of the Remuneration and Nomination Committee of the Board of Directors for the Year 2024 was considered and approved.

2. On 13 August 2025, the Remuneration and Nomination Committee of the fifth session of the Board held the 2nd meeting in 2025, at which the resolution in relation to the Year-end Bonus Distribution Plan for Senior Management of the Company for the Year 2024 was considered and approved.

3. On 7 November 2025, the Remuneration and Nomination Committee of the fifth session of the Board held the 3rd meeting in 2025, at which the resolutions in relation to the Nomination of Mr. Yin Guohong as a Candidate for Executive Director of the Fifth Session of Board of the Company, the Nomination of Mr. Xie Xin as a Candidate for Non-executive Director of the Fifth Session of Board of the Company and the Nomination of Mr. Qi Liang as a Candidate for Independent Non-executive Director of the Fifth Session of Board of the Company were considered and approved.

4. On 25 November 2025, the Remuneration and Nomination Committee of the fifth session of the Board held the 4th meeting in 2025, at which the resolution in relation to the Election of Ms. Cheng Zhuo as Chairlady of the Remuneration and Nomination Committee of the Fifth Session of Board of the Company was considered and approved.

Name of member	Number of required attendances	Number of actual attendances
Chen Zhuo (程茁) (Appointed on 25 November 2025)	1	1
Xu Hongcai (徐洪才)	4	4
Xie Xin (謝鑫) (Appointed on 25 November 2025)	1	1
Chen Xin (陳欣) (Resigned on 25 November 2025)	3	3
Zhu Yanhui (祝豔輝) (Resigned on 25 November 2025)	3	3

V. CHAIRMAN AND PRESIDENT

During the Reporting Period, the positions of the chairman of the Board and the president of the Company have been taken by different persons. Mr. Zhu Yanhui acts as the chairman of the Board and Mr. Yin Guohong acts as the president of the Company, and the duties and authorities of the chairman of the Board and the president are clearly divided and specified in the Articles of Association.

The chairman of the Board leads the Board in determining the overall development strategy of the Company to guarantee the effective operation and performance of the Board, supervises and reviews the implementation of the resolutions of the Board, and debriefs the work reports of the senior management of the Company so as to ensure that the corporate governance of Company is in a virtuous order and the resolutions of the Board are in the best interest of the Company and its shareholders as a whole. The president presides over the business operations of the Company, organizes the implementation of the resolutions of Board and reports to the Board.

VI. NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has five non-executive Directors and four independent non-executive Directors in total. For their appointment, please refer to Section 9 "Directors, Supervisors, Senior Management and Employees".

Non-executive Directors (including independent non-executive Directors) make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. The responsibilities of non-executive Directors include, but not limited to, the following:

- participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- taking the lead where potential conflicts of interests arise for other Directors;
- serving on the Board Committees, if invited; and
- scrutinising our Group's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

VII. SUPERVISORY COMMITTEE AND DUTY PERFORMANCE

On 25 November 2025, the resolution in relation to the Proposed Abolish of the Supervisory Committee and the Amendments to the Articles of Association was considered and approved at the 2025 fourth extraordinary general meeting of the Company. The Company abolished the Supervisory Committee effective from 25 November 2025. Consequently, Ms. Yu Lei, Mr. Chen Feng and Mr. Wang Hui ceased to hold the office of Supervisor.

(I) Meetings of the Supervisory Committee

The Supervisory Committee held 4 meetings during the Reporting Period, particulars of which are as follows:

1. On 24 March 2025, the 4th meeting of the fifth session of the Supervisory Committee was held, at which the resolutions in relation to the following matters were considered and approved: the 2024 Report of the Supervisory Committee, the 2024 Annual Report, the 2024 Self-assessment Report of Internal Control, the 2024 Profit Distribution Plan, the 2024 Annual Final Accounting Report, the 2024 Risk Management Report and the 2025 Annual Budget Proposal. The 2024 Assessment Report on the Effectiveness of Compliance Management,

the 2024 Work Report on Anti-Money Laundering, the 2025 Work Plan for Anti-Money Laundering and the Objectives for Money Laundering Risk Management for 2025 were circulated at the meeting.

2. On 22 August 2025, the 5th meeting of the fifth session of the Supervisory Committee was held, at which the resolution in relation to the 2025 Interim Report was considered and approved.

3. On 24 October 2025, the 4th extraordinary meeting of the fifth session of the Supervisory Committee was held, at which the resolutions in relation to the Proposed Abolition of the Supervisory Committee and the Proposed Repeal of the Rules of Procedure for the Supervisory Committee were considered and approved.

4. On 31 October 2025, the 5th extraordinary meeting of the fifth session of the Supervisory Committee was held, at which the resolution in relation to the Departure Audit of Mr. Sun Hang was considered and approved.

(II) Meeting Attendances of Supervisors

Name of supervisor	Position	Number of required attendances	Attendances in person	Attendances by proxy	Absences	Voting results
Yu Lei (于蕾)	Chairlady of the Supervisory Committee	4	4	0	0	All agreed
Chen Feng(陳風)	Shareholder representative Supervisor	4	4	0	0	All agreed
Wang Hui(王慧)	Employee representative Supervisor	4	4	0	0	All agreed

VIII. OTHER RELATED ISSUES

(I) Shareholders' Rights

The Company held general meetings according to the Articles of Association and Rules of Procedure for General Meetings to guarantee equal status and full exercise of rights for all shareholders, especially the small and medium ones. When a general meeting is held, all of the Company's Directors and secretary to the Board should attend the general meeting and the president and other senior management may attend the general meeting as observers according to requirements and answer shareholders' questions.

According to Article 80 of the Articles of Association, shareholder(s) severally or jointly holding 10% or more of the shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to laws, regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal. In the event that the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. In the event that the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above of the shares of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing. In the event that the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. In the event that the Audit Committee does not issue the notice for the general meeting within the term stipulated, the Audit Committee shall be deemed as failing to convene and preside over the general meeting. As a result, the shareholder(s) severally or jointly holding 10% or more of the shares of the Company for 90 consecutive days or longer may convene and preside over such meeting by itself/themselves. According to Article 82 of the Articles of Association, for the general meeting convened by the Audit Committee or shareholders on its/their own, the Board and the secretary to the Board shall cooperate. The Board shall provide the register of shareholders on the record date of the equity interests. According to Article 85 of the Articles of Association, the shareholder(s) severally or jointly holding 1% or above of the shares of the Company shall be entitled to propose motions to the Company. The shareholder(s) severally or jointly holding 1% or above of the shares of the Company may submit written provisional motion to the convener 10 days before a general meeting is held. The convener shall serve a supplementary notice of general meeting within 2 days after receipt of such motion, and notify the shareholders of the contents of the provisional motion. Save as specified in the above, the convener shall not change the motion set

out in the notice of general meeting or add any new motion after the said notice announcement is served. Such motions which are not specified in the notice of the general meeting or which do not comply with Article 84 of the Articles of Association shall not be voted or resolved at the general meeting. According to Article 93 of the Articles of Association, any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his/her proxy to attend and vote at the meeting on his/her behalf.

Resolutions passed at the general meeting shall be immediately announced in accordance with the laws, regulations, departmental rules, normative documents, provisions of the securities regulatory authorities at the place where the shares of the Company are listed, or the provisions of the Articles of Association. Such minutes of meeting, together with the signatures of the shareholders attending meeting and the powers of attorney concerning the proxies attending the meeting on behalf of others, shall be kept at the domicile of the Company. Shareholders may consult photocopies of the minutes of meetings free of charge during the business hours of the Company. In the event of any shareholder asking for photocopies of such minutes, the Company shall deliver the photocopies in 7 days after receiving rational expenses.

Shareholders or their proxies shall declare their opinions when considering issues and can make inquiries on issues affecting their judgment and vote and ask reporters to give explanation. Save for such matters in relation to the trade secrets of the Company that cannot be disclosed at the general meeting, Directors and senior management officers shall provide explanations in relation to the inquiries and suggestions made by shareholders in general meetings.

(II) Compliance with Model Code

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry with all Directors, and all Directors confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

(III) Responsibilities of Directors for Financial Statements

The declarations of the responsibilities of Directors concerning financial statements set out hereinafter and the responsibilities of auditor in the Independent Auditor's Report of this report shall be read jointly but understood independently.

All the Directors confirmed that they have the responsibility of preparing the financial statements that can truly reflect the Company's operating results for each financial year. To the best knowledge of the Directors, no event or circumstance that may cause material adverse impact on the Company's continuous operations needs to be reported.

(IV) Appointment and Remuneration of Auditors

Please refer to the subsection headed "VII. Engagement of Accounting Firms" in Section 7 "Other Material Particulars" of this report.

(V) Review of the Audit Committee

The Audit Committee has reviewed the Company's consolidated financial statements of 2025.

(VI) Joint Company Secretaries

Mr. Zhang Jingshun (張景順) and Dr. Ngai Wai Fung (魏偉峰) are joint company secretaries of the Company. Dr. Ngai Wai Fung (director and CEO of SWCS Corporate Services Group (Hong Kong) Limited) provides assistance to Mr. Zhang Jingshun in the discharge of his duties as a company secretary of the Company. Mr. Zhang Jingshun, the secretary to the Board and the joint company secretary of the Company, serves as the primary contact person between Dr. Ngai Wai Fung and the Company. In accordance with code provision C.6 of the Corporate Governance Code, Mr. Zhang Jingshun is an employee of the Company, who shall report to the Chairman of the Board and is responsible for providing advice to the Board for ensuring the Board procedures are followed. During the Reporting Period, Mr. Zhang Jingshun and Dr. Ngai Wai Fung have both took no less than 15 hours of professional training.

(VII) Communications with Shareholders

The general meeting shall be the supreme authority of the Company. All shareholders exercise their power through the general meeting. The Company convened general meetings in strict accordance with relevant provisions and ensured all shareholders could enjoy equal status and fully exercise their rights as shareholders. In strict accordance with the Articles of Association, the Company operates orderly in the interest of the Company and shareholders.

Attaching great importance to opinions and suggestions of its shareholders, the Company designated staff to keep in contact with shareholders and meet their reasonable demands in time. The Company releases its announcements, financial data and other relevant data in the column of Investor Relations on its website www.jrjzq.com.cn. The shareholders may contact the Company for any enquiry by email (dongban@jrjzq.com.cn) or telephone (+86 10 8327 0996) or by writing to the Company's address (12/F, Tower B, Desheng International Center, No. 83 Deshengmenwai Street, Xicheng District, Beijing, the PRC). The Company will properly handle all enquiries in time.

To safeguard shareholders' interests and rights, separate resolution is proposed for each substantially separate issue at shareholders' meetings. The Company welcomes suggestions from shareholders and encourages shareholders to attend general meetings or directly express misgivings that they may have to the Board and the management. Usually, Directors and senior management of the Company would attend annual general meeting to answer questions put forward by shareholders. The management of the Company would ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

(VIII) Investor Relation Activities

The Company has formulated a shareholder communication policy to ensure that the opinions and concerns of shareholders are properly addressed. The policy is regularly reviewed to ensure its effectiveness. According to the requirements of the shareholder communication policy, the Company regularly holds annual general meeting every year. The Company has always paid high attention to investor relation management. During the Reporting Period, the Company communicated with investors through multiple ways like making phone calls, sending emails and receiving visitors, so as to reinforce the communication services to investors.

The Company's website has a special investor relations section, and the information will be updated regularly. After publishing the information to the Hong Kong Stock Exchange, the information will also be uploaded to the Company's website within one hour to ensure that shareholders and potential investors can obtain the latest information about the Group in a timely manner. Such information includes performance announcement, annual report, general meeting circulars and notices, as well as all announcements. During the Reporting Period, the Company proactively performed its obligations on information disclosure in strict compliance with relevant laws, regulations and regulatory provisions to ensure that all investors can know the Company's material matters in a timely, truthful, accurate, complete and fair manner, and fully exercise their rights to protect their relevant interests.

Based on the measures implemented above, the shareholder communication policy of the Company can be effectively implemented to ensure that the Company maintains long-term and effective good communication with shareholders.

(IX) Board Diversity Policy

The Company has adopted the Board diversity policy according to the Code Provision of the Corporate Governance Code.

The Board diversity policy can be summed up as follows: the Company believes that the Board diversity is important in terms of the corporate governance and the efficiency of the Board. In designing the Board's composition, the Company considers Board diversity from a number of aspects to ensure a balance among the Board members in terms of techniques, experiences as well as perspective diversity, so as to promote the effective operation of the Board and maintain the corporate governance standard at a high level. Nominations and appointments of the members of the Board will be based on meritocracy and requirements of the routine operation of the Board with due consideration given to the benefit from Board diversity. The Board also recognises the importance of diversity at the workforce level. The proportion of female and male Directors in the Board are 9.09% and 90.91%, respectively, as at 31 December 2025. The gender ratio in workforce of the Group as at 31 December 2025 are as follows: total workforce (including senior management): male: 48.65%; female: 51.35%.

The Remuneration and Nomination Committee is primarily responsible for recruitment of Directors from qualified candidates. Meanwhile, it takes into account of Board diversity policy in the selection. The Remuneration and Nomination Committee will discuss at least annually about all the agreed measurable objectives (that means selection of candidates will be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, ethnicity, language, cultural and educational background, industry experience and professional experience) to ensure the continuous effectiveness of the Board. The Remuneration and Nomination Committee is satisfied with its current composition and believes that it is in compliance with the requirements of the Board diversity policy formulated by the Company.

(X) Amendments to the Articles of Association

During the Reporting Period, the Articles of Association was amended once by the Company as follows:

On 25 November 2025, the resolution in relation to the Proposed Abolish of the Supervisory Committee and the Amendments to the Articles of Association was considered and approved at the 2025 fourth extraordinary general meeting of the Company, approving the Company's abolition of the Supervisory Committee and the corresponding amendments to the Articles of Association. The revised Articles of Association became effective on 25 November 2025.

(XI) Risk Management and Internal Control

The Group's risk management and internal control systems are featured with a defined management structure with clear delineation of authority and well-rounded policies and procedures, and are designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance of business activities, to identify and cope with potential risks, and to safeguard asset security of the Group. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board also recognises its overall responsibility for the Group's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. In addition, the Audit Committee also has the responsibility of reviewing and assessing the Group's risk management and internal control systems.

Responsibility statement of the Board on risk management and internal control

In accordance with the requirements of the Enterprise Internal Control Standard System and the Corporate Governance Code, it is the responsibility of the Board of the Company to establish, implement and oversee sound and effective risk management and internal control systems, assess its effectiveness and truthfully disclose the assessment report. The management is responsible for organising and leading the daily operations of corporate risk management and internal control. The objectives of risk management and internal control of the Company are to ensure that all operation activities of the Company strictly comply with relevant state laws and regulations, industrial regulatory requirements and the internal management system of the Company and that business activities of the Company are continuously in line with the Company's risk preference system and be effectively carried out with acceptable risks; promote the operation of operational and management activities in a healthy manner, guarantee the security and integrity of the Company's property and the truthfulness and accuracy of its financial reports; facilitate the overall implementation of the development strategy and the achievements of the business objectives of the Company; improve operation efficiency and performance and safeguard the sustainable development of the Company with health and stability. Since there are inherent limitations in risk management and internal control, only reasonable guarantees can be provided for achieving the abovementioned objectives.

During the Reporting Period, the Company has adopted the following policies and procedures and taken the following measures to improve the risk management and internal control systems of the Group:

1. Building of risk management and internal control systems

The Company has been attaching great importance to the building of risk management and internal control systems since its establishment, and continuing to strengthen the building of the risk management and internal control systems and mechanisms by virtue of reasonably formulating and effectively implementing various systems, measures and detailed rules, to ensure the effectiveness of the supervision and balance between departments and positions and lay the foundation for the Company's normalised development.

The Company has continuously improved its internal management and actively carried out the building and optimisation of risk management and internal control systems during the course of the Company's operation and development in accordance with relevant requirements of external supervisory regulations such as the Corporate Governance Code, the Basic Standards for Enterprise Internal Control, the Norms for the All-rounded Risk Management of Securities Companies and the Guidance for the Internal Control of Securities Companies.

During the Reporting Period, in order to adapt to the constantly changing regulatory requirements and ensure the guiding function of the internal control system for operation and management and business development, the Company timely organized all departments, branches, subsidiaries to sort out and establish internal control systems in strict compliance with related laws, regulations, rules and norms. During the Reporting Period, in light of revisions to external regulatory requirements and the Company's actual risk control needs, 15 systems including the Comprehensive Risk Management Measures of Financial Street Securities Co., Limited(《金融街證券股份有限公司全面風險管理辦法》) were revised. Additionally, two new policies were established, including the Program Trading Management Measures of Financial Street Securities Co., Limited(《金融街證券股份有限公司程序化交易管理辦法》), which further improved the Company's comprehensive risk management and internal control system.

The Company will continue to improve risk management and internal control systems, sort out the present risk management and internal control processes and integrate the key points of risk management and internal control work in response to changes in the actual business situation of the Company and external regulatory laws and regulations. The Company will also update and improve various management and control measures for business processes and solidify the measures by means of relevant systems, so as to make risk management and internal control systems more systematic and scientific and form a long-term effective management mechanism.

2. Risk management and internal control evaluation

The purposes of internal control were to reasonably ensure legal compliance of operations and management of the Company, authenticity and completeness of financial statements and related information in order to effectively enhance operating efficiency and effectiveness and help the Company to achieve its development strategies. In view of the dynamic changes in geopolitics macro, policies and regulations and the internal environment, there are, inevitably, certain limitations in internal control. As a result, internal control can only provide a reasonable guarantee to achieve the aforesaid objectives.

Pursuant to the Basic Standards for Enterprise Internal Control and relevant supporting guidelines, the Guidance for the Internal Control of Securities Companies issued by the CSRC and the requirements of relevant standards and in compliance with the principles of comprehensiveness, materiality, check and balance, adaptability, and cost-effectiveness, the Board has conducted an overall evaluation on the internal control of the Company for the period from 1 January 2025 to 31 December 2025, and determined the details of the internal control evaluation based on the elements such as internal environment, risk assessment, control activities, information and communication, and internal supervision, so as to conduct a comprehensive evaluation of the design and operation of internal control.

The Board believes that the Company has established relatively complete risk management and internal control systems. As at 31 December 2025, the Company maintained sound and continuously effective internal controls in all material and significant respects, and there were no material and major deficiencies in its internal control mechanism and internal control system, no material and major deviations in the actual implementation process, and the Company's internal control was effective as a whole.

On 25 March 2026, Grant Thornton (Special General Partnership) issued the Assurance Report on Internal Control of Financial Street Securities Co., Limited (Grant Thornton Zhuan Zi (2026) No. 110C003505) (《金融街證券股份有限公司內部控制鑒證報告》(致同專字2026第110C003505號)), believing that the Company has effectively maintained internal control over financial statements in all material respects in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations as at 31 December 2025.

3. Other matters

(1) Building of compliance system

① Promoting the rotation and examination of compliance officers, and enhancing their performance capabilities through multiple measures

Firstly, the Compliance Management Department systematically reviewed factors such as the assessment results of branch compliance officers, two rounds of surveys on branch managers and compliance officers, performance capabilities, and the education and age of compliance officers. Based on this review, the Compliance Officer Rotation Plan(《合規專員輪崗方案》) was formulated, and rotation work was actively carried out, exceeding the targets set in the plan. Secondly, on-site interviews were conducted with compliance officers who lacked sufficient business experience. Thirdly, two examinations for all compliance officers were organized. The exam content covered company policies, major business operations, and compliance management requirements. The results were analyzed to identify knowledge and skill gaps among compliance officers, leading to targeted training. Assessment grades were incorporated into annual evaluations, effectively enhancing the professional skills of compliance officers.

② Upholding compliance standards to enable the steady development of all company businesses

Firstly, led by the Chief Compliance Officer, on-site research and exchange sessions were conducted with various business departments and branches to understand current operations, collect issues and suggestions, and promote solutions, fully supporting business development. Secondly, support was provided for the implementation of the company's collaborative businesses. By integrating current regulatory requirements and industry practices, key compliance control points were studied and formulated. Thirdly, the Compliance Management Department established a full-process working mechanism of "Project Approval Deliberation + On-site Due Diligence + Internal Review" to achieve full-cycle control over key risks in asset securitization businesses. Fourthly, efforts were made to enhance the account opening efficiency through Tonghuashun referral channel (同花順導流渠道) by proposing compliance

solutions to optimize the interrupted-point account opening process. Fifthly, a sales record retention control mechanism was promoted, unifying sales record management standards at the company level. Sixthly, the "Zhihui Compliance (智匯合規)" digital compliance assistant was launched. Leveraging natural language processing and large language model technologies, it enables immediate acceptance and professional responses to compliance inquiries, effectively meeting daily business compliance consultation needs. Seventhly, a special project was organized to review system permissions, addressing system permission management issues within the Company.

③ Advancing compliance culture construction from multiple dimensions, deepening the philosophy of compliant operations

Firstly, the hierarchical and categorized compliance training system was improved to further enhance the relevance and effectiveness of training. Specialized training sessions were organized for all employees, various functional departments, all compliance officers, and new hires. Internal training and learning sessions were also conducted on forward-looking topics such as the company's strategic layout and new business directions, fully supporting compliant business development. Secondly, for the first time, three regional training sessions for compliance officers were held, inviting business and internal control departments to deliver on-site lectures. Innovative topic-based discussions were conducted, involving group discussions on daily compliance duties and challenges in compliance control, with results summarized and shared. Thirdly, continuous efforts were made to strengthen the management of employee professional conduct, including coordinating employee behavior self-inspections, optimizing monitoring systems, implementing internet access control for information technology application innovation computers, and managing investment information declarations. Fourthly, a compliance question bank was compiled and established based on regulatory laws, relevant business policies, and regulatory cases, providing strong support for company-wide exams and compliance officer examinations. Fifthly, keeping pace with the demands of the "short, frequent, and fast" era, over 100 compliance communication articles were published through the "Voice of Compliance" channel on WeCom. Content included industry compliance weeklies, regulatory circulars, case analyses, policy interpretations, compliance reminders, and Q&As, enhancing the compliance awareness of all employees.

④ Strengthening the policy system construction to build a robust risk prevention barrier

Firstly, all departments and subsidiaries were organized to review and summarize internal control policies, and report on the revisions of the reporting system. Second, normative work on policies under the Company's new operational context was organized, covering all management systems. Emphasis was placed on revision needs arising from the reform of the Supervisory Committee, adjustments to certain departmental responsibilities, and changes to the names of first-level departments. Thirdly, following the change of Company name, all currently effective policies were promptly renamed and reissued. Fourthly, regular reviews of all company policies were completed in a timely manner, providing institutional support for the Company's compliant business activities.

⑤ Strengthening vertical control over subsidiaries and promoting continuous improvement in their compliance standards

In accordance with regulatory and Company requirements, the Compliance Department strengthened compliance control over subsidiaries from multiple dimensions. Firstly, it focused on reviewing subsidiary policies and business operations to manage core compliance risks and establish a solid foundation for compliance systems. Secondly, the compliance consultation mechanism was optimized, providing targeted reminders and regular guidance on regulatory requirements and business risk points. Thirdly, follow-up was conducted on issues identified in special compliance inspections to ensure rectification progress, improve risk prevention and communication mechanisms, and dynamically track default risks. Fourthly, subsidiary compliance monthly reports were regularly reviewed, key compliance concerns and follow-up items were sorted out, and information on business report reviews, policy examinations, anti-money laundering, and information barriers was consolidated. Participation in subsidiary management communication meetings ensured alignment on key management matters and deliberation needs.

⑥ Deepening the foundation of anti-money laundering work and focusing on key task progress

Firstly, cooperation was provided to complete the on-site anti-money laundering inspection by the People's Bank of China, and problem rectification was actively advanced. Secondly, requirements under the new Anti-Money Laundering Law were fully implemented by revising anti-money laundering policies, internalizing external regulations to ensure a smooth transition between old and new legal provisions, and conducting internal training. Thirdly, the forms of anti-money laundering publicity were enriched. Responding to the People's Bank's call for implementing the Anti-Money Laundering Law, the Company organized an online anti-money laundering knowledge quiz and a centralized publicity campaign for the new Anti-Money Laundering Law. It participated in the People's Bank of China's May 15 Anti-Economic Crime Publicity Day on-site activities, and integrated anti-money laundering education with investor education. By entering communities, parks, universities, pastoral areas and organizing Fitness Run with Campaign to Prevent Illegal Securities and Futures(防非健康跑), the Company continuously expanded the coverage of anti-money laundering publicity. Meanwhile, to further break through geographical and situational limitations, an anti-money laundering special feature was broadcast via the Investor Education Radio Program (空中投教基地), achieving precise coverage across diverse social demographics. Fourthly, the launch of the anti-money laundering monitoring system data self-inspection platform(反洗錢監測系統數據自檢平台) provided a crucial tool for the Company's data review and self-inspection, comprehensively improving data quality and strengthening independent data management capabilities. Fifthly, rectification of issues identified in the money laundering risk self-assessment was implemented, leading to enhancements and improvements in the Company's anti-money laundering work.

⑦ Leveraging inclusive services to innovate and enhance the quality and efficiency of investor protection and education

Adhering to an investor-centric philosophy, the Company regards investor education as a vital means to fulfill responsibilities, protect rights, and promote healthy development of the capital market. During the Reporting Period, the Company optimized the dual operational system of " Entity + Internet" utilizing national and provincial-level investor education bases to create distinctive investor education platforms, receiving over 20,000 visitors annually. The Company deepened the " seven-entry" investor education activities, innovatively held the " Little Grass Park Investor Education Music Market," collaborated with public security organs on anti-fraud training, and integrated investor education

into university curricula, accumulating 64 teaching hours and providing 13 internship positions. Simultaneously, actively responding to regulatory calls, the Company high-quality completed multiple investor education tasks assigned by the Shanghai, Shenzhen, Beijing Stock Exchanges, and the Securities Association of China, earning regulatory recognition. The Company received several honors, including the first prize in the Beijing Legal Video Contest. Moving forward, it will continue to enrich investor education offerings, innovate communication methods, enhance investors' financial literacy, and contribute to the long-term development of the capital market.

⑧ Focusing on addressing the root causes of complaints and enhancing the quality and efficiency of customer dispute resolution

Firstly, based on the existing emergency response mechanism, the time limits and responsibility assignments for each step were refined to effectively reduce complaint recurrence and escalation risks. Secondly, the linkage between complaint handling outcomes and compliance assessments was deepened, requiring all departments to identify potential issues and optimize processes at the service source, thereby shifting from "passive response" to "proactive resolution" of reasonable customer demands. Thirdly, an internal complaint disclosure mechanism was established. At the beginning of each month, core data such as the total number of complaints and the number of unresolved complaints for each branch were compiled and internally disclosed, providing a clear view of each branch's complaint handling progress and shortcomings, and promoting the resolution of complaints at their source.

(2) Development of anti-corruption policy and system

During the Reporting Period, the Company continued to enhance the development of its anti-corruption policies and systems. Focusing on institutional refinement, deepening supervision, and fostering a culture of integrity, the Company comprehensively fortified its integrity risk prevention and control framework.

