SUMMARY

***This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read this document in its entirety before you decide to* [REDACTED] *in the* [REDACTED].**

***There are risks associated with any* [REDACTED] *in the* [REDACTED]*. We set out some of the particular risks in* [REDACTED] *in the* [REDACTED] *in the section headed "Risk Factors." You should read that section carefully before you decide to* [REDACTED] *in the* [REDACTED].**

OVERVIEW

We are a financial services provider in China with notable value creation capabilities, substantial asset management expertise and commitment to pursuing distinctive and differentiated development. Based in Beijing with nationwide services, we have built a one-stop financial service platform and cultivated a steadily growing and diversified client base. During the Track Record Period, we maintained a strong financial performance. According to Frost & Sullivan, our revenue and net profit under the PRC GAAP increased from 2022 to 2024 at a CAGR which ranked us 5th and 10th, respectively, among the 42 A-share listed securities companies in the PRC. In 2024, our return on average total assets and weighted return on average equity (after deducting non-recurring profits or losses) under the PRC GAAP ranked 1st and 7th, respectively, among the abovementioned A-share listed securities companies in the PRC[(1)(2)].

We are committed to a differentiated development strategy characterized by the asset management related business as an instrumental driving force, supported by the twin pillars of the wealth management related business and investment banking related business, and stabilized by the balancing development of the investment related business. We primarily engage in the following four business segments:

- **Asset management related business**. Our asset management related business includes (a) asset management business, (b) private equity investment fund business conducted by our wholly-owned subsidiary Shouzheng Desheng, and (c) mutual fund business conducted through our associate China Post Capital Fund.

- **Investment related business**. Based on different types of investment instruments, our investment related business is categorized into (a) fixed income investment and trading business, (b) equity securities investment business, (c) NEEQ market making business, and (d) alternative investment business.

- **Investment banking related business**. Our investment banking related business primarily includes (a) bond underwriting and ABS, (b) equity sponsoring and underwriting, and (c) financial advisory services.

- **Wealth management related business**. Our wealth management related business primarily consists of (a) securities brokerage, (b) securities investment advisory services, (c) sales of financial products, (d) credit-based business, (e) research business, and (f) futures business.

During the Track Record Period, we achieved consistent growth in our operating results and demonstrated strong profitability with our total revenue, gains and other income increased from RMB2,979.3 million in 2023 to RMB3,646.4 million in 2025, at a CAGR of 10.6%, and our profit for the year attributable to owners of the Company increased from RMB701.0 million in 2023 to RMB1,056.4 million in 2025, at a CAGR of 22.8%. In 2023, 2024 and 2025, our return on average total assets under the PRC GAAP was 1.7%, 2.2% and 2.1%, respectively, while our weighted return on average equity (after deducting non-recurring profits or losses) under the PRC GAAP was 5.7%, 7.6% and 7.5%, respectively.

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(1) Our return on average total assets under the PRC GAAP is calculated from net profit divided by the arithmetic average of the balances of total assets as of the beginning and the end of the relevant year and times 100%. Our weighted return on average equity (after deducting non-recurring profits or losses) under the PRC GAAP is calculated from net profit (after deducting non-recurring profits or losses) divided by weighted average total equity for the relevant year and times 100%.

(2) The PRC GAAP metrics are derived from our statutory PRC GAAP financial statements and are presented herein for informational purposes only. Prospective **[REDACTED]** should be aware that non-IFRS measures presented in this document may not be comparable with other similarly titled measures reported by other companies due to different calculation methods or assumptions.

We have established an efficient and rational corporate governance structure, a comprehensive risk management system, and effective internal control mechanisms, and we continue to pursue value creation based on these foundations. For serving Beijing's economic development, we proactively participated in bolstering Beijing's real economy through various financial means, including underwriting bonds for Beijing-based enterprises, supporting financing for key industrial projects, and promoting the commercialization of scientific and technological innovation achievements, with a view to contributing to the upgrading of Beijing's industries and the high-quality development of the regional economy. For returns to our shareholders, we maintain a steady profit growth and a scientific capital operation strategy. With consistent distribution of high-ratio cash dividends, we are dedicated to living up to our commitments to shareholders with long-term stable returns and we have successfully been included as a component stock in influential market benchmark indices such as the CSI 300 Index, the SSE 180 Index, and the MSCI China Index, gaining widespread recognition from capital market investors and showcasing our strong potential for sustained value growth and sustainable development.

Our success stems from the high degree of alignment and rigorous implementation of our corporate philosophy and culture by all of our employees. We adhere to the corporate mission of "Pursuing Excellence in Finance and Creating a Better Future" (金融首善 創享美好); the vision of "Becoming a Distinctive and Respected Financial Services Provider" (成為特色鮮明、受人尊敬的金融服務商); the core values of upholding "Confidence, Discipline, Conscience, and Professionalism" (自信、規矩、良知、專業); and the business philosophy of "Adhering to Principles While Staying Innovative, Operating with Transparency, Putting People First, and Creating Mutual Benefits" (守正創新、陽光經營、以人為本、共創共贏) to support the high-quality development of China's capital market.