Regarding the policy framework, the Articles of Association were revised to explicitly define integrity supervision responsibilities. The Company took the lead in improving nearly 30 supporting systems for ethical professional conduct, extended unified management to externally hired personnel, and increased the weighting of integrity assessments in performance evaluations, thereby strengthening the binding force of these systems.

Regarding system development, the Company continuously optimized its the mechanism for petition and reporting and clue management, implementing categorized handling and dynamic tracking to ensure standardized procedures and effective traceability. Simultaneously, a company-wide self-inspection on party style integrity building was organized. Special on-site inspections were conducted in key business areas such as asset custody and digital finance, promoting immediate rectification of identified issues. Supervision through "review (回頭看)" on branches was strengthened to ensure accountability pressures were effectively transmitted to the grassroots level.

Regarding fostering an integrity culture, an "centralized education + targeted outreach" warning education system("集中教育+靶向宣講"警示教育體系) was established, involving multiple thematic training sessions and tests. Educational content was regularly disseminated via the "Code of Behaviour (廉風紀語)" platform. The Company actively participated in industry-wide integrity culture-building activities, systematically compiled annual documentation for benchmarking against regulatory assessments, and published theoretical articles on integrity building in industry publications.

Regarding the collaborative supervision mechanism, coordination among compliance and risk control, discipline inspection, audit, and human resources departments was deepened. Integrity elements were thoroughly embedded into business processes and the comprehensive risk management system. A regular joint meeting mechanism(定期聯席會議機制)facilitated the establishment of a "comprehensive oversight (大監督)" framework characterized by information sharing and coordinated measures.

During the Reporting Period, centering on the core tasks of improving Party conduct, upholding integrity, and preventing integrity risks in professional conduct, the Company systematically advanced work related to institutional and mechanism building, education, advocacy, supervision, and inspection. This has solidly fortified the integrity defense line for professional conduct, providing strong safeguards for the sustained and high-quality development of the Company.

(3) Inspection and audit completed by the audit department

During the Reporting Period, centering on the Company's strategic layout, focusing on its primary responsibilities and core businesses, based on its audit and supervision functions, and with the core objectives of enhancing the Company's operation and management standards, strengthening its risk prevention capabilities and improving the Company's internal control and management control mechanism under correct leadership of the Party Committee and the Board as well as the great importance and robust support of the Company's management, the audit department carried out independent and objective supervision and evaluation of the Company's various business activities, financial receipts and expenditures, internal control effectiveness, and risk management measures, and gave full play to the role of the third line of defense to facilitate the realisation of the Company's legal management, compliance and stable operation. At the same time, the audit department exercised centralised control and supervision over the fulfillment of key audit functions in subsidiaries through a combination of centralised and hierarchical management, transforming organizational strengths into practical work outcomes.

During the Reporting Period, strictly adhering to regulatory requirements and closely aligning with the Company's strategic development needs, the Audit Department coordinated and advanced audit work, completing a total of 86 audit projects and issued 88 reports in terms of diversified audit, review or evaluation. Through this work, the department systematically evaluated the establishment and operational effectiveness of internal control systems within the audited units' management and business operations, identified potential risks in business development, strengthened company-wide awareness of compliant operations and risk prevention, and played a proactive and significant role in promoting the Company's compliant operation and elevating its risk management standards.

(4) Monitoring risk control indicators and building replenishment mechanism

For the purpose of building a sound dynamic monitoring system of risk control indicators, a capital replenishment mechanism, and a risk control system centering on net capital and liquidity, carrying out business with measurable, controllable and manageable risks, the Company, pursuant to the Administrative Measures for Risk Control Indicators of Securities Companies《((證券公司風險控制指標管理辦法》) of the CSRC, the Guidance for the Dynamic Monitoring System of the Risk Control Indicators of the Securities Companies《((證券公司風險控制指標動態監控系統指引》) of the Securities Association of China and other pertinent regulations, defined the Administrative Measures for Risk Control Indicators of Financial Street Securities Co., Limited《((金融街證券股份有限公司風險控制指標管理辦法》) and other internal control rules. In 2025, the Company promptly refined the core risk control indicator compilation rules in accordance with the revised Calculation Standards for Risk Control Indicators of Securities Companies《(證券公司風險控制指標計算標準》) issued by the CSRC, and initiated a specialized upgrade of the net capital system. This ensured that the data retrieval rules and data quality of the Company's monitoring system were aligned with regulatory requirements, ensuring that the measurement and compilation of core reports are consistently accurate and efficient.

In accordance with regulatory requirements, the Company established a dynamic monitoring system of risk control indicators for net capital and realized dynamic monitoring of risk control indicators and automatic warning. The risk dynamic monitoring system of the Company covers the business activities that affect risk control indicators such as net capital and liquidity and dynamically calculates risk control indicators such as net capital and liquidity; it carries out dynamic monitoring with particular business features taken into consideration and gives automatic warnings on risk control indicators such as net capital and liquidity according to preset valve values and monitoring standards; it is capable of generating monitoring reports on risk control indicators such as net capital.

The Company prepared the supervisory report on risk control indicators for net capital every month, set up multi-level warnings on risk control indicators, practices dynamic monitoring of risk control indicators, followed and analyzed the causes of changes in indicators, and guided the business departments to timely respond to abnormal situations.

The Company established a stress testing mechanism to assess the impact of new business developments and other matters on risk control indicators such as net capital through regular and special stress tests. When it is found that indicators such as net capital are about to break regulatory alert standards, the Company will launch a contingency plan to take measures such as adjusting business scale and business structure, evaluating and adjusting business operation plans, expanding financing channels, optimizing asset and liability structure and issuing subordinated bonds when necessary to further replenish capital so as to support the long-term and stable business development.

(5) Standardisation of accounts

The Company carried out account management in strict compliance with the relevant requirements of laws and regulations, and continued to improve the mechanism for routine auditing of account management to further improve the long-term effectiveness of the mechanism on standardised account management.

The Company has established a standardised account operation guarantee system, which is specially used for the standardised management of account information. Through docking with the big data platform of the Company, such system automatically identifies irregularities in account information and generates various examination tasks, and audits and archives the feedback from the examination tasks, thus realising systematic, process-oriented and refined standardised account information management. During the Reporting Period, the Company organised 3,791 examinations, which involved a total of 83,584 accounts, relying on the standardised account operation guarantee system. As at the end of the Reporting Period, the Company logged 549,461 dormant accounts, 22,772 pure capital accounts, 32 frozen capital accounts, 38 unqualified accounts, and no risk disposal account. The Company will continue to strengthen standardised management of accounts, and effectively implement various requirements of standardised management of accounts.

4. Procedures and internal controls for the handling and dissemination of inside information

During the Reporting Period, the Company complied with the relevant provisions of the information disclosure management system by providing adequate trainings to related employees in order to ensure all relevant facts and circumstances that may have a material effect on the share price of the Company is assessed in a timely manner and that any material information which comes to the knowledge of any one or more officers of the Group be promptly identified, assessed and, if appropriate, escalated for the attention of the Board to determine whether a disclosure is required.

5. Process used to identify, evaluate and manage significant risks

Details of the significant risks of the Company and the process used to identify, evaluate and manage the same are set out the subsection headed "VIII. Risk Factors and Countermeasures" under Section 5 "Management Discussion and Analysis", which forms a part of this Corporate Governance Report.

The Board normally conducts review of the effectiveness of the risk management and internal control systems at least on an annual basis. During the Reporting Period, the Board, together with the Audit Committee and the Risk Control and Supervisory Committee, has reviewed the effectiveness of the risk management and internal control of the Company, covering all material controls, financial, compliance and operational controls as well as risk management mechanisms once and considered the risk management and internal control systems of the Company are adequate and being implemented effectively.

Appendix Particulars of Securities Branches

As the end of the Reporting Period, the Company had a total of 100 securities branches. Number and distribution of securities branches of the Company are as follows:

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
1	Financial Street Securities Co., Limited Changchun Dongfeng Street Securities Branch (金融街證券股份有限公司長春東風大街證券營業部)	Room 501, No. 50 Dongfeng Street, Automobile Economic and Technological Development Zone, Changchun City, Jilin Province (吉林省長春市汽車經濟技術開發區東風大街50號501室)	1990.5.12	Dong Xishen (董錫深)	0431–87626400
2	Financial Street Securities Co., Limited Changchun Southeast Lake Road Securities Branch (金融街證券股份有限公司長春東南湖大路證券營業部)	Room 602, 6th Floor, Building 6, Dianyue Shangqi, No. 2221 Southeast Lake Road, Economic Development Zone, Changchun City, Jilin Province (吉林省長春市經濟開發區東南湖大路2221號典約商祺6樓602號房)	1990.5.12	Sun Yuman (孫毓蔓)	0431–84947885
3	Financial Street Securities Co., Limited Hohhot Xincheng North Street Securities Branch (金融街證券股份有限公司呼和浩特新城北街證券營業部)	No. 62 Xincheng North Street, Hohhot City, Inner Mongolia Autonomous Region (內蒙古自治區呼和浩特市新城北街62號)	1992.6.23	Zhang Yu (張雨)	0471–3330759
4	Financial Street Securities Co., Limited Changchun Xi'an Road Securities Branch (金融街證券股份有限公司長春西安大路證券營業部)	15th Floor, No. 1077 Xi'an Road, Chaoyang District, Changchun City, Jilin Province (吉林省長春市朝陽區西安大路1077號15層)	1992.11.27	Guo Bin (郭檳)	0431–88497775
5	Financial Street Securities Co., Limited Changchun Beijing Street Securities Branch (金融街證券股份有限公司長春北京大街證券營業部)	No. 1215 Beijing Street, Kuancheng District, Changchun City, Jilin Province (3rd, 4th, 5th Floor) (吉林省長春市寬城區北京大街1215號，3樓、4樓、5樓)	1993.4.23	Zhu Qingguo (朱慶國)	0431–82703518

Appendix Particulars of Securities Branches (Continued)

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
6	Financial Street Securities Co., Limited Changchun Gongnong Road Securities Branch (金融街證券股份有限公司長春工農大路證券營業部)	No. 1055 Gongnong Road, Chaoyang District, Changchun City, Jilin Province (吉林省長春市朝陽區工農大路1055號)	1993.4.24	Zhou Zheng (周正)	0431–85647591
7	Financial Street Securities Co., Limited Hohhot Ulanqab East Street Securities Branch (金融街證券股份有限公司呼和浩特烏蘭察布東街證券營業部)	4th Floor, Building 102, Yuanyi Yujing Community, Ulanqab East Street, Saihan District, Hohhot City, Inner Mongolia Autonomous Region (內蒙古自治區呼和浩特市賽罕區烏蘭察布東街園藝禦景小區102幢4層)	1993.6.4	Chang Xueli (常雪利)	0471–4962351
8	Financial Street Securities Co., Limited Baotou Steel Street Securities Branch (金融街證券股份有限公司包頭鋼鐵大街證券營業部)	5th Floor, Industrial and Commercial Club Office Building, No. 56 Steel Street, Kundu District, Baotou City, Inner Mongolia Autonomous Region (內蒙古自治區包頭市昆區鋼鐵大街56號工商會館寫字樓5樓)	1993.10.22	Yang Huilin (楊慧琳)	0472–6990128
9	Financial Street Securities Co., Limited Hohhot University West Street Securities Branch (金融街證券股份有限公司呼和浩特大學西街證券營業部)	Rooms 1801, 1802, 1803, 1804, 18th Floor, Mengxi Cultural Plaza, University West Street, Yuquan District, Hohhot City, Inner Mongolia Autonomous Region (內蒙古自治區呼和浩特市玉泉區大學西街蒙西文化廣場18層1801，1802,1803,1804號)	1993.10.22	Zhao Hengqiang (趙恒强)	0471–6286962

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
10	Financial Street Securities Co., Limited Chifeng Hada Street Securities Branch (金融街證券股份有限公司赤峰哈達街證券營業部)	01021, Building 1, Jiushénmiao Neighborhood Committee, Xitun Office, Hongshan District, Chifeng City, Inner Mongolia Autonomous Region (內蒙古自治區赤峰市紅山區西屯辦事處九神廟居委會1號樓01021)	1996.8.20	Zhang Hongyun (張紅雲)	0476–8353933
11	Financial Street Securities Co., Limited Shanghai Hongkou District Feihong Road Securities Branch (金融街證券股份有限公司上海虹口區飛虹路證券營業部)	Rooms 1911–1914, 19th Floor (Nominal Floor), Building 2, No. 118 Feihong Road, Hongkou District, Shanghai (上海市虹口區飛虹路118號2號樓19樓(名義樓層)1911–1914室)	1996.12.19	Tang Zimei (唐子媚)	021-65085138
12	Financial Street Securities Co., Limited Hulunbuir Hailar District Hexi Development Zone Securities Branch (金融街證券股份有限公司呼倫貝爾海拉爾區河西開發區證券營業部)	Office Complex Building, Economic and Technological Development Zone Management Committee, Hailar District, Hulunbuir City, Inner Mongolia (內蒙古呼倫貝爾市海拉爾區經濟技術開發區管委會辦公綜合樓)	1997.7.30	Zhu Shengwang (朱勝望)	0470–8352899
13	Financial Street Securities Co., Limited Ulanqab City Jianshe Road Securities Branch (金融街證券股份有限公司烏蘭察布市建設路證券營業部)	Rooms 301, 302, 303, Building K18, Anda International Jiayuan, Enhe Road, Jining District, Ulanqab City, Inner Mongolia Autonomous Region (內蒙古自治區烏蘭察布市集寧區恩和路安大國際嘉園K18棟301、302、303)	1997.7.31	Guo Lifeng (郭立峰)	0474–8222000
14	Financial Street Securities Co., Limited Dongsheng Ordos Street Securities Branch (金融街證券股份有限公司東勝鄂爾多斯大街證券營業部)	No. 11 Ordos West Street, Dongsheng District, Ordos City, Inner Mongolia Autonomous Region (內蒙古自治區鄂爾多斯市東勝區鄂爾多斯西街11號)	1997.8.13	He Jun (何軍)	0477–8331678

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
15	Financial Street Securities Co., Limited Linhe North Victory Road Securities Branch (金融街證券股份有限公司臨河勝利北路證券營業部)	4th Floor, Hua'ao Building, No. 1 North Victory Road, Linhe District, Bayannur City, Inner Mongolia Autonomous Region (內蒙古自治區巴彥淖爾市臨河區勝利北路1號華澳大廈4層)	1997.9.8	Shi Minglong (史明龍)	0478–8226336
16	Financial Street Securities Co., Limited Wuhai South Haila Road Securities Branch (金融街證券股份有限公司烏海海拉南路證券營業部)	No. 26 South Haila Road, Haibowan District, Wuhai City, Inner Mongolia Autonomous Region (內蒙古自治區烏海市海勃灣區海拉南路26號)	2000.8.24	Xiang Li (向莉)	0473–2017526
17	Financial Street Securities Co., Limited Changchun Ecological Street Securities Branch (金融街證券股份有限公司長春生態大街證券營業部)	Rooms 501, 502, ,509 United Creative Center Office Building, No. 7888 Ecological Street, Jingyue Development Zone, Changchun City, Jilin Province (吉林省長春市淨月開發區生態大街7888號聯合創意中心寫字樓501、502、509室)	2000.9.18	Qu Zhicheng (曲志成)	0431–87989955
18	Financial Street Securities Co., Limited Beijing Guang'anmen Inner Street Securities Branch (金融街證券股份有限公司北京廣安門內大街證券營業部)	Rooms 1128, 1105, 1106, 1107, 1109, 11th Floor, No. 338 Guang'anmen Inner Street, Xicheng District, Beijing (北京市西城區廣安門內大街338號11層1128、1105、1106、1107、1109室)	2000.10.24	Wang Zhiwei (王之偉)	010-63431913

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
19	Financial Street Securities Co., Limited Chifeng Pingzhuang Hahe Street Securities Branch (金融街證券股份有限公司赤峰平莊哈河街證券營業部)	2# Auxiliary Building-0-DT02-1, Xintiandi Community, Pingzhuang Xicheng Street, Yuanbaoshan District, Chifeng City, Inner Mongolia Autonomous Region (內蒙古自治區赤峰市元寶山區平莊西城街道新天地小區2#副樓-0-DT02-1)	2001.7.17	Wang Yuelong (王躍龍)	0476–3517417
20	Financial Street Securities Co., Limited Changchun Renmin Street Zijinhua Securities Branch (金融街證券股份有限公司長春人民大街紫荊花證券營業部)	South Area, 15th Floor, Zijinhua Hotel, No. 5688 Renmin Street, Nanguan District, Changchun City, Jilin Province (吉林省長春市南關區人民大街5688號紫荊花飯店十五層南區)	2002.2.27	Du Jinhao (杜金浩)	0431–82982159
21	Financial Street Securities Co., Limited Chifeng Xing'an Street Securities Branch (金融街證券股份有限公司赤峰興安街證券營業部)	4-5-1-01013, Yaxing International Apartment, Bajia Group, Songshan District, Chifeng City, Inner Mongolia Autonomous Region (內蒙古自治區赤峰市松山區八家組團亞興國際公寓4-5-1-01013)	2002.3.16	Gu Yunlong (谷雲龍)	0476–5886616
22	Financial Street Securities Co., Limited Ordos Xuejiawan Wulan Road Securities Branch (金融街證券股份有限公司鄂爾多斯薛家灣烏蘭路證券營業部)	3rd Floor, Shopping Mall, Wulan Community, Tiebei District, Lantian Street, Jungar Banner, Ordos City, Inner Mongolia Autonomous Region (內蒙古自治區鄂爾多斯市准格爾旗藍天街道鐵北區烏蘭小區商場三樓)	2002.4.4	Wang Meixian (王美仙)	0477–4211955
23	Financial Street Securities Co., Limited Jilin Tongtan Road Securities Branch (金融街證券股份有限公司吉林通潭大路證券營業部)	Retail Units 2, 3, 4, Building 5-1, Tongtan West District, Changyi District, Jilin City, Jilin Province (吉林省吉林市昌邑區通潭西區5-1棟2、3、4號網點)	2002.6.6	Su Xiurong (宿秀榮)	0432–62785999

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
24	Financial Street Securities Co., Limited Hohhot South Xilin Road Securities Branch (金融街證券股份有限公司呼和浩特錫林南路證券營業部)	Room 601, Block C, Yingjia International, South Xilin Road, Saihan District, Hohhot City, Inner Mongolia Autonomous Region (內蒙古自治區呼和浩特市賽罕區錫林南路盈嘉國際C座601號)	2002.11.6	Liu Wanru (劉婉茹)	0471–6916007
25	Financial Street Securities Co., Limited Baotou Culture Road Securities Branch (金融街證券股份有限公司包頭文化路證券營業部)	10-103, Guanghui Yiqu, Jiankang Xincheng, Block 4, Minzhu Road, Qingshan District, Baotou City, Inner Mongolia Autonomous Region (內蒙古自治區包頭市青山區民主路4號街坊健康新城光輝一區10-103)	2003.3.2	Zhang Juan (張娟)	0472–2629186
26	Financial Street Securities Co., Limited Xilinhot Tuanjie Street Securities Branch (金融街證券股份有限公司錫林浩特團結大街證券營業部)	No. 270 Tuanjie Street, Xilinhot City, Xilingol League, Inner Mongolia Autonomous Region (內蒙古自治區錫林郭勒盟錫林浩特市團結大街270號)	2003.3.5	Xu Changfeng (徐長鋒)	0479–8248846
27	Financial Street Securities Co., Limited Beijing Dongzhimen Inner North Small Street Securities Branch (金融街證券股份有限公司北京東直門內北小街證券營業部)	Rooms 101, 201, Buildings 14 and 18, Dongzhimen Inner North Small Street, Dongcheng District, Beijing (北京市東城區東直門內北小街14、18號樓101、201號)	2003.3.28	Shi Min (史敏)	010-84128668
28	Financial Street Securities Co., Limited Nanjing Shuiximen Street Securities Branch (金融街證券股份有限公司南京水西門大街證券營業部)	No. 203 Shuiximen Street, Jianye District, Nanjing City, Jiangsu Province (江蘇省南京市建鄴區水西門大街203號)	2003.9.30	Chong Xinong (崇曦農)	025-84780368

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
29	Financial Street Securities Co., Limited Shenyang Fengtian Street Securities Branch (金融街證券股份有限公司瀋陽奉天街證券營業部)	No. 351 Fengtian Street, Shenhe District, Shenyang City, Liaoning Province (601-609) (遼寧省瀋陽市沈河區奉天街351號(601-609))	2004.7.25	Heng Jianwei (衡建偉)	024-86018088
30	Financial Street Securities Co., Limited Manzhouli Wenming Road Securities Branch (金融街證券股份有限公司滿洲里文明路證券營業部)	Shop -1, Xinmao Building (Intersection of Wenming Road and 4th Street), Manzhouli City, Inner Mongolia Autonomous Region (內蒙古自治區滿洲里市鑫貿樓門市-1(文明路與四道街交叉路口))	2005.12.7	Geng Zhenshan (耿振山)	0470–6239593
31	Financial Street Securities Co., Limited Zhalantun Fanrong Street Securities Branch (金融街證券股份有限公司扎蘭屯繁榮街證券營業部)	3rd Floor Office Area, Unit 01005, Building 4, Phase 3, Runteng Home, Xinfeng Neighborhood, Fanrong Subdistrict, Zhalantun City, Hulunbuir City, Inner Mongolia Autonomous Region (內蒙古自治區呼倫貝爾市扎蘭屯市繁榮辦新風居潤騰家園三期4號樓商服01005號三層辦公區)	2007.9.18	Yue Hailong (岳海龍)	0470–3218089
32	Financial Street Securities Co., Limited Tongliao Mingren Street Securities Branch (金融街證券股份有限公司通遼明仁大街證券營業部)	2-/-103, Xinxin Garden Community, 5th Committee, Shijie Office, East Section of Mingren Street, Keerqin District, Tongliao City, Inner Mongolia Autonomous Region (內蒙古自治區通遼市科爾沁區明仁大街東段(施介辦事處五委新新花園小區2-/-103))	2009.1.20	Zhang Bin (張斌)	0475–6341017

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
33	Financial Street Securities Co., Limited Baotou High-tech Zone Securities Branch (金融街證券股份有限公司包頭高新區證券營業部)	Business Garden E02-101-4, Headquarters Economic Park, No. 11 Zhaotan East Road, Rare Earth Development Zone, Baotou City, Inner Mongolia Autonomous Region (內蒙古自治區包頭市稀土開發區沼潭東路11號總部經濟園區商務花園E02-101-4樓)	2009.6.8	Jin Xuxia (金旭霞)	0472–2318629
34	Financial Street Securities Co., Limited Yakeshi Qingsong Road Securities Branch (金融街證券股份有限公司牙克石青松路證券營業部)	Retail Units 1-8, 1st Floor, Comprehensive Building, East of Qingsong Road, Xingong Office, Yakeshi City, Inner Mongolia Autonomous Region (內蒙古自治區牙克石市新工辦事處青松路東綜合樓一層門市1-8號)	2009.10.23	Yu Zhaojun (于兆君)	0470–7357266
35	Financial Street Securities Co., Limited Erenhot Dinosaur Street Securities Branch (金融街證券股份有限公司二連浩特恐龍大街證券營業部)	Shop 104, Building 1, Fenghua Fudi Community, West of West Ring Road, South of Dinosaur Street, Erenhot City, Xilingol League, Inner Mongolia Autonomous Region (內蒙古自治區錫林郭勒盟二連浩特市恐龍大街南、西環路西楓華府第小區1號樓104鋪)	2009.11.4	Wang Xiaoting (王曉婷)	0479–7527100
36	Financial Street Securities Co., Limited Alxa League Bayanhot Jilantai Road Securities Branch (金融街證券股份有限公司阿拉善盟巴彥浩特吉蘭泰路證券營業部)	Shop, Minsheng Garden, South of Jilantai Road, Bayanhot Town, Alxa Left Banner, Alxa League, Inner Mongolia Autonomous Region (內蒙古自治區阿拉善盟阿拉善左旗巴彥浩特鎮吉蘭泰路南民生花園商鋪)	2009.11.23	Shi Shuai (師帥)	0483–8351609

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
37	Financial Street Securities Co., Limited Beijing East Third Ring Road Securities Branch (金融街證券股份有限公司北京東三環證券營業部)	Room 308, 3rd Floor, Building 1 (Donghuan 18 International Plaza), No. 18 East Third Ring Middle Road, Chaoyang District, Beijing (北京市朝陽區東三環中路18號院1號樓(東環18國際大廈)3層308)	2010.1.12	Wang Pengfei (王鵬飛)	010-87751985
38	Financial Street Securities Co., Limited Shanghai Hongkou District Hailun Road Securities Branch (金融街證券股份有限公司上海虹口區海倫路證券營業部)	Units 03, 04, 22nd Floor, No. 440 Hailun Road, Hongkou District, Shanghai (上海市虹口區海倫路440號22層03、04單元)	2010.1.28	Wu Minghui (吳明輝)	021-56371578
39	Financial Street Securities Co., Limited Jilin Panshi Dongning Street Securities Branch (金融街證券股份有限公司吉林磐石東寧街證券營業部)	Retail Unit 8, Building 1, Hongda Garden, Dongning Street, Panshi City, Jilin Province (吉林省磐石市東寧街紅大花園1#-門市8)	2010.2.9	Huang Xiuxian (黃秀賢)	0432–65688007
40	Financial Street Securities Co., Limited Baishan Hunjiang Street Securities Branch (金融街證券股份有限公司白山渾江大街證券營業部)	No. 171 Hunjiang Street (Retail shops on 1-2 floors of the Justice Bureau), Baishan City, Jilin Province (吉林省白山市渾江大街171號(司法局1-2樓門市))	2010.3.17	Ma Shouliang (馬守良)	0439–3299456
41	Financial Street Securities Co., Limited Tonghua Dongchang Road Securities Branch (金融街證券股份有限公司通化東昌路證券營業部)	No. 667 Dongchang Road, Dongchang District, Tonghua City, Jilin Province (吉林省通化市東昌區東昌路667號)	2010.7.6	Zhang Peng (張鵬)	0435–3707171
42	Financial Street Securities Co., Limited Baicheng West Zhongxing Road Securities Branch (金融街證券股份有限公司白城中興西大路證券營業部)	Building 8-4, No. West Zhongxing Road, Baicheng City, Jilin Province (吉林省白城市中興西大路8號樓-4)	2010.10.25	Zhu Yenan (朱冶男)	0436–3202666

Appendix Particulars of Securities Branches (Continued)

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
43	Financial Street Securities Co., Limited Liaoyuan Hening Street Securities Branch (金融街證券股份有限公司遼源和寧街證券營業部)	Retail Unit 102, Building G2, Dongxing Shanyucheng, Yangguang Xincheng, Hening Street, Xi'an District, Liaoyuan City, Jilin Province (吉林省遼源市西安區和寧街陽光新城東星山語城G2號樓102門市)	2010.10.28	Gu Yiquan (谷易權)	0437–6678008
44	Financial Street Securities Co., Limited Qianguo Songjiang Street Securities Branch (金融街證券股份有限公司前郭松江大街證券營業部)	Room 3, Building 3, Office Building of Yangguang Village Bank, Minzhiwei, Bayan Community, Qianguo County, Songyuan City, Jilin Province (吉林省松原市前郭縣巴彥社區民知委陽光村鎮銀行辦公樓第3幢3號房)	2011.3.16	Zhao Wuhan (趙梧涵)	0438–6833558
45	Financial Street Securities Co., Limited Ordos City Kangbashi District Securities Branch (金融街證券股份有限公司鄂爾多斯市康巴什區證券營業部)	Unit A3-1014, Jinxin Shibo Plaza, No. 15 Shifu South Street, Kangbashi District, Ordos City, Inner Mongolia Autonomous Region (內蒙古自治區鄂爾多斯市康巴什區市府南街15號金信仕博廣場A3-1014號)	2011.10.24	Li Chunping (李春平)	0477–3881788
46	Financial Street Securities Co., Limited Chifeng Ningcheng Daning Road Securities Branch (金融街證券股份有限公司赤峰寧城大寧路證券營業部)	East Side of Daning Road (Huaxin Residential Quarter), Tianyi Town, Ningcheng County, Chifeng City, Inner Mongolia Autonomous Region (內蒙古自治區赤峰市寧城縣天義鎮大寧路東側(華鑫小區))	2012.3.16	Chen Shichao (陳世超)	0476–4255161

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
47	Financial Street Securities Co., Limited Chaozhou Xitai Avenue Securities Branch (金融街證券股份有限公司潮州熙泰大道證券營業部)	Shop No. 13, Liboge, Haibo Xitai, Xitai Avenue, Shangpu Village, Chengxi Street, Xiangqiao District, Chaozhou City, Guangdong Province (廣東省潮州市湘橋區城西街道上埔村熙泰大道海博熙泰麗湖閣13號商鋪)	2014.1.13	Ye Xi (葉璽)	0768–2520001
48	Financial Street Securities Co., Limited Beijing Liuxiang Road Securities Branch (金融街證券股份有限公司北京榴鄉路證券營業部)	Rooms 1101-4, 1101-5, 11th Floor, Building 10, No. 88 Liuxiang Road, Fengtai District, Beijing (北京市豐台區榴鄉路88號院10號樓11層1101-4、1101-5號)	2014.7.23	Xu Mingtong (徐銘彤)	010-89508257
49	Financial Street Securities Co., Limited Beijing Financial Street Securities Branch (金融街證券股份有限公司北京金融大街證券營業部)	Rooms C515, C517, C519, 5th Floor, No. 33 Financial Street, Xicheng District, Beijing (北京市西城區金融大街33號5層C515、C517、C519)	2014.8.6	Li Yan (李岩)	010-57058597
50	Financial Street Securities Co., Limited Shenzhen Shennan Avenue Securities Branch (金融街證券股份有限公司深圳深南大道證券營業部)	Room 1301, Jindi Center, No. 2007 Shennan Avenue, Gangxia Community, Futian Street, Futian District, Shenzhen City, Guangdong Province (廣東省深圳市福田區福田街道崗廈社區深南大道2007號金地中心1301)	2015.1.12	Shi Buren (施布仁)	0755–82828137
51	Financial Street Securities Co., Limited Liaocheng Dongchang Road Securities Branch (金融街證券股份有限公司聊城東昌路證券營業部)	Room 1027, Fortune Center Building, No. 86 Dongchang Road, Economic and Technological Development Zone, Liaocheng City, Shandong Province (山東省聊城市經濟技術開發區東昌路86號財富中心大廈1027室)	2015.1.26	Zhao Wenyuan (趙文苑)	0635–2110887

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
52	Financial Street Securities Co., Limited Weifang Beihai Road Securities Branch (金融街證券股份有限公司濰坊北海路證券營業部)	1-2, Building 1, Lianyun Building, No. 12808 Liyuan Street, Jiankang Dongjie Community, Xincheng Street, High-tech Zone, Weifang City, Shandong Province (山東省濰坊高新區新城街道健康東街社區梨園街12808號聯運大廈1號樓1-2)	2015.1.29	Xu Tao (許濤)	0536–8986553
53	Financial Street Securities Co., Limited Qingdao Securities Branch (金融街證券股份有限公司青島證券營業部)	Unit 101, Building 7, No. 1 Haier Road, Laoshan District, Qingdao City, Shandong Province (山東省青島市嶗山區海爾路1號乙7號樓1單元101戶)	2015.2.3	Du Yongzhi (杜勇志)	0532–85900813
54	Financial Street Securities Co., Limited Shanghai Pudong New Area Chengshan Road Securities Branch (金融街證券股份有限公司上海浦東新區成山路證券營業部)	1st Floor, No. 21, 23, 25, Lane 855, Chengshan Road, Pudong New Area, Shanghai (上海市浦東新區成山路855弄21號1層、23.25號1層)	2015.3.6	Meng Shuang (孟爽)	021-62030568
55	Financial Street Securities Co., Limited Shanghai Huangpu District Gaoxiong Road Securities Branch (金融街證券股份有限公司上海黃浦區高雄路證券營業部)	1st Floor, No. 307, 309 Gaoxiong Road, Huangpu District, Shanghai (上海市黃浦區高雄路307號1層、309號1層)	2015.3.18	Yang Shifang (楊世芳)	021-63357216
56	Financial Street Securities Co., Limited Beijing Jianguo Road Securities Branch (金融街證券股份有限公司北京建國路證券營業部)	Room 1105, 10th Floor, Building 10, No. 93 Jianguo Road, Chaoyang District, Beijing (北京市朝陽區建國路93號院10號樓10層1105號)	2015.6.18	Wang Xiaomin (王曉敏)	010-65921130
57	Financial Street Securities Co., Limited Dalian Yide Street Securities Branch (金融街證券股份有限公司大連一德街證券營業部)	Offices 1, 2, 3, 7, No. 22 Yide Street, Zhongshan District, Dalian City, Liaoning Province (遼寧省大連市中山區一德街22號辦1辦2辦3辦7)	2015.6.26	Chen Yanan (陳婭楠)	0411–82310300

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
58	Financial Street Securities Co., Limited Beijing Zhongguancun North Second Street Securities Branch (金融街證券股份有限公司北京中關村北二街證券營業部)	Room 1010, 9th Floor, No. 8 North Zhong'er Street, Haidian District, Beijing (北京市海澱區海澱北二街8號9層1010)	2015.7.1	Yang Linfeng (楊林峰)	010-61943928
59	Financial Street Securities Co., Limited Changzhou Longjin Road Securities Branch (金融街證券股份有限公司常州龍錦路證券營業部)	Shop 7-105, Fuxi Garden, Xinbei District, Changzhou City, Jiangsu Province (常州市新北區府西花園商鋪7-105號)	2015.7.2	Chen Le (陳樂)	0519–85551099
60	Financial Street Securities Co., Limited Chongqing Jiangbeizui Securities Branch (金融街證券股份有限公司重慶江北嘴證券營業部)	Unit 01, 23A Floor (Nominal Floor), Building 3, No. 25 Juxian Street, Jiangbei District, Chongqing (重慶市江北區聚賢街25號3幢名義層第23A層(自編號)01號單元)	2015.7.8	Meng Xi (蒙希)	023-63109948
61	Financial Street Securities Co., Limited Wuhan Xinhua Road Securities Branch (金融街證券股份有限公司武漢新華路證券營業部)	Room 2, 13th Floor, Pufa Bank Building, No. 218 Xinhua Road, Jianghan District, Wuhan City, Hubei Province (湖北省武漢市江漢區新華路218號(浦發銀行大廈)13層2室)	2015.7.14	Fan Chunhua (范春華)	027-85898177
62	Financial Street Securities Co., Limited Shanghai Pudong New Area Lanhua Road Securities Branch (金融街證券股份有限公司上海浦東新區蘭花路證券營業部)	Room 1207, No. 333 Lanhua Road, Pudong New Area, Shanghai (上海市浦東新區蘭花路333號1207室)	2015.7.20	Dai Shaosong (代紹松)	021-68822818
63	Financial Street Securities Co., Limited Shanghai Pudong New Area Dongfang Road Securities Branch (金融街證券股份有限公司上海浦東新區東方路證券營業部)	Unit D2, 15th Floor, No. 778 Dongfang Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區東方路778號15樓D2單元)	2015.7.21	Chen Lijun (陳麗軍)	021-50909296

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
64	Financial Street Securities Co., Limited Shanghai Pudong New Area Huayuan Shiqiao Road Securities Branch (金融街證券股份有限公司上海浦東新區花園石橋路證券營業部)	Room 903-A, No. 33 Huayuan Shiqiao Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區花園石橋路33號903室-A)	2015.8.5	Sheng Yingjun (盛英君)	021-61049892
65	Financial Street Securities Co., Limited Dongguan Nancheng Hongbei Road Securities Branch (金融街證券股份有限公司東莞南城宏北路證券營業部)	Room 317, No. 8 Huijin 4th Street, Nancheng Street, Dongguan City, Guangdong Province (廣東省東莞市南城街道匯金四街8號317室)	2015.8.12	Ruan Hai (阮海)	0769–22988996
66	Financial Street Securities Co., Limited Foshan Foping Road Securities Branch (金融街證券股份有限公司佛山佛平路證券營業部)	Room 1, 8th Floor, Office Building, Yujing City Garden, No. 6 Foping 3rd Road, Guicheng Street, Nanhai District, Foshan City, Guangdong Province (廣東省佛山市南海區桂城街道佛平三路6號禦景城市花園辦公樓8樓之一室)	2015.8.24	Feng Yangzhi (馮洋智)	0757–86288102
67	Financial Street Securities Co., Limited Hangzhou Minhe Road Securities Branch (金融街證券股份有限公司杭州民和路證券營業部)	Rooms 2810–2811, 28th Floor, Building 1, Baosheng Century Center, Zhongke Baosheng Technology Park, No. 800 Minhe Road, Yingfeng Street, Xiaoshan District, Hangzhou City, Zhejiang Province (浙江省杭州市蕭山區盈豐街道民和路800號寶盛世紀中心1幢中科寶盛科技園28層2810–2811室)	2015.8.26	Feng Xiaorong (馮小榮)	0571–86538803

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
68	Financial Street Securities Co., Limited Shenzhen Yitian Road Excellence Times Square Securities Branch (金融街證券股份有限公司深圳益田路卓越時代廣場證券營業部)	Rooms 5007B-5008, 50th Floor, Excellence Times Square, No. 4068 Yitian Road, Futian Street, Futian District, Shenzhen City, Guangdong Province (廣東省深圳市福田區福田街道益田路4068號卓越時代廣場50樓5007B-5008)	2015.8.27	Wu Rongrong (伍榮榮)	0755–82801189
69	Financial Street Securities Co., Limited Shanghai Changning District Yan'an West Road Securities Branch (金融街證券股份有限公司上海長寧區延安西路證券營業部)	Room 2607, No. 1116 Yan'an West Road, Changning District, Shanghai (上海市長寧區延安西路1116號2607室)	2015.9.6	Jin Kaihong (金凱紅)	021-62379632
70	Financial Street Securities Co., Limited Wenzhou Business Avenue Securities Branch (金融街證券股份有限公司溫州商務大道證券營業部)	Room 2407, Oulian Building, No. 320 Business Avenue, Louqiao Street, Ouhai District, Wenzhou City, Zhejiang Province (浙江省溫州市甌海區婁橋街道商務大道320號甌聯大廈2407室)	2015.9.6	Chen Kai (陳愷)	0577–88709188
71	Financial Street Securities Co., Limited Shanghai Putuo District North Shaanxi Road Securities Branch (金融街證券股份有限公司上海普陀區陝西北路證券營業部)	Rooms 2403, 2405, 2406, No. 1438 North Shaanxi Road, Putuo District, Shanghai (上海市普陀區陝西北路1438號2403、2405、2406室)	2015.9.10	Hou Shaojun (侯少軍)	021-62785699
72	Financial Street Securities Co., Limited Shanghai Huangpu District Xujiahui Road Securities Branch (金融街證券股份有限公司上海黃浦區徐家匯路證券營業部)	Room 19C, No. 555 Xujiahui Road, Huangpu District, Shanghai (上海市黃浦區徐家匯路555號19C室)	2015.9.21	Li Jingjing (李晶晶)	021-63083060

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
73	Financial Street Securities Co., Limited Zhuhai Jiuzhou Avenue Fuhuali Securities Branch (金融街證券股份有限公司珠海九洲大道富華里證券營業部)	Unit 01, 7th Floor, Block A, Fuhuali Center Office Building, No. 2021 Jiuzhou Avenue West, Zhuhai City, Guangdong Province (廣東省珠海市九洲大道西2021號富華里中心寫字樓A座7層01號)	2015.9.30	Guo Lixuan (郭麗璇)	0756–8619168
74	Financial Street Securities Co., Limited Shijiazhuang Huai'an Road Securities Branch (金融街證券股份有限公司石家莊槐安路證券營業部)	Room 1805, Wumei Wuzhou Building, Yaqing Street, Yuhua District, Shijiazhuang City, Hebei Province (河北省石家莊市裕華區雅清街西美五洲大廈1805號)	2015.10.9	Wang Dan (王丹)	0311–66500779
75	Financial Street Securities Co., Limited Shenzhen Longcheng Avenue Securities Branch (金融街證券股份有限公司深圳龍城大道證券營業部)	Room 210, Unit B, Building 9, Vanke Tianyu Garden, No. 88 Xipu Road, Jixiang Community, Longcheng Street, Longgang District, Shenzhen City, Guangdong Province (廣東省深圳市龍崗區龍城街道吉祥社區西埔路88號萬科天譽花園9棟B單元210)	2015.10.9	Long Xiaoling (龍小玲)	0755–89452231
76	Financial Street Securities Co., Limited Taiyuan South Zhonghuan Street Securities Branch (金融街證券股份有限公司太原南中環街證券營業部)	Room 1207, 12th Floor, Block B, Building 1, No. 455 South Zhonghuan Street, Xuefu Industrial Park, Shanxi Transformation and Comprehensive Reform Demonstration Zone (山西省山西轉型綜合改革示範區學府產業園南中環街455號1幢B座12層1207號)	2015.10.13	Yang Xudong (楊旭東)	0351–3958073

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
77	Financial Street Securities Co., Limited Nanning Minzu Avenue Securities Branch (金融街證券股份有限公司南寧民族大道證券營業部)	Offices 403, 405, 406, 4th Floor, Tianlong Fortune Center, No. 180 Minzu Avenue, Qingxiu District, Nanning City, Guangxi Zhuang Autonomous Region (廣西壯族自治區南寧市青秀區民族大道180號天龍財富中心四層403、405、406號辦公)	2015.10.27	Liang Donglu (梁冬路)	0771–5535796
78	Financial Street Securities Co., Limited Shanghai Changning District Gubei Road Securities Branch (金融街證券股份有限公司上海長寧區古北路證券營業部)	Rooms 602-1, 603-1, No. 678 Gubei Road, Changning District, Shanghai (上海市長寧區古北路678號602-1、603-1室)	2015.11.3	Lu Jiali (陸佳驪)	021-23560198
79	Financial Street Securities Co., Limited Hangzhou Wujiang Road Securities Branch (金融街證券股份有限公司杭州婺江路證券營業部)	Room 2104, 21st Floor, Building 1, No. 217 Wujiang Road, Wangjiang Street, Shangcheng District, Hangzhou City, Zhejiang Province (浙江省杭州市上城區望江街道婺江路217號1號樓21層2104室)	2015.11.3	Wang Bao (王寶)	0571–86979032
80	Financial Street Securities Co., Limited Rui'an Gongruishan Road Securities Branch (金融街證券股份有限公司瑞安拱瑞山路證券營業部)	No. 422, 424 Gongruishan Road, Anyang Street, Rui'an City, Zhejiang Province (浙江省瑞安市安陽街道拱瑞山路422、424號)	2015.11.9	Jin Hairu (金海茹)	0577–66889159
81	Financial Street Securities Co., Limited Shanghai Pudong New Area Yinchendong Road Securities Branch (金融街證券股份有限公司上海浦東新區銀城中路證券營業部)	Room 2305, No. 168 Yinchendong Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區銀城中路168號2305室)	2015.12.9	Ding Fei (丁斐)	021-50891677

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
82	Financial Street Securities Co., Limited Shenzhen Overseas Chinese Town Securities Branch (金融街證券股份有限公司深圳華僑城證券營業部)	Room 1305, Block A, OCT Tower, No. 9018 Shennan Avenue, Zhongxin Street Community, Shahe Street, Nanshan District, Shenzhen City, Guangdong Province (廣東省深圳市南山區沙河街道中新街社區深南大道9018號華僑城大廈A座1305)	2015.12.16	Fan Long (范龍)	0755–23913045
83	Financial Street Securities Co., Limited Hangzhou Fuchun Road Securities Branch (金融街證券股份有限公司杭州富春路證券營業部)	Room 2605, Building 2, Qianjiang International Times Square, Jianggan District, Hangzhou City, Zhejiang Province (浙江省杭州市江幹區錢江國際時代廣場2幢2605室)	2015.12.16	Zhang Jing (張婧)	0571–87899209
84	Financial Street Securities Co., Limited Shaoxing Shengli Road Securities Branch (金融街證券股份有限公司紹興勝利路證券營業部)	Room 1301, Shimao Skyscraping Center, No. 379 Shengli East Road, Yuecheng District, Shaoxing City, Zhejiang Province (浙江省紹興市越城區勝利東路379號世茂天際中心1301室)	2016.1.18	Zheng Yi (鄭逸)	0575–88002391
85	Financial Street Securities Co., Limited Tiannan Jiayuan Dao Securities Branch (金融街證券股份有限公司天津芥園道證券營業部)	Shop 5, 101-, Building 15, Lingdangge Street, Hongqiao District, Tianjin (天津市紅橋區鈴鐺閣街道康華里15號樓底商101-商鋪5)	2016.1.19	Gao Ying (高英)	022–87097159
86	Financial Street Securities Co., Limited Changsha North Xiaoxiang Road Securities Branch (金融街證券股份有限公司長沙瀟湘北路證券營業部)	1102- Self-numbered 1101, Dingheng Building, No. 20 Chazi Mountain East Road, Yuelu District, Changsha City, Hunan Province (湖南省長沙市岳麓區茶子山東路20號鼎衡大廈1102-自編號1101)	2016.1.29	Ning Jiang (寧江)	0731–85562029

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
87	Financial Street Securities Co., Limited Shanghai Changning District West Zhongshan Road Securities Branch (金融街證券股份有限公司上海長寧區中山西路證券營業部)	Room 904, No. 1065 West Zhongshan Road, Changning District, Shanghai (上海市長寧區中山西路1065號904室)	2016.2.2	Feng Yuangang (馮元剛)	021-23560170
88	Financial Street Securities Co., Limited Zhengzhou Ruyi West Road Securities Branch (金融街證券股份有限公司鄭州如意西路證券營業部)	Room 301, China Pingmei Shenma Financial Capital Operation Center, No. 93 Ruyi West Road, Zhengdong New Area, China (Henan) Pilot Free Trade Zone Zhengzhou Area (河南自貿試驗區鄭州片區(鄭東)如意西路93號中國平煤神馬金融資本運營中心301號房間)	2016.2.15	Zhou Ludan (周鷺丹)	0371–65092805
89	Financial Street Securities Co., Limited Zibo Yanhe West Road Securities Branch (金融街證券股份有限公司淄博沿河西路證券營業部)	No. 45 Yanhe West Road, Chengxi Street, Boshan District, Zibo City, Shandong Province (山東省淄博市博山城西街道沿河西路45號)	2016.3.17	Wang Kai (王凱)	0533–4913308
90	Financial Street Securities Co., Limited Xianyou Xuefu East Road Securities Branch (金融街證券股份有限公司仙游學府東路證券營業部)	No. 2068, 2072 Xuefu East Road, Balong Community Neighborhood Committee, Licheng Street, Xianyou County, Putian City, Fujian Province (福建省莆田市仙游縣鯉城街道壩壟社區居委會學府東路2068號、2072號)	2016.3.25	Zheng Zhangwen (鄭章文)	0594–8097766
91	Financial Street Securities Co., Limited Xi'an Science and Technology Fourth Road Securities Branch (金融街證券股份有限公司西安科技四路證券營業部)	Room 08, 34th Floor, Building T3, Gaoxin Xintiandi, No. 35 Tuanjie South Road, High-tech Zone, Xi'an City, Shaanxi Province (陝西省西安市高新區團結南路35號高新新天地T3寫字樓34層08室)	2016.3.29	Wang Lide (王立德)	029-89132956

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
92	Financial Street Securities Co., Limited Dongguan Huangjiang Securities Branch (金融街證券股份有限公司東莞黃江證券營業部)	Room 1007, 10th Floor, Fukang Commercial Building, Fukang Garden, Banhu Village, Huangjiang Town, Dongguan City, Guangdong Province (廣東省東莞市黃江鎮板湖村富康花園富康商業大廈10樓1007號)	2016.4.6	Li Sutao (李蘇濤)	0769–82226576
93	Financial Street Securities Co., Limited Wenzhou Jinxiu Road Securities Branch (金融街證券股份有限公司溫州錦綉路證券營業部)	Rooms 509, 510, 511, 512, Building 1, Zhixin Center, No. 1067 Jinxiu Road, Lucheng District, Wenzhou City, Zhejiang Province (浙江省溫州市鹿城區錦綉路1067號置信中心1幢509室、510室、511室和512室)	2016.4.8	Feng Xiao (馮笑)	0577–85228658
94	Financial Street Securities Co., Limited Guangzhou Tianrun Road Securities Branch (金融街證券股份有限公司廣州天潤路證券營業部)	No. 112, No. 96 Tianrun Road, Tianhe District, Guangzhou City, Guangdong Province (廣東省廣州市天河區天潤路96號112)	2016.4.13	Liu Haitao (劉海濤)	020-38909661
95	Financial Street Securities Co., Limited Fuzhou Hudong Road Securities Branch (金融街證券股份有限公司福州湖東路證券營業部)	Unit 03, 3rd Floor, Fujian Foreign Trade Building, No. 75 Wusi Road, Gulou District, Fuzhou City, Fujian Province (福建省福州市鼓樓區五四路75號福建外貿大廈第3層03單元)	2016.4.14	Lin Meiyun (林美雲)	0591–87303369
96	Financial Street Securities Co., Limited Beijing Asian Games Village Securities Branch (金融街證券股份有限公司北京亞運村證券營業部)	Rooms 1603, 1605, Within 1601, 16th Floor, Building 1, No. 8 Beichen East Road, Chaoyang District, Beijing (北京市朝陽區北辰東路8號院1號樓16層1601內1603、1605號)	2016.4.15	Sang Jia (桑加)	010-82916166

No.	Name	Office address (China)	Date of incorporation	Person in charge	Contact No. (+86)
97	Financial Street Securities Co., Limited Ningbo Jingjia Road Securities Branch (金融街證券股份有限公司寧波驚駕路證券營業部)	15-8, No. 565 Jingjia Road, Yinzhou District, Ningbo City, Zhejiang Province (浙江省寧波市鄞州區驚駕路565號15-8)	2017.2.24	Jiang Sichen (江思辰)	0574–87818600
98	Financial Street Securities Co., Limited Beijing Jianguomen Inner Street Securities Branch (金融街證券股份有限公司北京建國門內大街證券營業部)	Room 0301, Zhongfang Building, No. 19 Jianguomen Inner Street, Dongcheng District, Beijing (北京市東城區建國門內大街19號中紡大廈0301室)	2017.2.27	Xu Xiaoguang (徐曉光)	010-65262718
99	Financial Street Securities Co., Limited Beijing Deshengmen Outer Street Securities Branch (金融街證券股份有限公司北京德勝門外大街證券營業部)	Room 301, 3rd Floor, No. 83 Deshengmen Outer Street, Xicheng District, Beijing (北京市西城區德勝門外大街83號3層301)	2017.3.6	Wang Baoxiu (王寶修)	010-83270881
100	Financial Street Securities Co., Limited Chengdu Tianfu Avenue Securities Branch (金融街證券股份有限公司成都天府大道證券營業部)	Room 1402, Unit 1, Building 2, No. 188 Jirui Second Road, Chengdu High-tech Zone, China (Sichuan) Pilot Free Trade Zone (中國(四川)自由貿易試驗區成都高新區吉瑞二路188號2棟1單元14層1402號)	2017.4.24	Li Wenjun (李文君)	028-85011007

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To the shareholders of Financial Street Securities Co., Limited
(a joint stock company incorporated in the People's Republic of China with limited liability (formerly known as「恒泰证券股份有限公司」) and carrying on business in Hong Kong as「恒投證券」(in Chinese) and "HENGTOU SECURITIES" (in English) as formerly known)

OPINION

We have audited the consolidated financial statements of Financial Street Securities Co., Limited (formerly known as Hengtou Securities, the "Company") and its subsidiaries (together, the "Group") set out on pages 213 to 352, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards Accounting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") ("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 Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of control over structured entities	
Refer to Notes 3.3, 4.1 and 53 to the consolidated financial statements. The Group has interests in a number of structured entities. The Group determines whether or not to consolidate these structured entities based on the assessment of whether the Group has control over the structured entities by taking into consideration of power arising from rights, exposure of variable returns and the linkage between power and returns. The assessment of the Group's control over structured entities involves significant judgement on factors, such as the purpose and design of structured entities, its ability to direct the relevant activities, direct and indirect beneficial interests and returns, remuneration and performance fee. Due to the significance of the structured entities and the complexity of judgement exercised by the management, we identified consolidation assessment of structured entities as a key audit matter.	Our procedures in relation to assessment of control over structured entities included: • Reviewing the key contractual provisions of the relevant legal documents including the management agreements of the structured entities; • Evaluating the risk and reward structure of the structured entities including any return guarantee, commission basis and distribution of returns and assessing the management's judgement as to exposure and right to variable returns from the Group's involvement; and • Evaluating the management's analysis of structured entities including qualitative analyses and calculations of the magnitude and variability associated with the Group's economic interests in the structured entities to assess management's judgement over the Group's ability to influence its own returns from the structured entities.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value measurements of Level 3 financial instruments	
Refer to Note 58 to the consolidated financial statements. As at 31 December 2025, the Group's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income categorised as Level 3 amounted to approximately RMB273,569,000 and RMB4,308,000, respectively. Due to the significance of the judgement and estimates made by the management and the subjectivity in determination of Level 3 fair value given the lack of availability of market-based data and the significant unobservable inputs, we identified the fair value measurements of Level 3 financial instruments as a key audit matter.	Our procedures in relation to the fair value measurements of Level 3 financial instruments included: • Evaluating whether the valuation methodologies, inputs and assumptions adopted by management were appropriate; • Evaluating the rationale of management's judgement on the significant unobservable inputs; • Testing the evidence supporting the unobservable inputs used in the Level 3 fair value measurements; and • Evaluating the adequacy of the Level 3 fair value measurement disclosures in the consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of financial assets Refer to Notes 3.13, 27, 31, 32, 33, 34, 35 and 57(a) to the consolidated financial statements. As at 31 December 2025, the Group has financial assets held under resale agreements, refundable deposits, margin account receivables, other current assets (excluding prepaid expenses and income tax recoverable), financial assets at fair value through other comprehensive income and placements with a financial institution with carrying amounts of RMB167,901,000, RMB1,309,501,000, RMB6,535,750,000, RMB345,768,000, RMB656,068,000 and RMB62,862,000, respectively. The Group's impairment are estimated based on expected credit loss ("ECL") model. We identified impairment of financial assets as a key audit matter because the Group's measurement of ECL involves significant management estimates and judgements in consideration of various factors, include but not limited to the customers' payment history, credit rating and realisable value of securities or collaterals from customers.	Our procedures in relation to the impairment assessment of financial assets included: • Understanding management's impairment provision policy in respect of financial assets; • Evaluating techniques and methodology used in the Group's ECL model; • Evaluating management's assessment of significant increase in credit risk; • Evaluating the parameters used by the management in estimating the ECL rate and testing the evidence supporting the parameters to the ECL model; and • Evaluating the adequacy of the disclosures in respect of impairment of financial assets in the consolidated financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2025 annual report of the Company, but does not include 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 FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB 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 directors assisted by the audit committee are 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, in accordance with our agreed terms of engagements 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 HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism 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.