STRENGTHS AND STRATEGIES

We believe the following competitive strengths contribute to our success: (i) Distinctive asset management business with well-established distribution channels driving strong growth; (ii) Well-established fixed income investment and trading business with steady and sound operations; (iii) Significant advantages of full-license operations providing comprehensive full-life cycle financial services; (iv) Leveraging Beijing's strategic location with strong state-owned shareholder backing; (v) Comprehensive compliance management and risk control system building a solid foundation for steady business growth; and (vi) Visionary management team and efficient collaborative management system.

Our strategies for business development include: (a) building the multi-asset strategies and synergies by distribution channels as the core growth drivers for asset management related business, (b) building a globally oriented investment system with integrated multi-asset strategies for investment related business, (c) focusing on business in respect of Beijing Stock Exchange with continuous cultivation of the Beijing market for investment banking related business, and (d) driving wealth management transformation through product and service innovation for wealth management related business. In terms of collaborative support, our strategies include: (a) business collaboration building a one-stop financial services platform, (b) information technology development for intelligent infrastructure and (c) technology-enabled upgrade of systems for risk management. Our strategies also include: (i) steady deployment of international strategic layout, (ii) diversified capital operations building a solid and sustainable capital structure, and (iii) cultivation of a professional, high-quality and stable team.

MARKET AND COMPETITION

During the Track Record Period, our Group only operated in the PRC market. The securities industry in China is highly competitive. As of December 31, 2024, the top ten PRC securities firms with the highest revenue accounted for around 70% of the industry's total revenue in 2024. In terms of revenue in 2024, the Company ranked 38th among the 42 listed securities companies in China with a revenue of RMB 2.4 billion. Our major competitors are other securities firms in China with similar service scope, business scale and objectives. We also compete in different levels of cross-industry and cross-business with other financial service providers, such as fund management companies, commercial banks, insurance companies and trust companies. We compete on many aspects, including market penetration, range of products and services, price, innovation capability, FinTech-enabled service differentiation, quality of service, marketing and sales channels, execution capability, reputation and employee compensation.

SUMMARY FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial information for the Track Record Period, extracted from the Accountants' Report. The summary of consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this document, including the related notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

Summary Consolidated Statements of Profit or Loss

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Commission and fee income	1,233,776	1,838,885	1,415,520
Interest income	576,991	609,565	553,341
Investment income and gains	1,159,626	1,139,333	1,667,724
Total revenue	**2,970,393**	**3,587,783**	**3,636,585**
Other income and gains	8,908	13,994	9,779
Total revenue, gains and other income	**2,979,301**	**3,601,777**	**3,646,364**
Depreciation and amortization	(101,868)	(115,637)	(117,631)
Staff costs	(734,563)	(893,261)	(879,017)
Commission and fee expenses	(356,284)	(480,109)	(444,660)
Interest expenses	(729,111)	(704,452)	(696,503)
Other operating expenses	(256,342)	(248,635)	(292,640)
Credit loss expense, net of reversal	(41,904)	(24,160)	32,751
Impairment losses	—	—	(5,916)
Total expenses	**(2,220,072)**	**(2,466,254)**	**(2,403,616)**
Share of profits and losses of an associate and a joint venture	**33,338**	**2,764**	**23,866**
Profit before income tax	792,567	1,138,287	1,266,614
Income tax expense	(91,468)	(153,140)	(210,397)
Profit for the year	**701,099**	**985,147**	**1,056,217**
Attributable to:			
Owners of the Company	701,039	984,888	1,056,403
Non-controlling interests	60	259	(186)

Summary Consolidated Statements of Financial Position

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	6,653,744	6,623,066	10,751,399
Total current assets	36,547,711	40,232,713	41,627,326
Total assets	**43,201,455**	**46,855,779**	**52,378,725**
Total current liabilities	24,835,349	27,082,178	26,680,119
Net current assets	11,712,362	13,150,535	14,947,207
Total non-current liabilities	6,003,650	6,528,497	11,927,297
Total equity	**12,362,456**	**13,245,104**	**13,771,309**

The balance of net assets, or total equity, increased from RMB12,362.5 million as of December 31, 2023 to RMB13,245.1 million as of December 31, 2024 which was mainly attributable to the profit for the year of RMB985.1 million generated in 2024 partially offset by dividend declared of RMB423.7 million. The balance of net assets, or total equity, increased from RMB13,245.1 million as of December 31, 2024 to RMB13,771.3 million as of December 31, 2025 which was mainly attributable to the profit for the year of RMB1,056.2 million generated in 2025 partially offset by dividend declared of RMB533.0 million.

Summary Consolidated Statements of Cash Flow

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Operating cash flows before movements in working capital	1,059,019	1,363,505	1,483,309
Changes in working capital	(893,110)	(2,904,443)	(1,037,369)
Income tax paid	(106,127)	(110,911)	(191,700)
Interest paid	(372,468)	(319,247)	(296,924)
Net cash flows used in operating activities	(312,686)	(1,971,096)	(42,684)
Net cash flows (used in)/ from investing activities	(1,271,018)	796,207	(3,065,203)
Net cash flows from financing activities	1,901,009	791,516	2,669,802
Net increase/(decrease) in cash and cash equivalents	317,305	(383,373)	(438,085)
Cash and cash equivalents at the beginning of the year	2,717,341	3,035,027	2,652,053
Effect of foreign exchange rate changes, net	381	399	(1,474)
Cash and cash equivalents at the end of the year	**3,035,027**	**2,652,053**	**2,212,494**

We recorded net cash outflows in operating activities of RMB312.7 million, RMB1,971.1 million and RMB42.7 million in 2023, 2024 and 2025, respectively. In particular, the relatively high amount of net cash flows used in operating activities in 2024 resulted from profit before income tax of RMB1,138.3 million, adjustments for non-cash items and negative movements in working capital of RMB2,904.4 million. Such negative movements in working capital were primarily due to: (i) a decrease in financial assets sold under repurchase agreements of RMB2,693.6 million, mainly as a result of a decrease in the scale of our repurchase transactions; and (ii) an increase in cash held on behalf of customers of RMB1,713.0 million, mainly in connection with our brokerage business. These negative movements were partially offset by an increase in accounts payable to brokerage clients of RMB2,146.7 million.

In general, the main reason for changes in working capital during the Track Record Period is related to adjustments in the scale of our proprietary investment activities based on market conditions. As a securities firm, investment is one of our core businesses, and operating cash flow, cash flow from investing activities, and cash flow from financing activities together constitute our overall cash flow profile. We will continue to enhance our investment capabilities, strengthen our capital base, and expand various business lines to improve our cash flow position. For further information on our cash flows, see "Financial Information – Liquidity and Capital Resources – Cash Flows."

KEY FINANCIAL AND OPERATING DATA

In 2023, 2024 and 2025, our operating profit were RMB759.2 million, RMB1,135.5 million and RMB1,242.7 million, respectively, with operating margin of 25.5%, 31.5% and 34.1%, respectively; our profit for the year were RMB701.1 million, RMB985.1 million and RMB1,056.2 million, respectively, with net margin of 23.5%, 27.4% and 29.0%, respectively.

Key Operating Data

The following table sets forth the breakdown of our total revenue, gains and other income by business line for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Asset Management Related Business	792,513	26.6	1,282,426	35.6	757,396	20.8
Investment Related Business	1,242,177	41.7	1,343,549	37.3	1,802,611	49.4
Investment Banking Related Business	123,725	4.2	208,200	5.8	203,812	5.6
Wealth Management Related Business	610,761	20.5	618,661	17.2	750,259	20.6
Others(1)	210,125	7.0	148,941	4.1	132,286	3.6
Total	**2,979,301**	**100.0**	**3,601,777**	**100.0**	**3,646,364**	**100.0**

Note:

(1) "Others" primarily include revenue, gains and other income not categorized into any of the aforementioned business lines, including revenue generated from management of our Company's own funds.

We had experienced changes to our business mix in terms of revenue contribution during the Track Record Period. In particular, from 2024 to 2025, revenue contribution from asset management related business decreased from 35.6% to 20.8% in 2025 whereas revenue contribution from investment related business increased from 37.3% to 49.4%. These changes were mainly attributable to: (i) the decrease in revenue, gains and other income from asset management related business over such periods primarily due to the decrease in asset management and fund management fee income, and (ii) the increase in revenue, gains and other income from investment related business over such periods primarily from equity securities investment business. For further information on the aforementioned changes, see "Financial Information—Summary Segment Results."

As of December 31, 2023, 2024 and 2025, the aggregate AUM of our asset management business was RMB130.3 billion, RMB143.9 billion and RMB171.1 billion, respectively, and we had a total of 630, 759 and 908 asset management schemes as of such dates, respectively, for our asset management related business.

As of each of December 31, 2023, 2024 and 2025, 100.0% of our collective asset management schemes and single asset management schemes were managed on a discretionary basis. For the years ended December 31, 2023, 2024 and 2025, our rate of return on AUM for our management of collective asset management schemes and single asset management schemes were 8.48%, 5.54% and 3.74%, respectively. Such a rate of return on AUM is calculated based on investment return of the assets under management (being the aggregate of interest income, investment income and gains or losses on fair value changes but excluding relevant operating expenses from such assets under management) as divided by the average AUM for a given period (being the arithmetic average of net asset value of assets under management as of the end of each month of such a period).