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

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

25 March 2026

Chiu Wing Ning
Practising Certificate No.: P04920

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Fees and commission income	7	**1,910,803**	1,377,519
Interest income	8	**737,446**	745,792
Net investment income	9	**698,006**	558,258
Other income and gains	10	**196,795**	104,645
Total operating income		**3,543,050**	2,786,214
Fees and commission expenses	11	**(287,379)**	(181,587)
Interest expenses	12	**(378,595)**	(405,233)
Staff costs	13	**(1,274,432)**	(995,617)
Depreciation and amortisation	14	**(180,482)**	(198,921)
Taxes and surcharges		**(18,759)**	(14,064)
Other operating expenses	15	**(705,595)**	(430,514)
Impairment losses, net	16	**(461,059)**	(374,686)
Unrealised fair value losses from financial assets at fair value through profit or loss		**(21,860)**	(41,116)
Total operating expenses		**(3,328,161)**	(2,641,738)
Profit before income tax		**214,889**	144,476
Income tax expense	17	**(45,956)**	(71,464)
Profit for the year		**168,933**	73,012

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

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Other comprehensive (loss)/income:			
Item that may be reclassified subsequently to profit or loss:			
Debt and equity investments at fair value through other comprehensive income			
– Net change in fair value		**(30,829)**	58,596
– Income tax impact		**7,707**	(14,649)
Other comprehensive (loss)/income for the year, net of tax		**(23,122)**	43,947
Total comprehensive income for the year		**145,811**	116,959
Profit for the year attributable to:			
Ordinary shareholders of the Company		**324,944**	176,283
Non-controlling interests		**(156,011)**	(103,271)
		168,933	73,012
Total comprehensive income for the year attributable to:			
Ordinary shareholders of the Company		**301,822**	220,230
Non-controlling interests		**(156,011)**	(103,271)
		145,811	116,959
Earnings per share			
Basic and diluted	18	**RMB0.12**	RMB0.07

The notes on pages 221 to 352 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property and equipment	22	**256,205**	271,372
Right-of-use assets	23	**83,305**	119,783
Investment properties	24	**30,936**	33,111
Goodwill	25	**43,739**	43,739
Intangible assets	26	**149,101**	161,615
Refundable deposits	27	**1,309,501**	1,002,472
Other non-current assets	28	**69,065**	71,224
Deferred tax assets	29	**832,428**	708,012
Total non-current assets		**2,774,280**	2,411,328
Current assets			
Margin account receivables	31	**6,535,750**	5,840,304
Other current assets	32	**424,877**	379,999
Placements with a financial institution	33	**62,862**	82,961
Financial assets held under resale agreements	34	**167,901**	152,884
Financial assets at fair value through other Comprehensive income	35	**656,068**	2,418,119
Financial assets at fair value through profit or loss	36	**9,060,542**	9,645,475
Derivative financial assets	37	**791**	–
Cash held on behalf of brokerage clients	38	**19,884,148**	16,178,519
Clearing settlement funds	39	**773,001**	964,243
Cash and bank balances	40	**2,660,172**	1,907,249
Total current assets		**40,226,112**	37,569,753
Total assets		**43,000,392**	39,981,081

Consolidated Statement of Financial Position (Continued)

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Current liabilities			
Debt instruments	41	**4,378,635**	2,420,000
Placements from financial institutions	42	**3,500,000**	2,700,000
Account payables to brokerage clients	43	**20,673,825**	16,700,618
Employee benefit payables	44	**662,808**	468,296
Contract liabilities	45	**29**	120
Lease liabilities	46	**44,170**	68,861
Other current liabilities	47	**740,898**	515,333
Financial assets sold under repurchase agreements	48	**1,276,020**	4,099,600
Derivative financial liabilities	37	**2,210**	–
Current tax liabilities		**74,039**	5,935
Total current liabilities		**31,352,634**	26,978,763
Net current assets		**8,873,478**	10,590,990
Total assets less current liabilities		**11,647,758**	13,002,318
Non-current liabilities			
Debt instruments	41	**2,081,416**	3,394,895
Lease liabilities	46	**27,790**	44,391
Other non-current liabilities	47	**684,800**	856,000
Deferred tax liabilities	29	**918**	9
Total non-current liabilities		**2,794,924**	4,295,295
Net assets		**8,852,834**	8,707,023

	Notes	2025 RMB'000	2024 RMB'000
Equity			
Share capital	49(a)	**2,604,567**	2,604,567
Share premium	49(b)	**1,665,236**	1,665,236
Reserves	50	**4,327,552**	4,025,730
Total equity attributable to ordinary shareholders of the Company		**8,597,355**	8,295,533
Non-controlling interests		**255,479**	411,490
Total equity		**8,852,834**	8,707,023

Approved by the Board of Directors on 25 March 2026 and are signed on its behalf by:

Zhu Yanhui
Chairman of the Board of Directors

Yu Lei
Chief Financial Officer

The notes on pages 221 to 352 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to ordinary shareholders of the Company									
	Share capital Note 49(a) *RMB'000*	Share premium Note 49(b) *RMB'000*	Surplus reserve* Note 50(a) *RMB'000*	General risk reserve* Note 50(b) *RMB'000*	Transaction risk reserve* Note 50(c) *RMB'000*	Investment revaluation reserve* Note 50(d) *RMB'000*	Retained profits* *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance as at 1 January 2024	2,604,567	1,665,236	642,525	1,017,226	762,088	(50,639)	1,412,412	8,053,415	136,649	8,190,064
Profit/(Loss) for the year	–	–	–	–	–	–	176,283	176,283	(103,271)	73,012
Other comprehensive income for the year	–	–	–	–	–	43,947	–	43,947	–	43,947
Total comprehensive income/(loss) for the year	–	–	–	–	–	43,947	176,283	220,230	(103,271)	116,959
Appropriation to surplus reserves	–	–	40,415	–	–	–	(40,415)	–	–	–
Appropriation to general risk reserve	–	–	–	56,381	–	–	(56,381)	–	–	–
Appropriation to transaction risk reserve	–	–	–	–	42,264	–	(42,264)	–	–	–
Disposal of financial assets at FVOCI	–	–	–	–	–	(2,430)	2,430	–	–	–
Deemed partial disposal of interest in a subsidiary without losing control (Note 30)	–	–	–	–	–	–	21,888	21,888	378,112	400,000
Changes in equity for the year	–	–	40,415	56,381	42,264	(2,430)	(114,742)	21,888	378,112	400,000
Balance as at 31 December 2024	2,604,567	1,665,236	682,940	1,073,607	804,352	(9,122)	1,473,953	8,295,533	411,490	8,707,023
Balance as at 1 January 2025	**2,604,567**	**1,665,236**	**682,940**	**1,073,607**	**804,352**	**(9,122)**	**1,473,953**	**8,295,533**	**411,490**	**8,707,023**
Profit/(Loss) for the year	–	–	–	–	–	–	**324,944**	**324,944**	**(156,011)**	**168,933**
Other comprehensive loss for the year	–	–	–	–	–	**(23,122)**	–	**(23,122)**	–	**(23,122)**
Total comprehensive income/(loss) for the year	–	–	–	–	–	**(23,122)**	**324,944**	**301,822**	**(156,011)**	**145,811**
Appropriation to surplus reserves	–	–	**43,641**	–	–	–	**(43,641)**	–	–	–
Appropriation to general risk reserve	–	–	–	**62,314**	–	–	**(62,314)**	–	–	–
Appropriation to transaction risk reserve	–	–	–	–	**46,340**	–	**(46,340)**	–	–	–
Changes in equity for the year	–	–	**43,641**	**62,314**	**46,340**	–	**(152,295)**	–	–	–
Balance as at 31 December 2025	**2,604,567**	**1,665,236**	**726,581**	**1,135,921**	**850,692**	**(32,244)**	**1,646,602**	**8,597,355**	**255,479**	**8,852,834**

* *The total of these amounts as at the reporting date represent "Reserves" in the consolidated statement of financial position.*

The notes on pages 221 to 352 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit before income tax		**214,889**	144,476
Adjustments for:			
Interest expenses		**378,595**	405,233
Depreciation and amortisation		**180,482**	198,921
Impairment losses, net		**461,059**	374,686
(Gains)/Losses on disposals of property and equipment		**(121)**	5
Net changes in unrealised fair value of financial instruments at fair value through profit or loss		**(164,296)**	(43,993)
Operating profit before working capital changes		**1,070,608**	1,079,328
Change in working capital:			
Refundable deposits		**(307,029)**	96,282
Receivables and prepayments		**(27,326)**	(413,774)
Margin account receivables		**(701,880)**	(757,307)
Financial assets held under resale agreements		**–**	(336,617)
Financial assets at fair value through profit or loss		**310,229**	(1,946,994)
Derivative financial instruments		**1,419**	–
Cash held on behalf of brokerage clients		**(3,705,629)**	(6,184,889)
Restricted bank deposits		**(84,051)**	68,046
Placements from financial institutions		**830,839**	624,928
Account payables to brokerage clients		**3,973,207**	6,190,493
Employee benefit payables		**194,512**	(21,177)
Other payables and accruals		**28,233**	189,301
Contract liabilities		**(91)**	(30)
Financial assets sold under repurchase agreements		**(2,823,580)**	492,570
Cash used in operations		**(1,240,539)**	(919,840)
Income tax paid		**(146,468)**	(17,020)
Interest paid for operating activities		**(150,413)**	(188,082)
Net cash used in operating activities		**(1,537,420)**	(1,124,942)

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Proceeds from disposal of property and equipment		**211**	278
Purchases of property and equipment, intangible assets and other non-current assets		**(86,543)**	(79,427)
Proceeds/(Purchases) of financial assets at fair value through other comprehensive income, net		**1,732,664**	(275,857)
Proceeds from disposal of debt investments measured at amortised cost		**–**	220,000
Increase in time deposits with original maturities exceeding three months		**(46,000)**	(180,000)
Net cash generated from/(used in) investing activities		**1,600,332**	(315,006)
Cash flows from financing activities			
Capital contribution from non-controlling interests		**–**	400,000
Proceeds from issuance of debt instruments	59	**4,600,000**	3,081,000
Repayment of debt instruments	59	**(3,970,000)**	(1,611,000)
Interest paid for financing activities	59	**(186,894)**	(139,336)
Payment of lease liabilities	59	**(74,471)**	(83,284)
Net cash generated from financing activities		**368,635**	1,647,380
Net increase in cash and cash equivalents		**431,547**	207,432
Cash and cash equivalents at beginning of the year		**2,242,066**	2,034,205
Effect of foreign exchange rate changes		**695**	429
Cash and cash equivalents at end of the year	40	**2,674,308**	2,242,066

The notes on pages 221 to 352 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Financial Street Securities Co., Limited (a joint stock company incorporated in the People's Republic of China with limited liability (formerly known as「恒泰证券股份有限公司」) and carrying on business in Hong Kong as「恒投證券」(in Chinese) and "HENGTOU SECURITIES" (in English) as formerly known) (the "Company") was set up in Inner Mongolia Automonous Region by Inner Mongolia Branch of People's Bank of China ("PBOC") in 1988.The Company had restructured into a joint stock company with limited liability pursuant to the approvals by the China Securities Regulatory Commission ("CSRC") in 2008.The Company has obtained securities institution license No. Z20815000 and business licence No. 91150000701463155D. The registered address of the Company is Manshishangdu Office and Commercial Complex, Hailaer East Street, Xincheng District, Hohhot, Inner Mongolia Autonomous Region. As at 31 December 2025, the share capital of the Company is RMB2,604,567,412 (2024: RMB2,604,567,412).

The Company and its subsidiaries (collectively, the "Group") principally engaged in securities underwriting and sponsorship, agency sale of securities and financial product, securities and futures brokerage, assets management, investment consultancy, margin financing and securities lending, fund establishing and management, and other business as approved by the CSRC.

The Company's immediate holding companies are Beijing Huarong Zonghe Investment Co., Ltd. ("Huarong Zonghe Investment") and Finance Street Xihuan Properties Co., Ltd. (together, the "immediate holding companies"), which both established in the PRC. The ultimate holding company of the Company is Beijing Financial Street Investment (Group) Co., Ltd. (the "ultimate holding company"), a limited liability company incorporated in the PRC, which is under the control of the State-owned Assets Supervision and Administration Commission ("SASAC") of Beijing Xicheng District Municipal Government.

1. GENERAL INFORMATION (CONTINUED)

The Company listed its H shares on the Main Board of the Stock Exchange of Hong Kong Limited on 15 October 2015.

The consolidated financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING STANDARDS ("IFRS ACCOUNTING STANDARDS")

(a) Amended IFRS Accounting Standards that are effective for the financial year beginning on 1 January 2025

In the current year, the Group has adopted for the first time the Amendments to International Accounting Standard ("IAS") 21 "Lack of Exchangeability" which are effective for its financial year beginning on 1 January 2025.

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments do not have a material impact on the financial statements of the Group.

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING STANDARDS ("IFRS ACCOUNTING STANDARDS") (CONTINUED)

(b) New and amended IFRS Accounting Standards in issue but not yet effective

The Group has not early applied new and amended IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning on 1 January 2025.These new and amended IFRS Accounting Standards include the following which may be relevant to the Group.

IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendements[2]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 21	Translation to Hyperinflationary Presentation Currency[2]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[1]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual periods beginning on or after 1 January 2027
[3] Effective date not yet determined

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING STANDARDS ("IFRS ACCOUNTING STANDARDS") (CONTINUED)

(b) New and amended IFRS Accounting Standards in issue but not yet effective (Continued)

The Group anticipates that all of the new and amended IFRS Accounting Standards will be adopted in the Group's accounting policies for the first period beginning on or after the effective date of these new and amended IFRS Accounting Standards. Information on new IFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended IFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in IAS 1, with limited changes, and some IAS 1 requirements will be moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and IFRS 7 "Financial Instruments: Disclosures".

IFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;

- Disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements; and

- enhanced guidance of aggregation and disaggregation of information in the financial statements.

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING STANDARDS ("IFRS ACCOUNTING STANDARDS") (CONTINUED) (CONTINUED)

(b) New and amended IFRS Accounting Standards in issue but not yet effective (Continued)

IFRS 18 "Presentation and Disclosure in Financial Statements" (Continued)

Besides, narrow-scope amendments have been made to IAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

IFRS 18, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are currently working to identify all the impacts of IFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Basis of preparation and statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS accounting standards, IASs, and Interpretations issued by the International Accounting Standards Board (the "IASB"). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements have been prepared on the historical cost basis, unless mentioned otherwise in the accounting policies below (e.g. financial instruments that are measured at fair value and assets held for sale that are stated the lower of carrying amount and fair value less costs to sell).

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements on the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustments in the subsequent period are discussed in Note 4.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Basis of consolidation (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the shareholders of the Company.

When the Group losses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 3.7).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 3.13(i)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

3.4 Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (i) is greater than (ii), the excess is recognised as goodwill. When (ii) is greater than (i), then this excess, after reassessment, is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 3.13(i)).

On disposal of a CGU, any attributable amount of purchased goodwill is included in the calculation of the profit or loss upon disposal.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Foreign currency

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 Renminbi, which is the Company's functional and presentation currency.

Transactions and balances in each entity's financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rates ruling at the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the exchange rates that approximate the spot exchange rate ruling at the transaction dates.

A spot exchange rate is quoted by the People's Bank of China ("PBOC"), the State Administration of Foreign Exchange, or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is determined by a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currency are translated into RMB at the foreign exchange rate ruling at the end of the reporting date and translation differences are recognised in profit or loss.

Non-monetary items measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate ruling at the transaction dates. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 40.

3.7 Financial instruments

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- Amortised cost; if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

- Fair value through other comprehensive income ("FVTOCI") (recycling); if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- FVTPL; if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (Continued)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as investment income.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include debt instruments, placements from financial institutions, account payables to brokerage clients, employee benefit payables, lease liabilities, other liabilities and financial assets sold under repurchase agreements.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives which are not designated and effective as hedging instruments and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within "Interest expenses" or "Other income and gains".

Accounting policies of lease liabilities are set out in Note 3.17.

Derivative financial instruments

Derivative financial instruments are recognised at fair value at the end of each reporting period with gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Margin financing and securities lending

Margin financing and securities lending refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers for securities selling, for which the customers provide the Group with collateral.

The Group recognises margin financing receivables as receivables carried at amortised cost, and recognises interest income using effective interest rate method. Securities lent are not derecognised when the risk and rewards are not transferred, and interest income is recognised using effective interest rate method.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

3.9 Financial assets held under resale agreements and sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under repurchase agreements in the consolidated statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the consolidated statement of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses respectively.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Property and equipment and construction in progress

Recognition and measurement

Property and equipment (other than construction in progress as stated below) are initially stated at costs and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses (see Note 3.13(i)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Costs of construction in progress are determined based on the actual expenditures incurred which include all necessary expenditures incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Property and equipment and construction in progress (Continued)

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives at the followings rate per annum:

Types of assets	Estimated useful lives	Estimated residual values	Depreciation rates
Buildings	35 years	3%	2.77%
Motor vehicles	5 years	0%	20%
Electronic equipment	4 years	0%	25%
Furniture and fixtures	5 years	0%	20%

Construction in progress represents buildings under construction, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at its cost, which includes expenditure that is directly attributable to the acquisition of items. Subsequent to initial recognition, the investment property is accounted for using the cost model and stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses (see Note 3.13(i)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

Type of assets	Estimated useful lives	Estimated residual values	Depreciation rates
Investment properties	35 years	3%	2.77%

The gain or loss in disposal of an investment property is the difference between the net sale proceeds and the carrying amount of property, and is recognised in profit or loss.

3.12 Intangible assets

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment loss (see Note 3.13(i)). For an intangible asset with finite useful life, its cost less impairment loss is amortised on the straight-line method over its estimated useful life.

The respective amortisation periods for intangible assets are as follows:

Types of assets	Estimated useful lives
Trading rights	5 years
Software	5 years

Both the amortisation period and method of amortisation are reviewed annually.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment

(i) Impairment of non-financial assets

Internal and external sources of information are reviewed at each reporting date to identify indications that the following assets may be impaired or, except goodwill, an impairment loss recognised previously no longer exists or may have decreased:

- property and equipment
- investment properties
- intangible assets
- right-of-use assets
- investments in subsidiaries
- goodwill
- leasehold improvements, long-term prepaid expenses and other foreclosed assets

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any impairment.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (i.e. a cash-generating unit, or CGU). Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its recoverable amount.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment (Continued)

(i) Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, accounts receivable and other receivables (i.e. margin account receivables, financial assets held under resale agreements, interest receivables, other receivables, placements with a financial institution, refundable deposits and bank deposits). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for accounts receivable. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. In addition, the Group also carried out individual assessment for significant receivables to determine if additional ECL are required.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment (Continued)

(ii) Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected significant changes in quality of credit enhancement or support for creditor's rights issued in securitisation, which may result in ability decrease of relevant subordinated interest to absorb the loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment (Continued)

(ii) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) The financial instrument has a low risk of default,

(b) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment (Continued)

(ii) Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- the financial assets is 90 days past due.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Impairment (Continued)

(ii) Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVTOCI.

For debt investments that are measured at FVTOCI, the impairment loss is recognised in profit or loss and the loss allowance is accumulated in the "Investment revaluation reserve" without reducing the carrying amounts of these debt investments.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Pursuant to the relevant laws and regulations in the People's Republic of China ("PRC"), the Group participated in the social pension schemes for employees arranged by local government labour and security authorities. The Group makes contributions to the retirement schemes at the applicable rates based on the amount stipulated by the government. The contributions are charged to profit or loss on an accrual basis. When employees retire, the local government labour and security authorities are responsible for the payment of the basic retirement benefits to the retired employees.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income, in which case the relevant amounts of tax are recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and at the time of transaction does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Income tax (Continued)

Deferred tax (Continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involves a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Financial guarantees

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within "trade and other payables". 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 instruments and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assessing the obligations. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Financial guarantees (Continued)

Subsequently, financial guarantees are measured at the higher of the amount determined in accordance with ECL under IFRS 9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised over the guarantee period.

Impairment of financial guarantees

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

3.17 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Leases (Continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset (except for those meeting the definition of investment properties) for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Leases (Continued)

Measurement and recognition of leases as a lessee (Continued)

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Refundable rental deposits paid are accounted for under IFRS 9 "Financial Instruments" ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lessor accounting

Properties leased out under operating leases are depreciated in accordance with the Group's depreciation policies described in Note 3.11.Impairment losses are recognised in accordance with the accounting policies described in Note 3.13(i). Income derived from operating leases is recognised in the profit or loss using the straight-line method over the lease term. Otherwise, the costs are charged to profit or loss immediately.

3.18 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

3.20 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Revenue from contracts with customers is measured at the transaction price, being the amount of consideration which the Group expects to be entitled to in exchange for transferring the promised goods or services to the customer, net of taxes. The transaction price is allocated to each performance obligation of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Commission income from brokerage business

Brokerage commission income is recognised at a single point in time, i.e. on a trade date when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business is recognised when the related services are rendered.

Underwriting and sponsor fees

Underwriting and sponsor fees are recognised at a single point in time when the performance obligation is satisfied, that is, the economic benefits may flow into the Group and the relevant revenue and costs may be calculated reliably.

Assets management, advisory and custody fees

Assets management, advisory and custody fees are recognised over time as services rendered.

Rental income

Rental income is recognised on a straight-line basis over the lease terms.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.21 Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

3.22 Dividend distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the reporting date, are not recognised as a liability at the end of the year but disclosed in the notes to the consolidated financial statements separately.

3.23 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 are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under "Other income and gains" in the consolidated statement of profit or loss and other comprehensive income.

3.24 Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance are regularly reviewed by the Group's senior management, being the chief operating decision-makers, to make decisions about resource to be allocated to the segment and assess its performance, and for which consolidated financial statement regarding financial position, financial performance and cash flows is available.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.24 Segment reporting (Continued)

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics and are similar in respect of the nature of each products and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

3.25 Events after reporting date

Events after the reporting date that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting judgements

4.1 Determination of consolidation scope

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investors' returns. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting judgements (Continued)

4.1 Determination of consolidation scope (Continued)

For assets management schemes where the Group involves as the manager, the Group assesses whether the combination of investments it holds, if any, together with its remuneration creates exposure to variability of returns from the activities of the assets management schemes that is of such significance indicating that the Group is a principal. The assets management schemes shall be consolidated if the Group acts in the role of principal.

Details of interests in assets management schemes is disclosed in Note 53 to the consolidated financial statements.

4.2 Business model assessment

Classification and measurement of financial assets depends on the results of whether the contractual cash flow represents the solely payments of principal and interest and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the years presented.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation uncertainties

4.3 Fair value of financial instruments

Financial instruments at FVTPL and at FVTOCI are measured at fair value at the reporting date. For part of the above financial instruments, quoted market prices are readily available. However, the determination of fair value for financial assets for which there is no observable market price, requires the use of valuation technique. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of fair value measurements are disclosed in Note 58 to the consolidated financial statements.

4.4 Impairment of financial assets

The measurement of impairment losses of financial assets under IFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

The impairment is sensitive to changes in these estimates. Changes in these estimates could result in material adjustments to the impairment amount of financial assets.

Details of impairment of financial assets are disclosed in Notes 27, 31, 32, 33, 34, 35 and 57(a) to the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation uncertainties (Continued)

4.5 Impairment of goodwill

Determining whether goodwill (Note 25) is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The calculations requires the use of estimates about future cash flows and discount rates. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. No impairment loss on goodwill is made for the years ended 31 December 2025 and 2024.

4.6 Current and deferred income taxes

Determining income tax provision involves judgement on the future tax treatment of certain transactions. The Group evaluates carefully tax implication of transaction and tax provision are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions and deferred tax assets and liabilities in the period in which such determination is made. The amount of income tax recognised in profit or loss based on the estimated profit from operations and the carrying amount of the deferred tax assets were disclosed in Note 17 and Note 29, respectively, to the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation uncertainties (Continued)

4.7 Depreciation, amortisation and impairment of non-financial assets

Property and equipment, right-of-use assets, investment properties, intangible assets and leasehold improvements, long-term prepaid expenses and other foreclosed assets are depreciated and amortised using the straight-line method over their estimated useful lives after taking into account residual values. The estimated useful lives are regularly reviewed to determine the depreciation and amortisation expense in each reporting date. The estimated useful lives are determined based on historical experiences of similar assets and the estimated technical changes. If there is an indication that there has been a change in the factors used to determine the depreciation or amortisation, the amount of depreciation or amortisation will be revised. The depreciation and amortisation charged for the year were disclosed in Note 14 to the consolidated financial statements.

Property and equipment, right-of-use assets, investment properties, intangible assets and leasehold improvements, long-term prepaid expenses and other foreclosed assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amounts. The recoverable amounts of the assets have been determined based on the higher of fair value less cost of disposal and value-in-use calculations. These calculations require the use of judgement and estimates. Changes in assumptions and estimates could materially affect the recoverable amount used in the impairment test. Please refer to Notes 22, 23, 24, 26 and 28 for the carrying amounts of these non-financial assets.

5. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025	2024
	RMB'000	*RMB'000*
Non-current assets		
Property and equipment	**234,230**	249,035
Right-of-use assets	**64,216**	80,733
Investment properties	**9,562**	10,330
Intangible assets	**138,589**	152,296
Investments in subsidiaries	**2,312,269**	2,188,668
Refundable deposits	**529,657**	482,396
Debt investments measured at amortised cost	**30,000**	30,000
Deferred tax assets	**393,466**	394,758
Other non-current assets	**27,100**	20,596
Total non-current assets	**3,739,089**	3,608,812
Current assets		
Margin account receivables	**6,535,750**	5,840,304
Other current assets	**325,071**	306,962
Placements with a financial institution	**62,862**	82,961
Financial assets held under resale agreements	**126,539**	152,584
Financial assets at fair value through other comprehensive income	**656,068**	2,418,119
Financial assets at fair value through profit or loss	**7,105,112**	7,467,469
Derivative financial assets	**791**	–
Cash held on behalf of brokerage clients	**17,165,243**	14,467,107
Clearing settlement funds	**755,184**	1,075,293
Cash and bank balances	**1,401,186**	493,614
Total current assets	**34,133,806**	32,304,413

5. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2025	2024
	RMB'000	*RMB'000*
Current liabilities		
Debt instruments	**4,378,635**	2,420,000
Placements from financial institutions	**3,500,000**	2,700,000
Account payables to brokerage clients	**17,198,301**	14,612,222
Employee benefit payables	**463,605**	296,826
Contract liabilities	**29**	120
Lease liabilities	**29,131**	46,819
Other current liabilities	**419,378**	243,272
Derivative financial liabilities	**2,210**	–
Financial assets sold under repurchase agreements	**1,274,020**	4,084,943
Total current liabilities	**27,265,309**	24,404,202
Net current assets	**6,868,497**	7,900,211
Total assets less current liabilities	**10,607,586**	11,509,023

5. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2025	2024
	RMB,000	*RMB,000*
Non-current liabilities		
Debt instruments	**2,081,416**	3,394,895
Lease liabilities	**26,538**	27,780
	2,107,954	3,422,675
Net assets	**8,499,632**	8,086,348
Equity		
Share capital	**2,604,567**	2,604,567
Share premium	**1,665,236**	1,665,236
Reserves (Note 51)	**4,229,829**	3,816,545
Total equity	**8,499,632**	8,086,348

Approved by the Board of Directors on 25 March 2026 and are signed on its behalf by:

Zhu Yanhui
Chairman of the Board of Directors

Yu Lei
Chief Financial Officer

6. TAXATION

The Group's main applicable taxes and tax rates are as follows:

Tax type	Tax rate
Corporate income tax	25%
Value-added tax ("VAT")	2%-13%
City maintenance and construction tax	7%
Education surcharge and local education surcharge	2% – 3%

7. FEES AND COMMISSION INCOME

	2025	2024
	RMB'000	*RMB'000*
Fees and commission income arising from:		
– Securities brokerage business	**1,278,387**	920,095
– Assets management business	**195,636**	184,319
– Underwriting and sponsoring business	**128,609**	88,930
– Financial advisory business	**41,198**	39,134
– Futures brokerage business	**158,622**	84,332
– Investment advisory business	**98,308**	45,306
– Custody business	**10,043**	15,403
Revenue from contracts with customers within the scope of IFRS 15	**1,910,803**	1,377,519

7. FEES AND COMMISSION INCOME (CONTINUED)

(a) The following table shows revenue disaggregation by timing of revenue recognition:

	Securities and futures brokerage businesses *RMB'000*	Assets management, financial and investment advisory businesses *RMB'000*	Underwriting and sponsoring business *RMB'000*	Custody business *RMB'000*	Total *RMB'000*
For year ended 31 December 2025					
– Over time	**–**	**335,142**	**–**	**10,043**	**345,185**
– Point in time	**1,437,009**	**–**	**128,609**	**–**	**1,565,618**
For year ended 31 December 2024					
– Over time	–	268,759	–	15,403	284,162
– Point in time	1,004,427	–	88,930	–	1,093,357

(b) Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 and the expected timing of recognising revenue as follows:

	Securities and futures brokerage businesses *RMB'000*	Assets management, financial and investment advisory businesses *RMB'000*	Underwriting and sponsoring business *RMB'000*	Custody business *RMB'000*	Total *RMB'000*
As at 31 December 2025					
Within one year	**–**	**–**	**–**	**29**	**29**
As at 31 December 2024					
Within one year	–	–	–	120	120

8. INTEREST INCOME

	2025	2024
	RMB'000	*RMB'000*
Interest income arising from:		
– Margin financing	**387,602**	343,649
– Deposits in financial institutions	**303,702**	323,846
– Financial assets held under resale agreements	**3,232**	11,617
– Financial assets at FVTOCI	**37,335**	62,507
– Debt investments measured at amortised cost	**–**	703
– Others	**5,575**	3,470
	737,446	745,792

9. NET INVESTMENT INCOME

	2025	2024
	RMB'000	*RMB'000*
Dividend and interest income from financial assets at FVTPL and FVTOCI	**197,160**	244,457
Net realised gains from disposals of financial assets at FVTPL, FVTOCI and debt investments (note)	**500,846**	313,801
	698,006	558,258

Note: Unrealised fair value gains and unrealised fair value loss of financial assets at FVTPL were recorded under "Other income and gains" and "Unrealised fair value losses from financial assets at fair value through profit or loss" in the consolidated statement of profit or loss and other comprehensive income, respectively.

10. OTHER INCOME AND GAINS

	Notes	2025 RMB'000	2024 RMB'000
Foreign exchange (loss)/gain, net		**(695)**	429
Rental income		**5,615**	4,820
Government grants	(a)	**4,289**	9,785
Gains/(Losses) on disposals of property and equipment		**121**	(5)
Unrealised fair value gains from financial assets at FVTPL, net	(b)	**186,156**	85,109
Others		**1,309**	4,507
		196,795	104,645

Notes:

(a) Government grants were received from several local government authorities for supporting the Group's operation, of which the entitlement was unconditional.

(b) Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in stock index futures and treasury futures contracts were settled daily and the corresponding payments or receipts were included in "clearing settlement funds" (Note 39) as at 31 December 2025 and 2024. Any gains or losses of the Group's position in other undesignated derivative financial instrument contracts were recognised as financial assets and liabilities at FVTPL (Note 37) as at 31 December 2025 and 2024. For the year ended 31 December 2025, the fair value loss from derivative financial instruments was RMB26,048,000 (2024: fair value gain of RMB24,100,000).

11. FEES AND COMMISSION EXPENSES

	2025 RMB'000	2024 RMB'000
Expenses arising from:		
– Securities brokerage business	**278,157**	169,511
– Underwriting and sponsoring business	**9,222**	11,132
– Financial advisory business	**–**	944
	287,379	181,587

12. INTEREST EXPENSES

	2025	2024
	RMB'000	*RMB'000*
Interest expenses arising from:		
– Account payables to brokerage clients	**19,857**	23,478
– Placements from financial institutions	**59,937**	55,821
– Financial assets sold under repurchase agreements	**57,517**	92,337
– Finance charges on lease liabilities	**3,238**	5,313
– Debt instruments	**224,904**	220,518
– Short-term borrowing from an immediate holding company	**713**	–
– Other investors of consolidated asset management schemes	**2,037**	7,766
– Compensation payable	**10,392**	–
	378,595	405,233

13. STAFF COSTS

	2025	2024
	RMB'000	*RMB'000*
Short-term benefits	**1,132,595**	911,649
Severance payment	**14,422**	7,003
Defined contribution plan (note)	**127,415**	76,965
	1,274,432	995,617

Note: The Group is required to participate in pension schemes in the PRC whereby the Group is required to pay contributions for its employees at certain rates of the wages of employees. The Group has no other material obligations for payment of retirement benefits to its employees beyond the contributions described above.

14. DEPRECIATION AND AMORTISATION

	2025	2024
	RMB'000	*RMB'000*
Depreciation of:		
– property and equipment (Note 22)	**34,805**	42,446
– right-of-use assets (Note 23)	**69,657**	78,390
– investment properties (Note 24)	**2,175**	2,156
Amortisation of:		
– intangible assets (Note 26)	**60,984**	63,044
– leasehold improvements, long-term prepaid expenses and other foreclosed assets (Note 28)	**12,861**	12,885
	180,482	198,921

15. OTHER OPERATING EXPENSES

	2025	2024
	RMB'000	*RMB'000*
Auditors' remuneration	**5,381**	6,915
Business entertainment expenses	**17,353**	18,531
Business travel expenses	**16,698**	17,745
Consulting fees	**36,665**	28,105
Donations	**1,257**	1,141
Electronic software and IT service expenses	**199,386**	86,678
Lease charges for short-term leases	**7,921**	22,164
Miscellaneous office expenses	**2,248**	1,255
Other commission expenses	**43,579**	43,260
Outsourcing fee	**37,855**	37,096
Postal and communication expenses	**21,549**	19,351
Compensation expenses on litigations	**137,948**	11,193
Securities investor protection funds	**17,312**	13,592
Utilities and building management fees	**20,652**	22,320
Others (Note)	**139,791**	101,168
	705,595	430,514

Note: Others mainly consist of marketing expenses, membership fee and other daily operating expenses.

16. IMPAIRMENT LOSSES, NET

	2025	2024
	RMB'000	*RMB'000*
Impairment loss/(Reversal of impairment loss) on:		
– margin financing (Note 31)	**6,434**	9,459
– financial assets at FVTOCI (Note 35)	**(1,442)**	41,806
– financial assets held under resale agreements (Note 34)	**(14,405)**	95,457
– debt investments measured at amortised cost	**–**	(674)
– placements with a financial instruction (Note 33)	**(10,740)**	–
– other current assets (Note 32)	**481,212**	228,638
	461,059	374,686

17. INCOME TAX EXPENSE

	2025	2024
	RMB'000	*RMB'000*
Current tax – PRC corporate income tax		
Current year	**161,756**	2,085
Deferred tax (Note 29)	**(115,800)**	69,379
	45,956	71,464

17. INCOME TAX EXPENSE (CONTINUED)

The provision for the PRC corporate income tax is calculated based on the statutory income tax rate of 25% (2024: 25%). Reconciliation between income tax expense and accounting profit at applicable tax rate:

	2025	2024
	RMB'000	*RMB'000*
Profit before income tax	**214,889**	144,476
Tax at the PRC statutory income tax rate of 25% (2024: 25%)	**53,722**	36,119
Tax effect of non-deductible expenses	**11,969**	37,232
Tax effect of non-taxable income	**(9,407)**	(16,516)
Tax effect of deductible temporary differences not recognised, net	**(10,328)**	14,629
Income tax expense	**45,956**	71,464

18. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

	2025	2024
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to ordinary shareholders of the Company	**324,944**	176,283
Number of shares		
Weighted average number of ordinary shares used in basic earnings per share calculation (in thousands)	**2,604,567**	2,604,567

For the years ended 31 December 2025 and 2024, there were no dilutive potential ordinary shares, hence the diluted earnings per share equals to the basic earnings per share.

19. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and supervisors' remuneration

	Fees	Salaries, bonus and allowances	Discretionary Bonuses	Contributions to social pension schemes	Total emoluments before tax
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
2025					
Executive directors					
Zhu Yanhui[1]	–	–	–	–	–
Yin Guohong[2]	–	1,263	947	125	2,335
Non-executive directors					
Pang Jiemin[3]	73	–	–	–	73
Yu Lei[3]	2	–	–	–	2
Wang Linjing	75	–	–	–	75
Li Ye[4,5]	–	–	–	–	–
Yang Qin[4,5]	–	–	–	–	–
Xie Xin[4,5]	–	–	–	–	–
Li Yanyong	75	–	–	–	75
Zhou Lijun[4]	–	558	684	124	1,366
Independent non-executive directors					
Chen Xin	150	–	–	–	150
Xu Hongcai	150	–	–	–	150
Cheng Zhuo	150	–	–	–	150
Qi Liang[6]	13	–	–	–	13
Supervisors					
Wang Hui	–	558	530	123	1,211
Chen Feng	55	–	–	–	55
Yu Lei	–	1,052	645	125	1,822
	743	3,431	2,806	497	7,477

19. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and supervisors' remuneration (Continued)

	Fees	Salaries, bonus and allowances	Discretionary Bonuses	Contributions to social pension schemes	Total emoluments before tax
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
2024					
Executive directors					
Zhu Yanhui[1]	–	–	–	–	–
Non-executive directors					
Yu Lei[3]	75	–	–	–	75
Wang Linjing	75	–	–	–	75
Li Ye[4,5]	–	–	–	–	–
Yang Qin[4,5]	–	–	–	–	–
Li Yanyong	75	–	–	–	75
Independent non-executive directors					
Chen Xin	150	–	–	–	150
Xu Honai	150	–	–	–	150
Cheng Zhuo	150	–	–	–	150
Supervisors					
Wang Hui	–	547	653	66	1,266
Chen Feng	60	–	–	–	60
Yu Lei	–	1,202	187	66	1,455
	735	1,749	840	132	3,456

19. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and supervisors' remuneration (Continued)

[1] Mr. Zhu Yanhui received remuneration from the Company's holding companies and did not receive any remuneration from the Company for the year ended 31 December 2024 and 2025.

[2] On 25 November 2025, Mr. Yin Guohong was appointed as executive director.

[3] On 10 January 2025, Mr. Pang Jiemin was appointed to be non-executive director and Mr. Yu Lei ceased to be non-executive director.

[4] On 25 November 2025, Mr. Xie Xin and Mr. Zhou Lijun were appointed to be non-executive director and Ms. Yang Qin and Mr. Li Ye ceased to be non-executive director.

[5] Ms. Yang Qin, Mr. Li Ye and Mr. Xie Xin agreed to waive her/his entitlement to director's fee for the years ended 31 December 2024 and 2025.

[6] On 25 November 2025, Mr. Qi Liang was appointed to be independent non-executive director.

The total emoluments before tax for the Directors and Supervisors of the Company as listed above includes fees, salaries, bonus, allowances and benefits in kind, discretionary bonuses (including deferred bonuses paid in 2025 and 2024) and contributions to social pension schemes.

(b) Directors' and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company and the director's or supervisor's connected party had a material interest, whether directly or indirectly, subsisted at the reporting date or at any time during the year.

20. INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the year, the five highest paid individuals include one of the directors (2024: None), whose emoluments are disclosed in Note 19.The emoluments for the rest of the five highest paid individuals during the year are as follows:

	2025	2024
	RMB'000	*RMB'000*
Salaries and allowances	**2,814**	5,889
Discretionary bonuses	**5,243**	4,989
Employer's contribution to pension schemes	**401**	332
	8,458	11,210

The emoluments of the other individuals with the highest emoluments mentioned above are within the following bands:

	Number of individuals	
	2025	2024
HKD1,500,001 to HKD2,000,000	**3**	–
HKD2,000,001 to HKD2,500,000	**1**	4
HKD2,500,001 to HKD3,000,000	**–**	1

No emoluments are paid or payable to these individuals (including directors) as retirement from employment or as an inducement to join or upon joining the Company or as compensation for loss of office during the years ended 31 December 2025 and 2024.

21. DIVIDENDS

No dividend have been paid by the Company during the year ended 31 December 2025 (2024: Nil):

On 25 March 2026, the Company's directors recommended and proposed a dividend of RMB0.15 per 10 ordinary share, totalling approximately RMB39,069,000 in respective of year ended 31 December 2025. (2024: The directors do not recommend the payment of dividend for the year ended 31 December 2024)

22. PROPERTY AND EQUIPMENT

	Buildings *RMB'000*	Motor vehicles *RMB'000*	Electronic equipment *RMB'000*	Furniture and fixtures *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost						
As at 1 January 2024	319,446	15,838	306,637	24,131	2,273	668,325
Additions	1,059	637	12,148	2,479	1,030	17,353
Transfer	(870)	–	–	–	(330)	(1,200)
Disposals	–	(1,062)	(21,302)	(2,106)	–	(24,470)
As at 31 December 2024 and 1 January 2025	319,635	15,413	297,483	24,504	2,973	660,008
Additions	**–**	**715**	**13,567**	**3,853**	**1,593**	**19,728**
Transfer	**–**	**–**	**2,750**	**–**	**(2,750)**	**–**
Disposals	**–**	**(1,373)**	**(4,694)**	**(3,407)**	**–**	**(9,474)**
As at 31 December 2025	**319,635**	**14,755**	**309,106**	**24,950**	**1,816**	**670,262**
Accumulated depreciation						
As at 1 January 2024	(88,960)	(15,166)	(245,554)	(20,147)	–	(369,827)
Charge for the year	(9,438)	(566)	(29,111)	(3,331)	–	(42,446)
Transfer	565	–	–	–		565
Disposals	–	1,037	21,078	2,070	–	24,185
As at 31 December 2024 and 1 January 2025	(97,833)	(14,695)	(253,587)	(21,408)	–	(387,523)
Charge for the year	**(9,441)**	**(245)**	**(21,774)**	**(3,345)**	**–**	**(34,805)**
Disposals	**–**	**1,373**	**4,645**	**3,366**	**–**	**9,384**
As at 31 December 2025	**(107,274)**	**(13,567)**	**(270,716)**	**(21,387)**	**–**	**(412,944)**
Accumulated impairment						
As at 1 January 2024	(719)	–	(387)	(9)	–	(1,115)
Disposals	–	–	2	–	–	2
As at 31 December 2024, 1 January 2025 and 31 December 2025	(719)	–	(385)	(9)	–	(1,113)
Carrying amount						
As at 31 December 2025	**211,642**	**1,188**	**38,005**	**3,554**	**1,816**	**256,205**
As at 31 December 2024	221,083	718	43,511	3,087	2,973	271,372

22. PROPERTY AND EQUIPMENT (CONTINUED)

As at 31 December 2025, the carrying amount of buildings without title deeds is amounted to RMB429,000 (2024: RMB474,000). The Group is still in the midst of applying for the outstanding title deeds of these premises. The management of the Group expected that there would be no significant cost in obtaining the title deeds.

As at 31 December 2025, buildings with net carrying amount of approximately RMB143,073,000 (2024: RMB148,803,000) were pledged to the ultimate holding company as counter-guarantee to secure the guarantee provided by the ultimate holding company (Note 54).

23. RIGHT-OF-USE ASSETS

	Leased properties *RMB'000*
Year ended 31 December 2024	
Opening net carrying amount	167,789
Additions	8,531
Lease modification	29,906
Early termination	(8,053)
Depreciation	(78,390)
Closing net carrying amount	119,783
As at 31 December 2024	
Cost	333,830
Accumulated depreciation	(214,047)
Net carrying amount	119,783

23. RIGHT-OF-USE ASSETS (CONTINUED)

	Leased properties *RMB'000*
Year ended 31 December 2025	
Opening net carrying amount	**119,783**
Additions	**23,373**
Lease modification	**11,691**
Early termination	**(1,885)**
Depreciation	**(69,657)**
Closing net carrying amount	**83,305**
As at 31 December 2025	
Cost	**315,629**
Accumulated depreciation	**(232,324)**
Net carrying amount	**83,305**

The Group has obtained the right to use premises through tenancy agreements. The leases typically run on an initial period of one to ten years (2024: one to ten years).

The total additions to right-of-use assets amounted to RMB38,541,000 (2024: RMB38,437,000) for the year ended 31 December 2025.The details in relations to these leases are set out in Note 46.

24. INVESTMENT PROPERTIES

	2025	2024
	RMB'000	*RMB'000*
Cost		
As at 1 January	**72,967**	72,662
Transfer from property and equipment (Note 22)	**–**	305
As at 31 December	**72,967**	72,967
Accumulated depreciation		
As at 1 January	**(39,856)**	(37,700)
Charge for the year	**(2,175)**	(2,156)
As at 31 December	**(42,031)**	(39,856)
Carrying amount		
As at 31 December	**30,936**	33,111

The fair value of the Group's investment properties as at 31 December 2025 amounted to RMB422,943,000 (2024: RMB513,943,000). The fair value was derived using direct comparison approach with reference to comparable sale transactions for similar properties in the same location and condition. The higher the market price per square metre, the higher the fair value. This is categorised as Level 2 fair value measurement.

As at 31 December 2025, buildings with net carry amount of approximately RMB7,576,000 (2024: RMB8,141,000) were pledged to the ultimate holding company as counter-guarantee to obtain the guarantee provided by the ultimate holding company (Note 54).

25. GOODWILL

	Notes	2025 RMB'000	2024 RMB'000
As at 1 January and 31 December		**43,739**	43,739
Funds management	(a)	**30,604**	30,604
Futures brokerage	(b)	**13,135**	13,135
		43,739	43,739

Notes:

(a) In 2015, the Group further acquired equity interest in New China Fund Management Co., Ltd. ("New China Fund"), and accordingly obtained control of New China Fund. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of funds management CGU.

(b) In 2009, the Group acquired the entire equity interest in Hengtai Futures Co., Ltd ("Hengtai Futures"). The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the futures brokerage CGU.

The Group performed goodwill impairment assessment at each reporting date. The recoverable amount for the CGUs was determined based on value-in-use calculations covering a detailed five-year budget plan of each CGU followed by an extrapolation of expected cash flows at nil (2024: nil) growth rate. Discount rate of futures brokerage CGU and funds management CGU is 11.12% (2024: 12.79%) and 10.96% (2024: 13.15%), respectively, which is pre-tax and reflect specific risks relating to the relevant CGUs.

No impairment losses were recognised for the goodwill related to futures brokerage CGU and funds management CGU as the recoverable amount exceeded their carrying amount. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the unit to exceed the aggregate recoverable amount.

26. INTANGIBLE ASSETS

	Trading rights *RMB'000*	Software *RMB'000*	Others *RMB'000*	Total *RMB'000*
Cost				
As at 1 January 2024	9,589	601,004	5,288	615,881
Additions	–	56,171	–	56,171
Disposal	–	(527)	–	(527)
As at 31 December 2024 and 1 January 2025	9,589	656,648	5,288	671,525
Additions	**–**	**48,470**	**–**	**48,470**
Disposal	**–**	**(1,290)**	**–**	**(1,290)**
As at 31 December 2025	**9,589**	**703,828**	**5,288**	**718,705**
Accumulated amortisation				
As at 1 January 2024	(9,289)	(432,816)	(5,288)	(447,393)
Charge for the year	–	(63,044)	–	(63,044)
Disposal	–	527	–	527
As at 31 December 2024 and 1 January 2025	(9,289)	(495,333)	(5,288)	(509,910)
Charge for the year	**–**	**(60,984)**	**–**	**(60,984)**
Disposal	**–**	**1,290**	**–**	**1,290**
As at 31 December 2025	**(9,289)**	**(555,027)**	**(5,288)**	**(569,604)**
Carrying amount				
As at 31 December 2025	**300**	**148,801**	**–**	**149,101**
As at 31 December 2024	300	161,315	–	161,615

The remaining amortisation period of trading rights and software ranged from 1 to 5 years (2024: 1 to 5 years).

27. REFUNDABLE DEPOSITS

	2025 *RMB'000*	2024 *RMB'000*
Deposits with stock exchanges		
China Securities Depository and Clearing Corporation Limited:		
– Shanghai Branch	**50,182**	39,824
– Shenzhen Branch	**57,419**	41,793
– Beijing Branch	**2,605**	1,742
	110,206	83,359
Deposits with futures and commodity exchanges		
– China Financial Futures Exchange	**390,309**	296,348
– Shanghai Futures Exchange	**193,982**	101,102
– Shanghai International Energy Exchange	**10,168**	11,269
– Dalian Commodity Exchange	**96,011**	78,657
– Zhengzhou Commodity Exchange	**70,593**	63,122
– Guangzhou Futures Exchange	**31,669**	7,680
	792,732	558,178
Deposits with other institutions		
– Guotai Junan Securities Co. Ltd.	**37,307**	10,000
– China Securities Finance Corporation Limited	**312,048**	347,707
– Industrial Bank Co., Ltd.	**3,228**	3,228
– CITIC Securities Company Limited	**53,980**	–
	406,563	360,935
	1,309,501	1,002,472

As at 31 December 2025, the Group's long-term refundable deposits of RMB312,048,000 (2024: RMB347,707,000) were pledged to China Securities Finance Corporation Limited ("CSFC") as collateral for the placements (Note 42).

28. OTHER NON-CURRENT ASSETS

	2025	2024
	RMB'000	*RMB'000*
Leasehold improvements, long-term prepaid expenses and other foreclosed assets (note)	**37,233**	31,749
Prepayments	**31,832**	39,475
	69,065	71,224

Note:

The movements of leasehold improvements, long-term prepaid expenses and other foreclosed assets are as below:

	2025	2024
	RMB'000	*RMB'000*
At beginning of the year	**31,749**	38,401
Transfer from property and equipment (Note 22)	**–**	330
Additions	**18,345**	5,903
Amortisation	**(12,861)**	(12,885)
At end of the year	**37,233**	31,749

Leasehold improvement is depreciated using straight-line method over its estimated useful life (i.e. 2 – 32 years).

29. DEFERRED TAXATION

The components of deferred tax recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred taxation arising from:	*Note*	**Impairment losses** *RMB'000*	**Employee benefit payables** *RMB'000*	**Changes in fair value of financial assets at FVTPL and FVTOCI** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
As at 1 January 2024		282,088	104,538	102,542	302,863	792,031
Charged/(Credited) to profit or loss	17	167,593	(5,061)	(36,809)	(195,102)	(69,379)
Debited to other comprehensive income		–	–	(14,649)	–	(14,649)
As at 31 December 2024 and 1 January 2025		449,681	99,477	51,084	107,761	708,003
Charged/(Credited) to profit or loss	17	**107,274**	**45,001**	**(72,500)**	**36,025**	**115,800**
Credited to other comprehensive income		**–**	**–**	**7,707**	**–**	**7,707**
As at 31 December 2025		**556,955**	**144,478**	**(13,709)**	**143,786**	**831,510**

29. DEFERRED TAXATION (CONTINUED)

(a) Reconciliation to the consolidated statement of financial position

	2025	2024
	RMB'000	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**832,428**	708,012
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(918)**	(9)
	831,510	708,003

(b) Deferred tax assets not recognised

As at 31 December 2025, the Group had unused tax losses of approximately RMB291,608,000 (2024: RMB342,261,000) to carry forward against future taxable income of the group entities, all of which are recognised as deferred assets. All of the tax losses may be carried forward for five years from the year of incurring the loss.

The Group has no material unrecognised deferred tax assets or liabilities as at 31 December 2025 (2024: Nil).

30. INVESTMENTS IN SUBSIDIARIES

	2025	2024
	RMB'000	*RMB'000*
Unlisted shares, at cost	**2,312,269**	2,188,668

Details of principal subsidiaries are as follows:

Name of company	Place of establishment	Registered capital	Equity interest directly held by the Company		Principal activities
			2025	2024	
Hengtai Changcai Securities Co., Ltd.*恒泰長財證券有限責任公司("Hengtai Changcai")	Changchun, PRC	RMB200 million (2024: RMB200 million)	**100%**	100%	Securities underwriting and sponsoring business and securities investment fund marketing, in the PRC
Hengtai Futures Co., Ltd. **恒泰期貨股份有限公司(「Hengtai Futures")	Shanghai, PRC	RMB228.1 million (2024: RMB125 million)	**95.1%**	95.1%	Futures brokerage business, in the PRC
New China Fund Management Co., Ltd.**新華基金管理股份有限公司	Chongqing, PRC	RMB627.8 million (2024: RMB217.5 million)	**52.99%**	52.99%	Funds management, in the PRC
Hengtai Pioneer Investments Co., Ltd.*恒泰先鋒投資有限公司("Hengtai Pioneer")	Beijing, PRC	RMB100 million (2024: RMB100 million)	**100%**	100%	Investment, advisory and business management, in the PRC
Hengtai Capital Investment Co., Ltd.*恒泰資本投資有限責任公司("Hengtai Capital")	Tianjin, PRC	RMB800 million (2024: RMB800 million)	**100%**	100%	Equity investment, and funds management, in the PRC

* Registered as a limited liability company under the PRC law

** Registered as a company limited by shares under the PRC law

30. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Apart from the above subsidiaries, the Company has consolidated certain structured entities which are controlled by the Company (Note 53(a)).

The English names of the PRC companies referred to above in this note represent management's best effort in translating the Chinese name of those companies as no English names have been registered or available.

On 25 December 2024, the Company, Huarong Zonghe Investment and New China Fund entered into a capital increase agreement (the "Capital Increase Agreement"). According to the Capital Increase Agreement, both the Company and Huarong Zonghe Investment agreed to contribute RMB400,000,000 and RMB400,000,000, respectively, to New China Fund. Upon completion of the contribution, the registered capital of New China Fund was increased from RMB217,500,000 to RMB627,756,000 and the Company's interest in New China Fund was diluted from 58.62% to 52.99%. The Company continues to be the controlling shareholder of the New China Fund and deemed partial disposal of interest in a subsidiary without losing control of RMB21,888,000 was recognised during the year ended 31 December 2024.The registration of the change of registered capital was completed on 10 March 2025.

On 25 December 2024, the Company and Hengtai Pioneer agreed to subscribe for new registered capital of RMB97,981,800 and RMB5,048,500, respectively, of Hengtai Futures at a consideration of RMB161,670,000 and RMB8,330,000, respectively. After the capital increase, the registered capital of Hengtai Futures was increased from RMB125,000,000 to RMB228,030,300, and the equity interest remained unchanged. The registration of the change of registered capital was completed on 24 January 2025.

On 18 December 2025, the Company and Hengtai Pioneer agreed to subscribe for new registered capital of RMB74,910,000 and RMB3,859,700, respectively, of Hengtai Futures at a consideration of RMB123,601,470 and RMB6,368,530, respectively. After the capital increase, the registered capital of Hengtai Futures will be increased from RMB228,030,300 to RMB306,800,000, and the equity interest will remain unchanged. The registration of the change of registered capital has not yet been completed.

As at 31 December 2025 and 2024, the Company pledged 50% of the equity interest and ancillary interest in Hengtai Changcai to the ultimate holding company as counter-guarantee to secure the guarantee provided by the ultimate holding company (Note 54).

31. MARGIN ACCOUNT RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Individual receivables	**6,516,380**	5,865,790
Institution receivables	**76,893**	25,603
Less:Accumulated impairment losses	**(57,523)**	(51,089)
	6,535,750	5,840,304

The fair value of collaterals for margin financing business is analysed as follows:

	2025	2024
	RMB'000	*RMB'000*
Equity securities	**20,161,705**	16,536,364
Cash	**1,073,059**	1,176,696
	21,234,764	17,713,060

The Group provides customers with margin financing for securities transactions, which are secured by customers' securities held as collateral. The Group seeks to maintain strict control over its outstanding receivables and has a credit risk management team to monitor credit risks.

31. MARGIN ACCOUNT RECEIVABLES (CONTINUED)

As at 31 December 2025, the margin account receivables carried interests at 4.0% to 8.6%(2024：4.0% to 8.4%)per annum.

The concentration of credit risk of margin account receivables is limited due to the size and uncorrelated nature of the customer base.

An impairment loss on margin account receivables of RMB6,434,000(2024：RMB9,459,000)was made for the year ended 31 December 2025 (Note 16). Details of the credit risk and impairment assessment are set out in Note 57(a).

32. OTHER CURRENT ASSETS

	Notes	**2025**	2024
		RMB'000	*RMB'000*
Accounts receivable	(a)	**132,849**	98,360
Interest receivables	(b)	**165,606**	190,116
Prepaid expenses		**14,015**	15,575
Income tax recoverable		**65,094**	12,278
Other receivables	(c)	**47,313**	63,670
		424,877	379,999

Notes:

(a) Accounts receivable

The ageing analysis of accounts receivable, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within one year	**113,019**	86,980
Over one year	**217,583**	203,450
Less:Accumulated impairment losses	**(197,753)**	(192,070)
	132,849	98,360

32. OTHER CURRENT ASSETS (CONTINUED)

Notes: (Continued)

(b) Interest receivables

	2025	2024
	RMB'000	*RMB'000*
Interest receivables arising from:		
Financial assets at FVTOCI	**43,437**	53,430
Financial assets at FVTPL	**57,226**	79,694
Margin financing	**107,198**	89,540
Bank deposits	**4,929**	5,822
Financial assets held under resale agreements	**107,418**	113,874
Placements with a financial institution	**7,226**	7,225
Less:Accumulated impairment losses	**(161,828)**	(159,469)
	165,606	190,116

Movements in the ECL allowance account in respect of interest receivables during the year are as follows:

	2025	2024
	RMB'000	*RMB'000*
As at 1 January	**159,469**	145,558
ECL allowance recognised for the year	**12,400**	24,389
Written-off	**(10,041)**	(10,478)
As at 31 December	**161,828**	159,469

(c) Other receivables

	2025	2024
	RMB'000	*RMB'000*
Other receivables	**129,394**	145,254
Less:Accumulated impairment losses	**(82,081)**	(81,584)
	47,313	63,670

A total impairment loss on other current assets of RMB481,212,000（2024：RMB228,638,000）were made for the year ended 31 December 2025 (Note 16). Details of the credit risk and impairment assessment are set out in Note 57(a).

33. PLACEMENTS WITH A FINANCIAL INSTITUTION

	2025 *RMB'000*	2024 *RMB'000*
A non-bank financial institution		
Cost	**311,660**	342,499
Less:Accumulated impairment losses	**(248,798)**	(259,538)
	62,862	82,961

During the year ended 31 December 2022, the Group placed RMB375,000,000 placements to GMK Finance Company Limited(「GMK Finance」) through the National Interbank Funding Centre. Amount of RMB150,000,000 was due on 30 March 2022 and amount of RMB225,000,000 was due on 31 March 2022. On 28 March 2022, the Company and the certain shareholders and related companies of GMK Finance(「GMK Group Companies」)entered into a debt-creditor relationship confirmation and extension agreement in agreement to extend the placements to 22 April 2022 and the placements to be guaranteed by the certain shareholders and related companies of GMK Finance. On 22 April 2022, GMK Finance and GMK Group Companies failed to make the repayment. Subsequently, the Group filed a civil claim to the Intermediate People's Court of Hohhot, Inner Mongolia Autonomous Region for demanding the repayment. On 19 June 2023, the Intermediate People's Court of Hohhot, Inner Mongolia Autonomous Region ruled that GMK Finance for the repayment of RMB375,000,000 and the interest payable. On 10 July 2023, the Group filed a claim report of the payable of RMB375,000,000 and interest payable of RMB7,016,000 to the administrator of the restructuring of GMK Group Companies. On 28 June 2024, Shandong Yanggu People's Court ruled to declare GMK Finance bankrupt. As at 31 December 2024 and 2025, the bankruptcy liquidation of GMK Group Companies are still in progress.

During the year ended 31 December 2025, the Group received RMB30,839,000（2024：RMB24,928,000）as partial of the amount due.

During the year ended 31 December 2025, a reversal of impairment loss of RMB10,740,000 on placements with a financial institution was recognised(2024：Nil)(Note 16). As at 31 December 2025, the provision of expected credit loss on placements with a financial institution was RMB248,798,000（2024：RMB259,538,000）. Details of the credit risk and impairment assessment are set out in Note 57(a).

34. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	2025	2024
	RMB'000	*RMB'000*
Analysis by collateral type:		
– Equity securities	**363,103**	363,103
– Debt securities	**221,092**	220,480
Less: Accumulated impairment losses	**(416,294)**	(430,699)
	167,901	152,884
Analysis by market:		
– Shenzhen Stock Exchange	**481,206**	461,443
– Shanghai Stock Exchange	**102,989**	122,140
Less: Accumulated impairment losses	**(416,294)**	(430,699)
	167,901	152,884

The resale agreements are those agreements which the external investors entered into with the Group under which assets were sold to the Group with a concurrent commitment to purchase the specified securities from the Group at a future date of an agreed price. The resale prices are fixed and the Group is not exposed to substantially all the credit risks, market risks and rewards of those securities bought. These securities are not recognised in the Group's consolidated statement of financial position but regarded as "collateral" because the external investors retain substantially all the risks and rewards of these securities. Accordingly, the Group recognises as collateralised lending asset for the price paid to purchase the assets. As at 31 December 2025 and 2024, the maturities of these resale agreements are all within one year.

As at 31 December 2025, the fair values of the collaterals were amounted to RMB310,147,000 (2024: RMB287,586,000).

As at 31 December 2025, the financial assets held under resale agreements carried interests at 1.8% – 2.1% (2024: 1.8% – 2.1%) per annum.

A reversal of impairment loss on financial assets held under resale agreements of approximately RMB14,405,000 was recognised for the year ended 31 December 2025 (Note 16) (2024: impairment loss of RMB95,457,000). Details of the credit risk and impairment assessment are set out in Note 57(a).

35. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	2024
	RMB'000	*RMB'000*
Debt securities	**651,760**	2,413,811
Equity securities	**4,308**	4,308
	656,068	2,418,119
Analysis into:		
–Listed outside Hong Kong	**234,769**	490,060
–Unlisted	**421,299**	1,928,059
	656,068	2,418,119
Accumulated impairment losses	**47,487**	154,456

Financial assets at FVTOCI comprise debt securities and equity securities which are not held for trading.

As at 31 December 2025, the financial assets at FVTOCI carried interests at 1.9% to 7.5%(2024：2.2% to 7.5%)per annum.

A reversal of impairment loss on financial assets at FVTOCI of RMB1,442,000(2024：impairment loss of RMB41,806,000)were made for the year ended 31 December 2025 (Note 16). Details of the credit risk and impairment assessment are set out in Note 57(a).

36. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	RMB'000	*RMB'000*
Held for trading:		
–Debt securities	**4,216,098**	5,696,155
–Equity securities	**1,964,620**	1,734,029
–Investment funds	**2,304,552**	1,839,490
–Assets management schemes	**545,149**	342,018
–Collective trust schemes	**30,123**	33,783
	9,060,542	9,645,475
Analysis into:		
–Listed in Hong Kong	**136,655**	650,972
–Listed outside Hong Kong	**3,451,624**	3,785,193
–Unlisted	**5,472,263**	5,209,310
	9,060,542	9,645,475

37. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2025 and 2024, the Group has the following derivative financial instruments:

	2025			2024		
	Nominal amount	**Assets**	**Liabilities**	**Nominal amount**	**Assets**	**Liabilities**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Non-hedging instruments						
Equity swaps	**476,256**	**636**	**–**	–	–	–
Individual stock options	**38,955**	**155**	**–**	354,005	–	–
Stock index futures	**142,484**	**–**	**–**	–	–	–
Commodity futures	**918,675**	**–**	**–**	–	–	–
Interest rate swaps	**3,319,568**	**–**	**2,210**	–	–	–
	4,895,937	**791**	**2,210**	354,005	–	–

Nominal amount analysed by remaining maturity

	2025	2024
	RMB'000	*RMB'000*
Held for trading:		
Within 3 months	**657,695**	–
Between 3 months and 1 year	**–**	–
Between 1 year and 5 years	**4,238,242**	–
	4,895,937	–

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The change of fair values recognised immediately in profit or loss. The fair value of these swaps has been measured as described in Note 58.

38. CASH HELD ON BEHALF OF BROKERAGE CLIENTS

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business. The Group classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognised the corresponding account payables to the respective brokerage clients on the grounds that the Group is liable for any loss or misappropriation of their brokerage clients' monies. Cash held on behalf of brokerage clients for their transaction and settlement purposes is subject to regulatory oversight by third-party depository institutions in accordance with CSRC regulations.

39. CLEARING SETTLEMENT FUNDS

	2025	2024
	RMB'000	*RMB'000*
Deposits with stock exchanges		
China Securities Depository and Clearing Corporation Limited:		
–Shanghai Branch	**270,553**	350,441
–Shenzhen Branch	**216,832**	221,306
–Beijing Branch	**49,687**	91,529
Deposits with futures and commodity exchanges	**235,929**	300,967
	773,001	964,243

As at 31 December 2025, the clearing settlement funds arising from consolidated assets management schemes are amounted to RMB1,807,000（2024：RMB1,120,000）.

40. CASH AND CASH EQUIVALENTS

	2025	2024
	RMB'000	*RMB'000*
Cash in hand	**2**	3
Bank balances	**2,660,170**	1,907,246
Cash and bank balances per the consolidated statement of financial position	**2,660,172**	1,907,249
Add:Clearing settlement funds (Note 39)	**773,001**	964,243
Add:Financial assets held under resale agreements with original maturities within three months	**221,092**	220,480
Less:Time deposits with original maturities exceeding three months	**(526,000)**	(480,000)
Less:Restricted bank deposits	**(453,957)**	(369,906)
Cash and cash equivalents per the consolidated statement of cash flows	**2,674,308**	2,242,066

As at 31 December 2025, the cash and bank balances arising from consolidated assets management schemes are amounted to RMB3,991,000（2024：RMB45,439,000）.

Bank balances comprise time and demand deposits which bear interests at the prevailing market rates.

As at 31 December 2025, included in bank balances and cash of RMB453,957,000（2024：RMB369,906,000）are restricted for general risk reserve purpose.

41. DEBT INSTRUMENTS

	2025	2024
	RMB'000	*RMB'000*
Beneficiary certificates	**1,850,000**	2,420,000
Subordinated bonds	**2,475,643**	1,481,096
Long-term corporate bonds	**1,934,408**	1,913,799
Subordinated debts	**200,000**	–
	6,460,051	5,814,895
Analysis by remaining maturity:		
Current		
Within one year	**4,378,635**	2,420,000
Non-current		
Between two years and five years	**2,081,416**	3,394,895
	6,460,051	5,814,895

41. DEBT INSTRUMENTS (CONTINUED)

Beneficiary certificates:

					2025					
					Par value					
Name	Par value	Issuance date	Due date	Interest rate	As at 1 January 2025	Issuance	Redemption	As at 31 December 2025	Accrued Interest	Book value as at 31 December 2025
	RMB'000				*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
恒創泰富No.49	400,000	26.01.2024	23.01.2025	3.30%	400,000	–	(400,000)	–	–	–
恒創泰富No.50	400,000	26.01.2024	23.01.2025	3.25%	400,000	–	(400,000)	–	–	–
恒富No.35	40,000	08.02.2024	06.02.2025	3.30%	40,000	–	(40,000)	–	–	–
恒創泰富No.52	400,000	02.08.2024	05.02.2025	2.79%	400,000	–	(400,000)	–	–	–
恒富No.38	50,000	30.08.2024	03.03.2025	2.60%	50,000	–	(50,000)	–	–	–
恒創泰富No.54	260,000	24.09.2024	24.09.2025	2.90%	260,000	–	(260,000)	–	–	–
恒富No.39	30,000	25.09.2024	25.09.2025	2.80%	30,000	–	(30,000)	–	–	–
恒富No.40	10,000	25.09.2024	25.09.2025	2.90%	10,000	–	(10,000)	–	–	–
恒創泰富No.55	200,000	17.10.2024	17.10.2025	2.85%	200,000	–	(200,000)	–	–	–
恒創泰富No.56	300,000	23.10.2024	23.07.2025	2.95%	300,000	–	(300,000)	–	–	–
恒創泰富No.57	30,000	25.10.2024	24.10.2025	2.85%	30,000	–	(30,000)	–	–	–
恒創泰富No.58	300,000	17.12.2024	24.03.2025	2.50%	300,000	–	(300,000)	–	–	–
恒創泰富No.59	300,000	22.01.2025	23.04.2025	2.30%	–	300,000	(300,000)	–	–	–
恒創泰富No.60	400,000	11.02.2025	02.02.2026	2.80%	–	400,000	–	400,000	9,942	400,000

41. DEBT INSTRUMENTS (CONTINUED)

Beneficiary certificates: (Continued)

					2025					
					Par value					
Name	Par value	Issuance date	Due date	Interest rate	As at 1 January 2025	Issuance	Redemption	As at 31 December 2025	Accrued Interest	Book value as at 31 December 2025
	RMB'000				*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
恒創泰富No.61	300,000	28.03.2025	27.06.2025	2.40%	–	300,000	(300,000)	–	–	–
恒創泰富No.62	300,000	29.04.2025	28.07.2025	2.40%	–	300,000	(300,000)	–	–	–
恒富No.41	50,000	13.06.2025	26.05.2026	2.60%	–	50,000	–	50,000	719	50,000
恒創泰富No.63	200,000	09.07.2025	09.07.2026	2.40%	–	200,000	–	200,000	2,315	200,000
恒創泰富No.64	100,000	12.08.2025	11.02.2026	2.28%	–	100,000	–	100,000	887	100,000
恒富No.42	50,000	15.08.2025	29.12.2025	2.28%	–	50,000	(50,000)	–	–	–
恒創泰富No.65	300,000	05.09.2025	05.09.2027	2.60%	–	300,000	–	300,000	2,522	300,000
恒創泰富No.67	200,000	12.09.2025	12.12.2025	2.30%	–	200,000	(200,000)	–	–	–
金街匯贏1號	300,000	21.10.2025	21.10.2027	2.50%	–	300,000	–	300,000	1,479	300,000
金街匯贏2號	300,000	12.11.2025	12.11.2027	2.50%	–	300,000	–	300,000	1,027	300,000
金街匯贏3號	200,000	26.11.2025	26.05.2026	2.10%	–	200,000	–	200,000	414	200,000
					2,420,000	3,000,000	(3,570,000)	1,850,000	19,305	1,850,000

41. DEBT INSTRUMENTS (CONTINUED)

Beneficiary certificates: (Continued)

					2024					
					Par value					
Name	Par value	Issuance date	Due date	Interest rate	As at 1 January 2024	Issuance	Redemption	As at 31 December 2024	Accrued Interest	Book value as at 31 December 2024
	RMB'000				*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
恒富No.34	50,000	08.02.2023	05.02.2024	4.00%	50,000	–	(50,000)	–	–	–
恒創泰富No.43	100,000	28.02.2023	28.02.2024	4.20%	100,000	–	(100,000)	–	–	–
恒創泰富No.47	500,000	25.08.2023	23.08.2024	3.45%	500,000	–	(500,000)	–	–	–
恒創泰富No.48	300,000	28.08.2023	07.02.2024	3.30%	300,000	–	(300,000)	–	–	–
恒創泰富No.49	400,000	26.01.2024	23.01.2025	3.30%	–	400,000	–	400,000	12,332	400,000
恒創泰富No.50	400,000	26.01.2024	23.01.2025	3.25%	–	400,000	–	400,000	12,145	400,000
恒富No.35	40,000	08.02.2024	06.02.2025	3.30%	–	40,000	–	40,000	1,186	40,000
恒富No.36	61,000	24.05.2024	31.10.2024	2.47%	–	61,000	(61,000)	–	–	–
恒創泰富No.51	300,000	27.06.2024	08.10.2024	2.38%	–	300,000	(300,000)	–	–	–
恒創泰富No.52	400,000	02.08.2024	05.02.2025	2.79%	–	400,000	–	400,000	4,647	400,000
恒創泰富No.53	300,000	06.08.2024	04.12.2024	2.38%	–	300,000	(300,000)	–	–	–
恒富No.38	50,000	30.08.2024	03.03.2025	2.60%	–	50,000	–	50,000	442	50,000
恒創泰富No.54	260,000	24.09.2024	24.09.2025	2.90%	–	260,000	–	260,000	2,045	260,000
恒富No.39	30,000	25.09.2024	25.09.2025	2.80%	–	30,000	–	30,000	226	30,000
恒富No.40	10,000	25.09.2024	25.09.2025	2.90%	–	10,000	–	10,000	78	10,000
恒創泰富No.55	200,000	17.10.2024	17.10.2025	2.85%	–	200,000	–	200,000	1,187	200,000
恒創泰富No.56	300,000	23.10.2024	23.07.2025	2.95%	–	300,000	–	300,000	1,697	300,000
恒創泰富No.58	300,000	17.12.2024	24.03.2025	2.50%	–	300,000	–	300,000	308	300,000
恒創泰富No.57	30,000	25.10.2024	24.10.2025	2.85%	–	30,000	–	30,000	159	30,000
					950,000	3,081,000	(1,611,000)	2,420,000	36,452	2,420,000

41. DEBT INSTRUMENTS (CONTINUED)

Subordinated bonds:

Name	Issuance date	Due date	Nominal interest rate	2025 As at 1 January 2025 RMB'000	2025 Issuance RMB'000	2025 Redemption RMB'000	2025 As at 31 December 2025 RMB'000
23恒泰C1次級債*	08.06.2023	08.06.2026	5.30%	**400,000**	**–**	**–**	**400,000**
23恒泰C2次級債*	08.06.2023	08.06.2026	4.00%	**1,100,000**	**–**	**–**	**1,100,000**
25金證K1次級債**	20.10.2025	20.10.2028	2.39%	**–**	**1,000,000**	**–**	**1,000,000**
Total				**1,500,000**	**1,000,000**	**–**	**2,500,000**
Amortised cost				**1,481,096**			**2,475,643**

Name	Issuance date	Due date	Nominal interest rate	2024 As at 1 January 2024 RMB'000	2024 Issuance RMB'000	2024 Redemption RMB'000	2024 As at 31 December 2024 RMB'000
23恒泰C1次級債*	08.06.2023	08.06.2026	5.30%	400,000	–	–	400,000
23恒泰C2次級債*	08.06.2023	08.06.2026	4.00%	1,100,000	–	–	1,100,000
Total				1,500,000	–	–	1,500,000
Amortised cost				1,468,584			1,481,096

* On 8 June 2023, the Company issued a 3-year subordinated bond with a par value of RMB1,500,000,000. The subordinated bond was listed at Shanghai Stock Exchange. The subordinated bond was divided into 2 classes. 23恒泰C1次級債was unsecured and with par value of RMB400,000,000 and 23恒泰C2次級債was guaranteed and with par value of RMB1,100,000,000.

** On 20 October 2025, the Company issued a 3-year science and technology innovation subordinated bond with a par value of RMB1,000,000,000. The subordinated bond was secured and not listed.

41. DEBT INSTRUMENTS (CONTINUED)

Subordinated bonds: (Continued)

The movements of the subordinated bonds are as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of the year	**1,481,096**	1,468,584
Issuance	**1,000,000**	–
Transaction costs	**(19,868)**	–
Accrued interests	**14,415**	12,512
At end of the year	**2,475,643**	1,481,096

Interest expense on the subordinated bonds is calculated using the effective interest method by applying the effective interest rate of 3.09% to 5.48% (2024: 5.22% to 5.48%).

Long-term corporate bond:

				2025			
Name	Issuance date	Due date	Nominal interest rate	As at 1 January 2025 *RMB'000*	Issuance *RMB'000*	Redemption *RMB'000*	As at 31 December 2025 *RMB'000*
23恒泰F1私募債#	26.09.2023	26.09.2026	3.50%	**1,950,000**	**–**	**–**	**1,950,000**
Amortised cost				**1,913,799**			**1,934,408**

41. DEBT INSTRUMENTS (CONTINUED)

Long-term corporate bond: (Continued)

				2024			
Name	Issuance date	Due date	Nominal interest rate	As at 1 January 2024 *RMB'000*	Issuance *RMB'000*	Redemption *RMB'000*	As at 31 December 2024 *RMB'000*
23恒泰F1私募債#	26.09.2023	26.09.2026	3.50%	1,950,000	–	–	1,950,000
Amortised cost				1,894,053			1,913,799

On 26 September 2023, the Company issued 3-year long-term corporate bond with a par value of RMB1,950,000,000. The long-term corporate bond was listed at Shanghai Stock Exchange and guaranteed by China Securities Credit Investment Co., Ltd.

The movements of the long-term corporate bonds are as follows:

	2025 ***RMB'000***	2024 *RMB'000*
At beginning of the year	**1,913,799**	1,894,053
Accrued interests	**20,609**	19,746
At end of the year	**1,934,408**	1,913,799

Interest expense on the long-term corporate bonds is calculated using the effective interest method by applying the effective interest rate of 4.64% (2024: 4.64%).

41. DEBT INSTRUMENTS (CONTINUED)

Subordinated debts:

	Notes	2025 RMB'000	2024 RMB'000
Non-current			
Related company	(a)	**150,000**	–
Independent third party	(b)	**50,000**	–
		200,000	–

Notes:

(a) On 12 May 2025, the Company entered into a subordinated debt agreement with Beijing Hualijiahe Industrial Co., Ltd. ("北京華利佳合實業有限公司"), a related company of the Group, in agreement with lending RMB150,000,000 to the Company. The borrowing is unsecured, bearing interest at 4% p.a., and repayable by 14 May 2030.

(b) On 4 August 2025, the Company entered into a subordinated debt agreement with an independent third party in agreement with lending RMB50,000,000 to the Company. The borrowing is unsecured, bearing interest at 4% p.a., and repayable by 6 August 2030.

42. PLACEMENTS FROM FINANCIAL INSTITUTIONS

	2025 RMB'000	2024 RMB'000
Placements from bank	**1,500,000**	500,000
Placements from CSFC	**2,000,000**	2,200,000
	3,500,000	2,700,000

As at 31 December 2025, the placements from bank and CSFC bear interests at 1.55% to 2.41% (2024: 1.62% to 2.54%) per annum, with remaining maturities within 1 month and 1 year (2024: 1 month and 1 year).

As at 31 December 2025, the Group's long-term refundable deposits of RMB312,048,000 (2024: RMB347,707,000) were pledged to CSFC as collateral for the placements (Note 27).

43. ACCOUNT PAYABLES TO BROKERAGE CLIENTS

	2025	2024
	RMB'000	*RMB'000*
Clients' deposits for:		
–margin financing business	**1,093,244**	1,129,223
–other brokerage business	**19,580,581**	15,571,395
	20,673,825	16,700,618

Account payables to brokerage clients represent the monies received from and repayable to brokerage clients. Account payables to brokerage clients are interest bearing at the prevailing interest rate.

The majority of the account payables balances are repayable on demand except where certain account payables to brokerage clients represent monies received from clients for the margin financing activities under normal course of business. Only the amounts in excess of the required amount of margin deposits and cash collateral are repayable on demand.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of these businesses.

44. EMPLOYEE BENEFIT PAYABLES

	2025			
	As at 1 January	**Accrued for the year**	**Payments made**	**As at 31 December**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Short-term benefits and severance payment	**468,124**	**1,147,017**	**(954,748)**	**660,393**
Defined contribution plans	**172**	**127,415**	**(125,172)**	**2,415**
	468,296	**1,274,432**	**(1,079,920)**	**662,808**

	2024			
	As at 1 January	Accrued for the year	Payments made	As at 31 December
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term benefits and severance payment	488,729	918,652	(939,257)	468,124
Defined contribution plans	744	76,965	(77,537)	172
	489,473	995,617	(1,016,794)	468,296

45. CONTRACT LIABILITIES

Contract liabilities represent receipt in advance from customers and deferred revenue in relation to assets management, financial, investment advisory businesses and custody business.

During the year ended 31 December 2025, the Group has recognised revenue of RMB120,000 (2024: RMB36,000) that was included in the contract liabilities balance at the beginning of the year. The Group does not have any contract that contains significant financing component as all of the contract liabilities are expected to be recognised as revenue within 1 year.

46. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025	2024
	RMB'000	*RMB'000*
Total minimum lease payments:		
– Due within one year	**44,854**	71,595
– Due over one year but less than two years	**19,725**	38,101
– Due over two years but less than five years	**8,161**	8,052
– Due over five years	**334**	–
	73,074	117,748
Future finance charges on leases liabilities	**(1,114)**	(4,496)
Present value of leases liabilities	**71,960**	113,252
Present value of minimum lease payments:		
– Due within one year	**44,170**	68,861
– Due over one year but less than two years	**19,424**	36,647
– Due over two years but less than five years	**8,037**	7,744
– Due over five years	**329**	–
	71,960	113,252
Less: Portion due within one year included under current liabilities	**(44,170)**	(68,861)
Portion due after one year included under non-current liabilities	**27,790**	44,391

During the year ended 31 December 2025, the total cash outflows for the leases (including short-term leases) are RMB85,630,000 (2024: RMB110,761,000).

As at 31 December 2025, the Group has entered into 95 (2024: 86) leases for with range of remaining lease term of one to ten years (2024: one to ten years). These leases do not contain any option to renew the lease and subject to monthly fixed rental payment.

47. OTHER LIABILITIES

	2025 *RMB'000*	2024 *RMB'000*
Third-party interests in consolidated asset management schemes (note (a))	**47,233**	68,078
Future risk reserve	**57,354**	49,421
Other payables (note (b))	**204,622**	161,618
Interest payables	**91,052**	104,093
Taxes and surcharges payables	**27,441**	32,981
Compensation payable (Note 54)	**856,000**	936,000
Provision of compensation (Note 54)	**141,996**	19,142
	1,425,698	1,371,333
Less: Portion due within one year included under current liabilities	**(740,898)**	(515,333)
Portion due after one year included under non-current liabilities	**684,800**	856,000

Notes:

(a) Third-party interests in consolidated asset management schemes consist of third-party unit holders' interests in these consolidated structured entities which are recognised as a liability since they can be put back to the Group for cash.

(b) Other payables mainly consist of accrued professional fees, securities investor protection funds and other daily operating expenses and deposits received.

48. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	2025	2024
	RMB'000	*RMB'000*
Analysis by collateral type:		
–Debt securities	**1,276,020**	4,099,600
Analysis by market:		
–Inter-bank market	**1,046,460**	3,712,069
–Shanghai Stock Exchange	**211,460**	359,408
–Shenzhen Stock Exchange	**18,100**	28,123
	1,276,020	4,099,600
Analysis by transaction type:		
–Pledged	**1,276,020**	4,099,600

48. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (CONTINUED)

Repurchase agreements are transactions in which the Group sells or places a security and simultaneously agree to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities sold.

As at 31 December 2025, the financial assets sold under repurchase agreements carried interests at 1.75% to 2.23% (2024: 1.95% to 2.6%) per annum.

As at 31 December 2025 and 2024, the carrying amount of the financial assets that had been placed as financial assets sold under repurchase agreements of the Group are listed as below:

	2025	2024
	RMB'000	*RMB'000*
Financial assets at FVTPL	**1,487,310**	3,002,765
Financial assets at FVTOCI	**116,620**	1,556,453
	1,603,930	4,559,218

49. SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital

All shares issued by the Company are fully paid ordinary shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	2025		2024	
	Number of shares (in thousands)	***RMB'000***	Number of shares (in thousands)	*RMB'000*
As at 1 January and 31 December	**2,604,567**	**2,604,567**	2,604,567	2,604,567

(b) Share premium

Share premium arising from the issuance of new shares at prices in excess of face value.

50. RESERVES

(a) Surplus reserve

Under the relevant PRC Laws, the Company and its subsidiaries in PRC are required to appropriate 10% of its net profit, as determined under the PRC Generally Accepted Accounting Principles ("PRC GAAP"), to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. Subject to the approval of shareholders, statutory surplus reserve may be used to offset prior year losses, if any, and may convert into capital, provided that the balance of statutory surplus reserve after such capitalisation is not less than 25% of the registered capital before such capitalisation.

(b) General risk reserve

(i) In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company and its subsidiary, Hengtai Changcai, are required to appropriate 10% of its annual net profit, as determined under PRC GAAP, to the general risk reserve.

(ii) In accordance with the requirements of the CSRC Interim Measures for Supervision and Administration on Risk Reserve for Public Securities Investment Fund Raising (Zhengjianhui Ling [No. 94]), the Group's subsidiary, New China Fund, is required to appropriate 10% of its annual net profit, as determined under PRC GAAP, to the general risk reserve.

(iii) In accordance with the requirements of the Ministry of Finance Circular regarding the Issuance of Implementation Guidance on Financial Planning of Financial Institutions (Caijin [2007] No. 23) issued on 30 March 2007, the Group's subsidiary, Hengtai Futures, is required to appropriate 10% of its annual net profit, as determined under PRC GAAP, to the general risk reserve.

(c) Transaction risk reserve

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company and its subsidiary, Hengtai Changcai, are required to appropriate 10% of its annual net profit, as determined under PRC GAAP, to the transaction risk reserve.

50. RESERVES (CONTINUED)

(d) Investment revaluation reserve

Investment revaluation reserve represents the fair value change of financial assets at FVTOCI. The movements of the investment revaluation reserve of the Group are set out below:

	2025	2024
	RMB'000	*RMB'000*
At beginning of the year	**(9,122)**	(50,639)
Net fair value changes	**(30,829)**	58,596
Income tax related to net fair value changes	**7,707**	(14,649)
Disposal of equity investments at FVOCI	**–**	(2,430)
At end of the year	**(32,244)**	(9,122)

51. MOVEMENT IN THE COMPANY'S RESERVES

	Surplus reserve *RMB'000*	General risk reserve *RMB'000*	Transaction risk reserve *RMB'000*	Investment Revaluation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
As at 1 January 2024	642,525	712,187	696,584	(50,639)	1,367,793	3,368,450
Profit for the year	–	–	–	–	404,148	404,148
Other comprehensive income for the year	–	–	–	43,947	–	43,947
Disposal of financial assets at FVOCI				(2,430)	2,430	–
Appropriation to surplus reserves	40,415	–	–	–	(40,415)	–
Appropriation to general risk reserve	–	40,797	–	–	(40,797)	–
Appropriation to transaction risk reserve	–	–	40,415	–	(40,415)	–
As at 31 December 2024 and 1 January 2025	**682,940**	**752,984**	**736,999**	**(9,122)**	**1,652,744**	**3,816,545**
Profit for the year	**–**	**–**	**–**	**–**	**436,406**	**436,406**
Other comprehensive income for the year	**–**	**–**	**–**	**(23,122)**	**–**	**(23,122)**
Appropriation to surplus reserves	**43,641**	**–**	**–**	**–**	**(43,641)**	**–**
Appropriation to general risk reserve	**–**	**44,062**	**–**	**–**	**(44,062)**	**–**
Appropriation to transaction risk reserve	**–**	**–**	**43,641**	**–**	**(43,641)**	**–**
As at 31 December 2025	**726,581**	**797,046**	**780,640**	**(32,244)**	**1,957,806**	**4,229,829**

52. COMMITMENTS

Capital commitments

At the reporting date, the capital commitments outstanding not provided for in the consolidated financial statements are as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Acquisition of property and equipment, intangible assets and other non-current assets	**19,489**	17,770

52. COMMITMENTS (CONTINUED)

Lease commitments

The Group as lessee

At the reporting date, the lease commitments for short-term leases are as follows:

	2025	2024
	RMB'000	*RMB'000*
Properties	**1,929**	1,469

The Group as lessor

At the reporting date, the total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year (inclusive)	**4,628**	4,090
Later than 1 year and not later than 2 years	**4,513**	3,618
Later than 2 year and not later than 3 years	**4,476**	2,852
Later than 3 year and not later than 4 years	**3,353**	2,868
Later than 4 year and not later than 5 years	**2,016**	1,760
After 5 years	**6,969**	601
	25,955	15,789

Underwriting commitments

As at 31 December 2025, according to the relevant underwriting agreements, underwriting commitments taken but not provided for by the Group are amounted to RMB11,358,000,000 (2024: RMB19,318,000,000).

53. INTERESTS IN STRUCTURED ENTITIES

(a) Interests in structured entities consolidated by the Group

Structured entities consolidated by the Group mainly stand for the assets management schemes where the Group involves as manager and also as investor, the Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the assets management schemes to a level of such significance that it indicates that the Group is a principal.

As at 31 December 2025, the total assets of the consolidated assets management schemes are RMB322,955,000 (2024: RMB256,629,000), and the carrying value of interests held by the Group in the consolidated assets management schemes are RMB49,903,000 (2024: RMB83,080,000), which are accounted for as financial assets at FVTPL in respective financial statements of the entities.

(b) Structured entities sponsored by third party institutions in which the Group holds an interest

The types of structured entities that the Group does not consolidate but in which it holds an interest include assets management schemes, trust schemes, wealth management products, investment funds and asset-backed securities products issued by banks and other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issuance of investment units to investors.

As at 31 December 2025 and 2024, the amount of financial assets in the consolidated statement of financial position which represent the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions, are listed as below:

	2025	2024
	RMB'000	*RMB'000*
Financial assets at FVTPL	**2,787,517**	402,464

53. INTERESTS IN STRUCTURED ENTITIES (CONTINUED)

(c) Structured entities sponsored by the Group

Structured entities for which the Group served as general partner or manager, therefore has power over them during the year are assets management schemes and investment funds. Except for the structured entities that the Group has consolidated as set out in Note 53(a), the Group's exposure to the variable returns in the structured entities in which the Group has interest are not significant. Accordingly, the Group did not consolidate these structured entities.

At the reporting date, the details of these unconsolidated structured entities managed by the Group are as follows:

	2025	2024
	RMB'000	*RMB'000*
Total assets of unconsolidated structured entities	**40,591,589**	3,419,767
Carrying amount of the investments held by the Group	**779,968**	35,862
Fees receivables by the Group	**12,386**	1,994

54. CONTINGENCIES AND LITIGATIONS

Arbitration case with regard to Dongxu-series special account product managed by New China Fund

From April 2018 to October 2018, New China Fund Management Co., Ltd. ("New China Fund"), which is an indirect subsidiary of the Company, Industrial and Commercial Bank of China Beijing Branch (the "ICBC Beijing branch") which acted as the custodian bank and four third parties investors entered into certain Dongxu-series bonds (the "Bonds") financial product managed by New China Fund. Subsequently in 2019, the four investors failed to provide fund to the account to cover the short position of the margin accounts following the drops in market price of the Bonds. ICBC Beijing branch, as a clearing participant, advanced the funds of approximately RMB1,169 million (the "Advance Settlement") to China Securities Depository and Clearing Corporation Limited to settle this margin account.

On 11 October 2021, New China Fund received the disputes brought by the ICBC Beijing Branch which submitted four arbitration applications to the Beijing Arbitration Commission (the "Arbitration Commission") for compensating the Advance Settlement and interest losses. On 6 December 2022, the Arbitration Commission ruled that New China Fund has to compensate the ICBC Beijing branch the Advance Settlement and the interest payable. On 10 March 2023, New China Fund and ICBC Beijing branch reached a settlement agreement and New China Fund agreed to settle the amount of approximately RMB1,169 million plus the related interest payable amounts, as well as to seek the financial guarantee by the major shareholder of the Company on the repayment of these payables.

Therefore, on 21 September 2023, New China Fund, the Company and Beijing Financial Street Investment (Group) Co., Ltd. ("Financial Street Investment"), being the major shareholder of the Company entered into a guarantee and counter-guarantee agreements and that Financial Street Investment agreed to provide joint liability guarantee in favour of the ICBC Beijing branch in respect of the amount approximately to RMB613.4 million. The Company pledged certain assets and 50% equity and ancillary interest of Hengtai Changcai to Financial Street Investment (as guarantor) as security for the counter-guarantee provided to the Group (Notes 22, 24 and 30).

On 27 September 2023, New China Fund and ICBC Beijing branch entered into the final implementation settlement agreement (the "Final Implementation Settlement Agreement"). According to the Final Implementation Settlement Agreement, ICBC Beijing branch agreed to transfer the rights of the Bonds to New China Fund and New China Fund shall repay the remaining payable to the ICBC Beijing branch from 1 January 2024 to 31 August 2030 in seven instalments.

During the year ended 31 December 2025, New China Fund settled RMB80,000,000 (2024: RMB60,000,000) and the associated interest to ICBC Beijing Branch according to the Final Implementation Settlement Agreement.

54. CONTINGENCIES AND LITIGATIONS (CONTINUED)

Arbitration case with regard to Dongxu-series special account product managed by New China Fund (Continued)

Upon the effective of the Final Implementation Settlement Agreement, the Group recognised the payable to ICBC Beijing branch of RMB996 million and the Dongxu-series special account product as assets.

On 30 July 2024, New China Fund entered into a debt restructure agreement (the "Debt Restructure Agreement") with Dongxu Group Co., Ltd. ("Dongxu Group"), the issuer of the Bonds. Pursuant to the Debt Restructure Agreement, Dongxu Group agreed to compensate New China Fund for the losses in its role as investment manager and losses arising from the arbitration case (the "Dongxu Repayment"). The Dongxu Repayment, with an aggregate amount approximately of RMB1,220 million, includes the Advance Settlement, other losses claimed by the ICBC Beijing branch and the interest incurred by New China Fund.

Under the terms of the Debt Restructure Agreement, Dongxu Group shall settle the Dongxu Repayment to New China Fund in certain instalments, with a final payment due by 28 September 2032. The first repayment was due on 28 September 2024, however, Dongxu Group failed to make the payment as stipulated. The Group has not recognised such receivable due to the uncertainty on the recoverable of the repayments.

Lawsuits with regard to certain private equity funds custodied by the Company

In February 2025, the Shanghai Financial Court held that the fraudulent activities committed by Hualing Asset Management Co., Ltd., the fund manager of certain private equity funds custodied by the Company (the "**Hualing Private Equity Funds**"), and other criminal entities were the direct cause of investors' losses. The Company in its capacity as custodian, was also found liable. Following the initial ruling, the Company received approximately 400 lawsuits filed by other investors of the Hualing Private Equity Funds.

During the year ended 31 December 2025, the Group recognised a provision for potential liabilities resulting from the court's initial ruling approximately RMB122,570,000 (2024: nil), considers the expected loss on the settlement of these lawsuits.

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Relationship of related parties

(i) Major shareholders

Major shareholders include shareholders of the Company with 5% or above ownership as below.

	2025	2024
Beijing Huarong Zonghe Investment Co., Ltd	**21.88%**	21.88%
Tianfeng Securities Co., Ltd	**16.92%**	16.92%
Baotou Huazi Industry Co., Ltd	**11.83%**	11.83%
Beijing Financial Street Xihuan Properties Co., Ltd	**8.12%**	8.12%
Zhejiang Free Trade Zone Huifa Technology Co., Ltd	**8.12%**	5.91%

(ii) Subsidiaries of the Company

The details of the Company's principal subsidiaries is set out in Note 30.

(iii) Other related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the board of supervisors and senior management, and close family members of such individuals.

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(b) Related parties transactions and balances

The Group has following balances/transactions with the related parties:

	2025	2024
	RMB'000	*RMB'000*
Balances as at reporting date:		
– Account payables to related parties	**5,475**	257
– Guarantee fee payables to the ultimate holding company	**11,032**	30,500
– Security deposit to a related party	**396**	394
– Lease liabilities to a related party	**2,006**	823
– Right-of-use assets from to a related party	**2,034**	882
– Security deposit to an immediate holding company	**413**	413
– Lease liabilities to an immediate holding company	**4,053**	5,410
– Right-of-use assets from an immediate holding company	**4,128**	5,544
– Client maintenance fees payable to mutual funds	**365**	787
– Commissions receivable	**–**	464
– Debt instruments due to a related company	**150,000**	–
– Prepaid expenses to a related company	**606**	–

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(b) Related parties transactions and balances (Continued)

	2025	2024
	RMB'000	*RMB'000*
Transactions during the year:		
– Fees and commission income from a related party	**5,624**	2,852
– Interest expenses to a related party	**3,822**	56
– Interest expenses to an immediate holding company	**927**	271
– Utility charges and other miscellaneous expenses to a related party	**1,282**	1,058
– Benefit payment to a related party	**1,266**	509
– Property fees to a related party	**275**	286
– Utility charges and other miscellaneous expenses to an immediate holding company	**1,429**	1,415
– Interest expenses to a related party	**–**	1
– Conference fees to a related party	**1,884**	25
– Client maintenance fees to a related party	**184**	216
– Electronic equipment fees to a related party	**28**	25
– Advertising fees to a related party	**755**	–
– Amortisation expenses of prepaid expenses to a related company	**99**	–

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(c) Key management personnel remuneration

Key management personnel are those persons who have the power to, directly or indirectly, plan, direct and control the activities of the Group, including members of the Board of Directors, board of supervisors and other members of the senior management.

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 19 and certain of the highest paid employees as disclosed in Note 20, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Fees, salaries, allowance and bonus	**18,740**	19,030
Contribution to pension schemes	**1,430**	642
	20,170	19,672

Total remuneration is included in "staff costs" as disclosed in Note 13.

56. SEGMENT REPORTING

The Group manages and conducts its business activities by business segments. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker, being the senior management of the Group, for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments:

(a) Brokerage and wealth management segment engages in the trading of stocks, funds, bonds and futures on behalf of the clients, and also providing investment and financing solutions to high-end, professional and institutional clients, including sale of financial products and margin financing;

(b) Investment banking segment provides corporate finance services, including financial advisory, equity underwriting and debt underwriting services as well as over-the-counter services to institutional clients. Also, as chief agency broker, provides services to companies entering into National Equities Exchange and Quotations for share quotation and transfer;

(c) Proprietary trading segment engages in trading of equities, bonds, funds, and derivatives for the Group;

(d) Investment management segment includes businesses on assets management, private equity investments and alternative investments; and

(e) Other segment mainly represents other operations of head office, including interest income and interest expenses arising from general working capital.

56. SEGMENT REPORTING (CONTINUED)

Segment profit or loss represents the profit earned or loss incurred by each segment without the allocation of income tax expense and the share of profits of its associates. Segment assets and liabilities are allocated to each segment, excluding deferred tax assets or liabilities.

	Brokerage and wealth management *RMB'000*	Investment banking *RMB'000*	Proprietary trading *RMB'000*	Investment management *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the year ended 31 December 2025						
Revenue						
– External	**2,180,544**	**179,507**	**697,562**	**266,376**	**22,266**	**3,346,255**
– Inter-segment	**(29)**	**–**	**29**	**–**	**–**	**–**
Other income and gains	**2,718**	**135**	**146,074**	**41,122**	**6,746**	**196,795**
Segment revenue and other income	**2,183,233**	**179,642**	**843,665**	**307,498**	**29,012**	**3,543,050**
Segment expenses	**(1,704,008)**	**(146,297)**	**(276,537)**	**(880,061)**	**(321,258)**	**(3,328,161)**
Profit/(Loss) before tax	**479,225**	**33,345**	**567,128**	**(572,563)**	**(292,246)**	**214,889**
Other segment information:						
Interest income	**651,478**	**9,700**	**40,400**	**15,020**	**20,848**	**737,446**
Interest expenses	**(209,349)**	**147**	**(154,540)**	**(13,695)**	**(1,158)**	**(378,595)**
Depreciation and amortisation	**(106,352)**	**(8,580)**	**(7,604)**	**(30,048)**	**(27,898)**	**(180,482)**
Impairment losses	**(9,321)**	**(392)**	**(7,603)**	**(442,743)**	**(1,000)**	**(461,059)**
Capital expenditure	**47,448**	**1,862**	**1,611**	**8,978**	**26,644**	**86,543**
Right-of-use assets additions	**22,479**	**4,723**	**5,612**	**976**	**4,751**	**38,541**
As at 31 December 2025						
Segment assets	**28,959,753**	**627,998**	**7,616,346**	**2,619,673**	**2,344,194**	**42,167,964**
Deferred tax assets						**832,428**
Total assets						**43,000,392**
Segment liabilities	**26,990,223**	**161,532**	**5,228,825**	**1,204,886**	**561,174**	**34,146,640**
Deferred tax liabilities						**918**
Total liabilities						**34,147,558**

56. SEGMENT REPORTING (CONTINUED)

	Brokerage and wealth management *RMB'000*	Investment banking *RMB'000*	Proprietary trading *RMB'000*	Investment management *RMB'000*	Others *RMB'000*	Total *RMB'000*
For the year ended 31 December 2024						
Revenue						
– External	1,638,717	141,694	610,285	247,403	43,470	2,681,569
– Inter-segment	(27)	–	27	–	–	–
Other income and gains	13,119	164	50,081	32,166	9,115	104,645
Segment revenue and other income	1,651,809	141,858	660,393	279,569	52,585	2,786,214
Segment expenses	(1,395,220)	(120,241)	(324,010)	(534,920)	(267,347)	(2,641,738)
Profit/(Loss) before tax	256,589	21,617	336,383	(255,351)	(214,762)	144,476
Other segment information:						
Interest income	598,477	14,178	67,174	23,393	42,570	745,792
Interest expenses	(203,689)	(379)	(189,511)	(10,255)	(1,399)	(405,233)
Depreciation and amortisation	(111,509)	(9,131)	(7,194)	(37,775)	(33,312)	(198,921)
Impairment losses	(126,942)	(11,195)	(43,495)	(193,226)	172	(374,686)
Capital expenditure	52,713	317	1,920	13,527	10,950	79,427
Right-of-use assets additions	30,350	5,191	–	2,896	–	38,437
As at 31 December 2024						
Segment assets	24,432,678	580,919	10,247,479	3,102,404	909,589	39,273,069
Deferred tax assets						708,012
Total assets						39,981,081
Segment liabilities	22,530,198	141,173	7,156,470	1,212,206	234,002	31,274,049
Deferred tax liabilities						9
Total liabilities						31,274,058

56. SEGMENT REPORTING (CONTINUED)

The Company and its subsidiaries mainly operate in the PRC. The Group's operating assets are substantially situated in the PRC. As a result, no segment analysis based on geographical locations of the customers and assets is provided.

There is no single customer that contributed to over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group monitors and controls key exposures to the credit risk, liquidity risk, market risk and operational risk from its use of financial instruments.

(a) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its obligation or commitment to the Group.

During the year, the Group was exposed to three types of credit risk:

(i) default risk of the issuer or counterparty in debt securities trading and investment;

(ii) risk of losses arising from default of customers in credit business such as margin financing and stock repurchases; and

(iii) risk of losses to the funds of the Company or customers arising from default of the financing party in innovative credit business.

The Group uses its risk management systems to monitor its credit risk on a real time basis, keep track of the credit risk of the Group's business products and its transaction counterparties, provide analyses and pre-warning reports, and adjust its credit limits in a timely manner. The Group will also measure the credit risks of its major operations through stress test and sensitivity analysis.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

For credit risk in debt securities trading, the Group monitors the issuer and bonds during the year. The Group established the credit rating framework and conducted research on the debt securities held by the Group. The Group also assessed the creditability of counterparties to mitigate related default risk. In respect of margin financing and stock repurchases business, the Group evaluates the customers, aiming to have a thorough picture of the customers' credit level and risk tolerance and determines the customers' credit rating. Penalties for defaults were specified in contracts and risk disclosure statements. The Group monitors the collateral of the margin financing and stock repurchases business and promptly communicated with customers on any abnormalities identified to avoid defaults. In respect of innovative credit business, preliminary due diligence was performed with a comprehensive project feasibility report and a due diligence report submitted for approval by the Group before a project can be launched.

(i) The maximum exposure to credit risk of the Group without taking account of any collateral and other credit enhancements:

	2025	2024
	RMB'000	*RMB'000*
Refundable deposits	**1,309,501**	1,002,472
Other current assets	**345,768**	352,146
Margin account receivables	**6,535,750**	5,840,304
Debt securities*	**4,867,858**	8,109,966
Financial assets held under resale agreements	**167,901**	152,884
Placements with a financial institution	**62,862**	82,961
Clearing settlement funds	**773,001**	964,243
Cash held on behalf of brokerage clients	**19,884,148**	16,178,519
Bank balances	**2,660,172**	1,907,249
	36,606,961	34,590,744

* Debt securities comprise all debt securities held as "Financial assets at FVTOCI" and "Financial assets at FVTPL".

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(ii) Risk concentrations

The Group's major credit exposures are with counterparties domiciled in the PRC as at 31 December 2025 and 2024.

(iii) Credit rating analysis of debt securities

The Group adopts credit rating method to monitor the credit risk of the debt securities portfolio. Rating of debt securities is referred from major rating institutions in which debt issuers located. The carrying amount of debt securities (including debt securities classified as financial assets at FVTPL and financial assets at FVTOCI) at the reporting date are categorised by rating distribution as follows:

	2025	2024
	RMB'000	*RMB'000*
Rating		
– AAA	**296,600**	392,905
– From AA- to AA+	**3,404,841**	5,233,971
– From A- to A+	**7,344**	–
	3,708,785	5,626,876
– CCC	**32,498**	52,130
Non-rating	**1,126,575**	2,430,960
	4,867,858	8,109,966

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement

Accounts receivable

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECL, which is calculated using a provision matrix. In addition, the Group also carried at individual assessment for significant receivables to determine if additional ECL are required. The ECL allowance amount of the credit-impaired accounts receivable is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the ECL allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECL for accounts receivable:

	2025		
	Weighted-average ECL rate	**Gross carrying amount** ***RMB'000***	**ECL allowance** ***RMB'000***
Assessed based on grouping			
– Within one year	**15.96%**	**113,019**	**18,041**
– Over one year	**82.60%**	**217,583**	**179,712**
		330,602	**197,753**

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Accounts receivable (Continued)

	2024		
	Weighted-average ECL rate	Gross carrying amount	ECL allowance
		RMB'000	*RMB'000*
Assessed based on grouping			
– Within one year	29.83%	86,980	25,942
– Over one year	81.66%	203,450	166,128
		290,430	192,070

ECL rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Accounts receivable (Continued)

Movements in the ECL allowance account in respect of accounts receivable for the year are as follows:

	2025	2024
	RMB'000	*RMB'000*
As at 1 January	**192,070**	237,086
ECL allowance recognised for the year	**29,551**	54,833
Written-off	**(23,868)**	(99,849)
As at 31 December	**197,753**	192,070

Other financial assets at amortised cost and debt securities measured at FVTOCI

The Group applies a three-stage approach to measure ECL on financial assets measured at amortised cost (except for accounts receivable) and debt securities measured at FVTOCI.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Accounts receivable (Continued)

Other financial assets at amortised cost and debt securities measured at FVTOCI (Continued)

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1 – For exposures where there has not been a significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL;

Stage 2 – For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised; and

Stage 3 – For financial assets that are credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost rather than the gross carrying amount.

The ECL are measured based on the probability weighted results of probability of default (PD), exposure at default (EAD) and loss given default (LGD).

- PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- EAD is the amount that the Group should be repaid at the time of default in the next 12 months or throughout the remaining life.
- LGD is an estimate of the loss arising on default.

During the year ended 31 December 2025, no significant changes were made in the estimation techniques or key assumptions.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Debt securities

As at 31 December 2025 and 2024, the Group's debt securities are considered to have low credit risk and the loss allowance recognised for the year was therefore limited to 12-month ECL (i.e. Stage 1) unless there has been a significant increase in credit risk of the debt securities since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL. Management considers 'low credit risk' for listed debt securities to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The movements in the gross amount of debt securities measured at FVTOCI are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	**1,830,004**	**–**	**202,426**	**2,032,430**
Net changes on the gross amount	**493,610**	**–**	**42,227**	**535,837**
As at 31 December 2024 and 1 January 2025	**2,323,614**	**–**	**244,653**	**2,568,267**
Net changes on the gross amount	**(1,763,553)**	**–**	**(105,467)**	**(1,869,020)**
As at 31 December 2025	**560,061**	**–**	**139,186**	**699,247**

During the year ended 31 December 2025, there were no transfers between stages in the ECL assessment.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Debt securities (Continued)

The movements in the ECL allowance of debt securities measured at FVTOCI are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	3,032	–	109,618	112,650
ECL allowance recognised/(reversed) for the year	(421)	–	42,227	41,806
As at 31 December 2024 and 1 January 2025	**2,611**	**–**	**151,845**	**154,456**
ECL allowance recognised/ (reversed) for the year	**(1,502)**	**–**	**60**	**(1,442)**
Written-off	**–**	**–**	**(105,527)**	**(105,527)**
As at 31 December 2025	**1,109**	**–**	**46,378**	**47,487**

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Financial assets held under resales agreements

The credit risk on financial assets held under resale agreements and its relevant interest receivables are managed through regular analysis of the ability of borrowers to meet interest and principal repayment obligations and by changing the lending limits where appropriate. Exposure to credit risk is also managed by obtaining collateral. The Group does not have any significant concentration of credit risk on financial assets held under resale agreements.

For financial assets held under resale agreements, the Group considers the credit risk to be increased significantly when the collateral coverage ratio reaches the warning line and transfers the corresponding balances to "Stage 2". When the collateral coverage ratios fall below pre-determined force liquidation thresholds or it is expected that the Group would incur a loss after closing the position mandatorily, it will be transferred to "Stage 3".

The movements in the gross amount of financial assets held under resales agreements are as follows:

	Stage 1 ***RMB'000***	**Stage 2** ***RMB'000***	**Stage 3** ***RMB'000***	**Total** ***RMB'000***
As at 1 January 2024	325,593	–	491,550	817,143
Net changes on the gross amount	(180,253)	–	(53,307)	(233,560)
As at 31 December 2024 and 1 January 2025	**145,340**	**–**	**438,243**	**583,583**
Net changes on the gross amount	**22,561**	**–**	**(21,949)**	**612**
As at 31 December 2025	**167,901**	**–**	**416,294**	**584,195**

During the years ended 31 December 2025 and 2024, there were no transfers between stages in the ECL assessment.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Financial assets held under resales agreements (Continued)

The movements in the ECL allowance of financial assets under resale agreements are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	–	–	335,242	335,242
ECL allowance recognised for the year	–	–	95,457	95,457
As at 31 December 2024 and 1 January 2025	**–**	**–**	**430,699**	**430,699**
ECL allowance reversed for the year	**–**	**–**	**(14,405)**	**(14,405)**
As at 31 December 2025	**–**	**–**	**416,294**	**416,294**

Margin account receivables

To minimise the Group's exposure to credit risk on margin account receivables and the relevant interest receivables, the credit risk management team is responsible for the evaluation of the customers' credit rating, financial background and repayment abilities. Management of the Group has set up the credit limits for each individual customer which could be changed at the Group's discretion. Any further extension of credit beyond these approval limits has to be first approved by the credit risk management team and then by the senior management of the Group on individual basis. The maximum credit limit granted for each customer is based on the customer's creditworthiness, financial strength, the past collection statistic and the quality of related collateral. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Margin account receivables (Continued)

Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the amount of margin account receivables outstanding exceeds the value of securities placed. The Group considers the credit risk to be increased significantly when the collateral to loan ratio falls below the specified ratio and transfers the corresponding balances to "Stage 2". When the collateral to loan ratio falls below 1 or it is expected that the Group would incur a loss after closing the position mandatorily, the margin account receivables will be transferred to "Stage 3".

As at 31 December 2025, margin account receivables were secured by the customers' securities and cash collateral with undiscounted market value of approximately RMB21,234,764,000 (2024: RMB17,713,060,000).

The movements in the gross amount of margin account receivables are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	5,008,137	76,524	49,425	5,134,086
Net changes on the gross amount	747,021	8,974	1,312	757,307
Transfer between stages				
– Increase	82,054	5,255	9,618	96,927
– Decrease	(14,873)	(82,054)	–	(96,927)
As at 31 December 2024 and 1 January 2025	**5,822,339**	**8,699**	**60,355**	**5,891,393**
Net changes on the gross amount	**695,456**	**(3,829)**	**10,253**	**701,880**
Transfer between stages				
– Increase	**3,341**	**10,810**	**–**	**14,151**
– Decrease	**(10,810)**	**(3,341)**	**–**	**(14,151)**
As at 31 December 2025	**6,510,326**	**12,339**	**70,608**	**6,593,273**

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Margin account receivables (Continued)

The movement in the ECL allowance of margin account receivables, are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	9	3	41,618	41,630
ECL allowance recognised for the year	125	12	9,322	9,459
Transfer between stages				
– Increase	5	–	–	5
– Decrease	–	(5)	–	(5)
– Decrease				
As at 31 December 2024 and 1 January 2025	**139**	**10**	**50,940**	**51,089**
ECL allowance (reversed)/recognised for the year	**(139)**	**(8)**	**6,581**	**6,434**
Transfer between stages				
– Increase	**3**	**2**	**–**	**5**
– Decrease	**(2)**	**(3)**	**–**	**(5)**
As at 31 December 2025	**1**	**1**	**57,521**	**57,523**

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Interest receivables

The movements in the gross amount of interest receivables are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	222,567	–	150,688	373,255
Net changes on the gross amount	(97,296)	–	73,626	(23,670)
As at 31 December 2024 and 1 January 2025	**125,271**	**–**	**224,314**	**349,585**
Net changes on the gross amount	**(17,447)**	**–**	**(4,704)**	**(22,151)**
As at 31 December 2025	**107,824**	**–**	**219,610**	**327,434**

The movement in the ECL allowance of interest receivables, are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	–	–	145,558	145,558
Written-off	–	–	(10,478)	(10,478)
ECL allowance recognised for the year	–	–	24,389	24,389
As at 31 December 2024 and 1 January 2025	**–**	**–**	**159,469**	**159,469**
Written-off	**–**	**–**	**(10,041)**	**(10,041)**
ECL allowance recognised for the year	**–**	**–**	**12,400**	**12,400**
As at 31 December 2025	**–**	**–**	**161,828**	**161,828**

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Other receivables

In order to minimise the credit risk of other receivables, the management would make periodic collective and individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. As at 31 December 2025, based on the collective and individual assessment, provision for ECL of RMB82,081,000 (2024: RMB81,584,000) was made for the gross other receivables of RMB82,081,000 (2024: RMB81,584,000) which were classified as Stage 3. The remaining balances of other receivables were classified as Stage 1. For the years ended 31 December 2025 and 2024, ECL allowance of RMB439,261,000 and RMB149,416,000 were recognised, respectively, on the Group's other receivables. There was written-off of ECL allowance of RMB438,764,000 (2024: RMB180,241,000) for the year ended 31 December 2025. There were no significant transfers between stages for the years ended 31 December 2025 and 2024.

Placements with a financial institution

The movements in the gross amount of placements with a financial institution are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024	–	–	367,427	367,427
Net changes on the gross amount	–	–	(24,928)	(24,928)
As at 31 December 2024 and 1 January 2025	**–**	**–**	**342,499**	**342,499**
Net changes on the gross amount	**–**	**–**	**(30,839)**	**(30,839)**
As at 31 December 2025	**–**	**–**	**311,660**	**311,660**

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

(iv) ECL measurement (Continued)

Placements with a financial institution (Continued)

The movement in the ECL allowance of placements with a financial institution, are as follows:

	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Total *RMB'000*
As at 1 January 2024, 31 December 2024 and 1 January 2025	–	–	259,538	259,538
ECL allowance reversed for the year	–	–	(10,740)	(10,740)
As at 31 December 2025	**–**	**–**	**248,798**	**248,798**

Liquid funds

The credit risk on liquid funds including bank balances, clearing settlement funds, cash held on behalf of brokerage clients and deposits with exchanges and financial institutions is limited because the counterparties are state-owned banks, clearing house, stock exchanges, futures exchanges, commodity exchanges, or financial institutions with high credit ratings. There have been no significant increase in credit risk since initial recognition associated with the amounts of cash and bank balances, clearing settlement funds and deposits with exchanges and financial institutions, as at 31 December 2025 and 2024.

(b) Liquidity risk

Liquidity risk arises in the investment activities, financing activities and capital management of the Group. Liquidity risk includes:

(1) market liquidity risk of being unable to make a large size transaction at a reasonable price while trading volume in market is comparatively small;

(2) funding liquidity of being unable to meet financial obligations when they come due.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

The following tables show the details of the remaining contractual maturities at the reporting date of the Group's financial liabilities. Analysis of liquidity are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) of the financial liabilities and the earliest date the Group can be required to pay:

	2025							
	Carrying amount *RMB'000*	Repayable on demand *RMB'000*	Less than 1 month *RMB'000*	More than 1 month but less than 3 months *RMB'000*	More than 3 months but less than 1 year *RMB'000*	More than 1 year but less than 5 years *RMB'000*	More than 5 years *RMB'000*	Total contractual undiscounted amount *RMB'000*
Financial liabilities								
Debt instruments	**6,460,051**	**-**	**-**	**514,067**	**4,071,469**	**2,220,797**	**-**	**6,806,333**
Placements from financial institutions	**3,500,000**	**-**	**1,803,027**	**809,181**	**909,287**	**-**	**-**	**3,521,495**
Account payables to brokerage clients	**20,673,825**	**20,673,825**	**-**	**-**	**-**	**-**	**-**	**20,673,825**
Other liabilities	**1,256,261**	**81,422**	**548**	**245,186**	**226,398**	**884,825**	**-**	**1,438,379**
Financial assets sold under repurchase agreements	**1,276,020**	**-**	**1,276,865**	**-**	**-**	**-**	**-**	**1,276,865**
Lease liabilities	**71,960**	**-**	**3,416**	**10,636**	**30,802**	**27,886**	**334**	**73,074**
Employee benefit payables	**662,808**	**-**	**662,808**	**-**	**-**	**-**	**-**	**662,808**
Derivative financial liabilities	**2,210**	**-**	**-**	**2,210**	**-**	**-**	**-**	**2,210**
	33,903,135	**20,755,247**	**3,746,664**	**1,581,280**	**5,237,956**	**3,133,508**	**334**	**34,454,989**

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (Continued)

	2024							
	Carrying amount	Repayable on demand	Less than 1 month	More than 1 month but less than 3 months	More than 3 months but less than 1 year	More than 1 year but less than 5 years	More than 5 years	Total contractual undiscounted amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities								
Debt instruments	5,814,895	–	826,056	799,686	985,292	3,583,450	–	6,194,484
Placements from financial institutions	2,700,000	–	500,080	1,111,142	1,113,721	–	–	2,724,943
Account payables to brokerage clients	16,700,618	16,700,618	–	–	–	–	–	16,700,618
Other liabilities	1,239,210	112,219	82,371	54,675	263,854	856,024	–	1,369,143
Financial assets sold under repurchase agreements	4,099,600	–	5,437,082	–	–	–	–	5,437,082
Lease liabilities	113,252	–	4,599	13,212	53,784	46,153	–	117,748
Employee benefit payables	468,296	–	468,296	–	–	–	–	468,296
	31,135,871	16,812,837	7,318,484	1,978,715	2,416,651	4,485,627	–	33,012,314

(c) Market risk

Market risk is the risk of loss, in respect of the Group's income and value of financial instruments held, arising from the adverse market movements such as changes in interest rates, stock prices and foreign exchange rates, etc. The objective of market risk management is to monitor and control the market risk within the acceptable range and to maximise the risk adjusted return. The Group monitors the market risk for proprietary trading portfolios. Stress testing is conducted regularly, and the potential movements of risk and operating indicators in a variety of scenarios are calculated.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

(i) Interest rate risk (Continued)

The cash held on behalf of brokerage clients and account payables to brokerage clients are not included in the analysis because the management considered the net impact arising from change of interest rate will not be significant to the Group. Other financial assets and liabilities, which carried at fixed interest rate, are also not included in the analysis, including financial assets held under resale agreement, fixed bank deposits, clearing settlement funds, placements with a financial institution, debt instruments, lease liabilities, placements from financial institutions and financial assets sold under repurchase agreements. For those financial instruments held by the Group under proprietary trading portfolios and variable rate bank deposits which expose the Group to fair value and cash flows interest rate risk at the reporting date, the Group adopts sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net profit after tax and equity. Assuming all other variables remain constant, interest rate sensitivity analysis is as follows:

	2025		2024	
	Increase/ (Decrease) in profit after tax	**Decrease/ (Increase) in equity**	Increase/ (Decrease) in profit after tax	Decrease/ (Increase) in equity
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Interest rate:				
Increase 100 basis points	**(118,564)**	**(139,325)**	9,463	(9,405)
Decrease 100 basis points	**134,557**	**157,371**	225,172	(256,357)

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(c) Market risk (Continued)

(ii) Foreign currency risk

Foreign currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation of foreign exchange rates.

The Group's foreign currency risk primarily relates to the Group's operating activities whose settlements and payments are denominated in foreign currencies different from the functional currency of the respective group entities.

The foreign currency assets and liabilities held by the Group are not material compared to the total assets and liabilities. In addition, majority of the Group's revenue are denominated in RMB, with only insignificant revenue from foreign currency transactions. The Group considers that the foreign currency risk is immaterial.

(iii) Price risk

The Group is exposed to market price changes arising from equity investments, investment funds, assets management schemes and collective trust schemes concluded in financial assets at FVTPL. Price risk facing by the Group is mainly the fluctuation in the Group's net profit due to the price fluctuation of the investments.

The analysis below shows the impact in the Group's net profit after tax and equity due to change in the price of securities by 10% with all other variables held constant.

	2025		2024	
	Increase/ (Decrease) in profit after tax	**Increase/ (Decrease) in equity**	Increase/ (Decrease) in profit after tax	Increase/ (Decrease) in equity
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Securities' price				
Increase by 10%	**363,333**	**(363,333)**	296,199	(296,199)
Decrease by 10%	**(363,333)**	**363,333**	(296,199)	296,199

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(d) Capital management

The Group's and the Company's objectives of capital management are:

(i) To safeguard the Group's and the Company's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Group's and the Company's stability and growth;

(iii) To maintain a strong capital base to support the development of their business; and

(iv) To comply with the capital requirements under the PRC regulations.

In accordance with the China Securities Regulatory Commission Announcement, the Requirements on the Calculation Standards for the Risk Control Indicators of Securities Companies (the "Requirements") issued by the CSRC, the Company is required to meet the following standards for risk control indicators on a continual basis:

(i) Risk coverage ratio (the ratio of net capital divided by the sum of its various risk capital provisions) shall be no less than 100% ("Ratio 1");

(ii) Capital leverage ratio (the ratio of net core capital divided by total assets on and off statement of financial position) shall be no less than 8% ("Ratio 2");

(iii) Liquidity coverage ratio (the ratio of high quality liquid assets divided by net cash outflows in the coming 30 days) shall be no less than 100% ("Ratio 3");

(iv) Net stable funding ratio (the ratio of stable funds available divided by stable funds required) shall be no less than 100% ("Ratio 4");

(v) The ratio of net capital divided by net assets shall be no less than 20% ("Ratio 5");

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(d) Capital management (Continued)

(vi) The ratio of net capital divided by liabilities shall be no less than 8% ("Ratio 6");

(vii) The ratio of net assets divided by liabilities shall be no less than 10% ("Ratio 7");

(viii) The ratio of the value of proprietary equity securities and derivatives held divided by net capital shall not exceed 100% ("Ratio 8"); and

(ix) The ratio of the value of proprietary non-equity securities and derivatives held divided by net capital shall not exceed 500% ("Ratio 9").

Net capital refers to net assets after risk adjustments on certain types of assets as defined in the Requirements.

As at 31 December 2025 and 2024, the Company maintained the above ratios as follows:

	2025	2024
Ratio 1	**196.22%**	171.31%
Ratio 2	**25.91%**	23.60%
Ratio 3	**250.01%**	195.67%
Ratio 4	**165.97%**	170.31%
Ratio 5	**73.78%**	71.34%
Ratio 6	**52.12%**	44.21%
Ratio 7	**70.65%**	61.97%
Ratio 8	**14.46%**	22.61%
Ratio 9	**109.27%**	147.18%
Net Capital (RMB'000)	**6,429,812**	5,903,665

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements set by the CSRC, and they have complied with the capital requirements as at 31 December 2025 and 2024.

57. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(e) Categories of financial instruments

	2025	2024
	RMB'000	*RMB'000*
Financial assets:		
Financial assets at FVTPL	**9,060,542**	9,645,475
Derivative financial assets	**791**	–
Financial assets at FVTOCI	**656,068**	2,418,119
Financial assets at amortised cost:		
– Refundable deposits	**1,309,501**	1,002,472
– Margin account receivables	**6,535,750**	5,840,304
– Other current assets	**345,768**	352,146
– Financial assets under resale agreements	**167,901**	152,884
– Placements with a financial institution	**62,862**	82,961
– Cash held on behalf of brokerage clients	**19,884,148**	16,178,519
– Clearing settlement funds	**773,001**	964,243
– Cash and bank balances	**2,660,172**	1,907,249
	41,456,504	38,544,372
Financial liabilities:		
Derivative financial liabilities	**2,210**	–
Financial liabilities at amortised cost:		
– Debt instruments	**6,460,051**	5,814,895
– Placements from financial institutions	**3,500,000**	2,700,000
– Employee benefit payables	**662,808**	468,296
– Account payables to brokerage clients	**20,673,825**	16,700,618
– Other liabilities	**1,265,261**	1,239,210
– Financial assets sold under repurchase agreements	**1,276,020**	4,099,600
– Lease liabilities	**71,960**	113,252
	33,903,135	31,135,871

58. FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three level inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3 inputs: significant unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

58. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Fair value hierarchy (Continued)

Disclosures of level in fair value hierarchy:

	2025			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements:				
Financial assets at FVTPL				
Debt securities	**1,317,266**	**2,716,614**	**182,218**	**4,216,098**
Equity securities	**1,774,996**	**104,282**	**85,342**	**1,964,620**
Investment funds	**1,995,802**	**305,118**	**3,632**	**2,304,552**
Assets management schemes	**–**	**545,149**	**–**	**545,149**
Collective trust schemes	**–**	**27,746**	**2,377**	**30,123**
Derivative financial instruments	**–**	**791**	**–**	**791**
	5,088,064	**3,699,700**	**273,569**	**9,061,333**
Financial assets at FVTOCI				
Debt securities	**40,810**	**610,950**	**–**	**651,760**
Equity securities	**–**	**–**	**4,308**	**4,308**
	40,810	**610,950**	**4,308**	**656,068**
Financial liabilities at FVTPL				
Derivative financial instruments	**–**	**(2,210)**	**–**	**(2,210)**
	5,128,874	**4,308,440**	**277,877**	**9,715,191**

58. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Fair value hierarchy (Continued)

Disclosures of level in fair value hierarchy: (Continued)

	2024			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements:				
Financial assets at FVTPL				
Debt securities	786,376	4,909,779	–	5,696,155
Equity securities	1,361,148	288,971	83,910	1,734,029
Investment funds	1,702,395	133,146	3,949	1,839,490
Assets management schemes	–	342,018	–	342,018
Collective trust schemes	–	31,406	2,377	33,783
	3,849,919	5,705,320	90,236	9,645,475
Financial assets at FVTOCI				
Debt securities	2,946	2,410,865	–	2,413,811
Equity securities	–	–	4,308	4,308
	2,946	2,410,865	4,308	2,418,119
	3,852,865	8,116,185	94,544	12,063,594

There were no significant transfers between Level 1, Level 2 and Level 3 of the except for:

2025

A debt security with fair value of RMB182,218,000 was determined with reference to the valuation result published by China bond pricing system in the previous year. During the year, a significant adjustment to the fair value of the debt security was determined based on market comparable approach. Thus, the financial instrument was transferred from Level 2 to Level 3 category.

58. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Fair value of the financial instruments that are not presented at fair value

The carrying amount and fair value of debt instruments which are not presented at fair value are as below:

	2025		2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Financial liabilities:				
– Subordinated bonds	**2,475,643**	**2,519,125**	1,481,096	1,544,149
– Long-term corporate bond	**1,934,408**	**1,972,647**	1,913,799	1,999,150
	4,410,051	**4,491,772**	3,394,895	3,543,299

Except as disclosed above, the directors of the Company considers that the carrying amount of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(c) Valuation process used by the Group and valuation techniques and inputs used in fair value measurements

The Group's financial market department is responsible for the fair value measurements of financial assets and liabilities required for financial reporting purposes. The financial market department reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial market department and the Board of Directors periodically.

58. FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Valuation process used by the Group and valuation techniques and inputs used in fair value measurements (Continued)

Level 1 fair value measurements

Fair value of financial instruments under level 1 fair value measurement is based on quoted prices (unadjusted) reflected in active markets.

Level 2 fair value measurements

As at 31 December 2025, the Group's financial assets at FVTPL and FVTOCI under level 2 fair value measurements consist of debt securities, equity securities, investment funds, assets management schemes and collective trust schemes and their fair value measurements were determined as follows:

Debt securities of RMB3,327,564,000 (2024: RMB6,704,981,000), of which value are available on China bond pricing system on the valuation date, fair values are determined by using the latest valuation results published by China bond pricing system.

For equity securities of RMB104,282,000 (2024: RMB288,971,000), fair values are determined by using the latest quoted price adjusted with certain observable inputs.

For investment funds, assets management schemes and collective trust schemes of RMB305,118,000 (2024: RMB133,146,000), RMB545,149,000 (2024: RMB342,018,000) and RMB27,746,000 (2024: RMB31,406,000), respectively, fair values are determined based on the quoted prices or recent market transaction price of the underlying investments in each portfolio or the net asset values as published by the fund managers.

For derivative financial instruments that are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the end of the reporting period. Normally, the derivatives entered into by the Group are not traded on active markets. The fair values of such contracts are estimated using observable interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for the derivative financial instruments.

During the years ended 31 December 2025 and 2024, there were no significant changes of valuation techniques for level 2 fair value measurements.

Level 3 fair value measurements

For financial instruments under level 3 fair value measurements, prices are determined using valuation methodologies such as market comparable method, discounted cash flow models or other similar techniques. The fair value measurements of these financial instruments may involve unobservable inputs such as price to book ratio, price to earnings ratio, liquidity discount, etc. The financial market department periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in level 3 fair value measurements.

58. FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Valuation process used by the Group and valuation techniques and inputs used in fair value measurements (Continued)

Level 3 fair value measurements (Continued)

The quantitative information of fair value measurements for level 3 is as follows:

Description	Fair value		Valuation technique	Unobservable inputs	Relationship of unobservable input(s) to fair value
	2025	2024			
	RMB'000	*RMB'000*			
Unlisted equity investments	**87,719**	86,287	Market comparable	Discount rate for lack of marketability – 40% (2024: 40%)	The higher the discount rate, the lower the fair value
Unlisted equity investments	**4,308**	4,308	Market comparable	Price-to-Book ratio – 1:1 (2024: 1:1)	The higher the ratio, the higher the fair value
Unlisted investment fund	**3,632**	3,949	Market comparable	Discount rate for lack of marketability – 40% (2024: 40%)	The higher the discount rate, the lower the fair value
Debt security	**182,218**	–	Market comparable	Recoverable rate – 15% (2024:N/A)	The higher the recoverable rate, the higher the fair value
	277,877	94,544			

There were no changes in the valuation techniques used during the years ended 31 December 2025 and 2024.

58. FAIR VALUE MEASUREMENTS (CONTINUED)

(d) Reconciliation of financial assets measured at fair value under level 3 fair value measurements

	Financial assets at FVTPL *RMB'000*	**Financial assets at FVTOCI** *RMB'000*	**Total** *RMB'000*
As at 1 January 2025	**90,236**	**4,308**	**94,544**
Changes in fair value recognised in profit or loss	**(432,330)**	**–**	**(432,330)**
Transfer	**615,663**	**–**	**615,663**
As at 31 December 2025	**273,569**	**4,308**	**277,877**
Total loss included in profit or loss for financial assets during the year	**432,330**	**–**	**432,330**

	Financial assets at FVTPL *RMB'000*	Financial assets at FVTOCI *RMB'000*	Total *RMB'000*
As at 1 January 2024	99,704	9,369	109,073
Changes in fair value recognised in profit or loss	(14,332)	(5,061)	(19,393)
Additions	4,864	–	4,864
As at 31 December 2024	90,236	4,308	94,544
Total loss included in profit or loss for financial assets during the year	14,332	5,061	19,393

59. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Debt instruments *(Note 41)* *RMB'000*	Interest payables *RMB'000*	Lease liabilities *(Note 46)* *RMB'000*	Total *RMB'000*
As at 1 January 2024	4,312,637	69,955	166,152	4,548,744
Financing cash flows				
– Inflow from financing activities	3,081,000	–	–	3,081,000
– Outflow from financing activities				
Principal payments	(1,611,000)	–	(83,284)	(1,694,284)
Interest payments	(4,194)	(129,829)	(5,313)	(139,336)
Non-cash changes:				
– Entering into new leases	–	–	38,437	38,437
– Modification of lease	–	–	(8,053)	(8,053)
– – Accrued expenses	(32,258)	–	–	(32,258)
– – Interest expenses	68,710	151,808	5,313	225,831
As at 31 December 2024 and 1 January 2025	**5,814,895**	**91,934**	**113,252**	**6,020,081**
Financing cash flows				
– Inflow from financing activities	**4,600,000**	**–**	**–**	**4,600,000**
– Outflow from financing activities				
– Principal payments	**(3,970,000)**	**–**	**(74,471)**	**(4,044,471)**
– Interest payments	**(4,603)**	**(179,053)**	**(3,238)**	**(186,894)**
Non-cash changes:				
– Entering into new leases	**–**	**–**	**23,373**	**23,373**
– Modification of lease	**–**	**–**	**11,691**	**11,691**
– Early termination of lease	**–**	**–**	**(1,885)**	**(1,885)**
– Accrued expenses	**(39,173)**	**–**	**–**	**(39,173)**
– Interest expenses	**58,932**	**166,685**	**3,238**	**228,855**
As at 31 December 2025	**6,460,051**	**79,566**	**71,960**	**6,611,577**