As of December 31, 2023, 2024 and 2025, the investment position of our fixed income investment and trading business was RMB23,971.0 million, RMB23,255.6 million and RMB24,423.2 million, respectively. For the years ended December 31, 2023, 2024 and 2025, the comprehensive rate of return of our fixed income investment and trading business was 7.92%, 9.14% and 7.83%, respectively. Such a comprehensive rate of return is calculated based on the annualized investment return of the fixed income assets during a given period (being the aggregate of investment income, gains or losses on fair value changes and net interest income) as divided by the average daily investment amount from our own fund of such a period.

RISK FACTORS

There are risks involved in our operations and in connection with the **[REDACTED]**, many of which are beyond our control. These risks can be categorized into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in the PRC; and (iii) risks relating to the **[REDACTED]**.

We believe our major risks arise from (i) changes in general economic, geopolitical and market conditions, (ii) extensive and evolving regulatory requirements and regimes, (iii) intensive competition of the PRC securities industry, (iv) a downgrade in our classified evaluation as a securities firm, (v) a significant decline in our AUM, management fee rate or poor investment performance of the asset management schemes we manage, (vi) fluctuations in the securities market faced by our investment related business, (vii) changes in market conditions faced by our investment banking related business and our ability to successfully conduct such business, (viii) a decline in our brokerage fees, commission income and interest income for wealth management related business; and (ix) deterioration in the credit quality of, or defaults by, our clients, counterparties and debtors. For further information relating to these and other risks relating to an **[REDACTED]** in our H Shares, see "Risk Factors."

RISK MANAGEMENT, CAPITAL ADEQUACY AND LIQUIDITY

We have established a dynamic risk indicator monitoring mechanism to comply with statutory Net Capital requirements and other regulatory standards to maintain capital adequacy. In addition, we also need to maintain a minimum amount of Net Capital necessary to conduct our various businesses. The following table sets forth the Net Capital and certain key regulatory risk control indicators of our Company that we prepared in accordance with PRC GAAP and relevant PRC regulatory requirements as of the dates indicated:

	As of December 31,			Warning Index	Regulatory Index
	2023	2024	2025		
- Net Capital *(RMB in billions)*	11.6	12.0	12.1	N/A	≥ 0.2
- Risk coverage ratio	265.5%	281.7%	221.1%	120%	≥100%
- Capital leverage ratio	24.5%	26.3%	23.5%	9.6%	≥ 8%
- Liquidity coverage ratio	857.3%	858.2%	688.6%	120%	≥100%
- Net stable funding ratio	163.8%	175.2%	174.8%	120%	≥100%

Notes:

(1) Warning index are set by the CSRC that if the risk control indicator is required to stay above a certain level, then the warning index is 120% of the stipulated minimum requirement, and if the risk control indicator is required to stay below a certain level, then the warning index is 80% of the stipulated maximum requirement.

(2) Risk coverage ratio = Net Capital / Total risk capital reserves X 100%

(3) Capital leverage ratio = Core net capital / Total on-and-off-balance-sheet assets X 100%

(4) Liquidity coverage ratio = quality liquid assets / total cash outflow in the subsequent 30 days X 100%.

(5) Net stable funding ratio = available stable funding / stable funding required X 100%.

(6) The risk control indicators are calculated under the PRC GAAP pursuant to, and reflect our Company's compliance with, applicable PRC regulatory standards and requirements. Prospective **[REDACTED]** should be aware that non-IFRS measures presented in this document may not be comparable with other similarly titled measures reported by other companies due to different calculation methods or assumptions.

For further information on our risk control indicator monitoring and supplement mechanism, see "Business - Risk Management and Internal Control - Our Major Risk Management Measures - Dynamic Risk Control Indicator Monitoring and Supplement Mechanism" and "Financial Information—Net Capital and Other Regulatory Requirements". For further information on our relevant risk management and hedging measures, see "Business - Risk Management and Internal Control - Our Major Risk Management Measures - Hedging."

FUTURE PLANS AND USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]**), we estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated **[REDACTED]** in connection with the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised. We intend to allocate all **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below: (1) approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be allocated to strengthen our asset management related business as an instrumental driving force for our Company's development; (2) approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be allocated to our investment related business to enhance buy-side capabilities and build a globally oriented investment system with integrated multi-asset strategies; (3) approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be allocated to investment banking related business to achieve diversified development; (4) approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be allocated to wealth management related business to refine wealth management service and product systems; (5) approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be allocated to IT and technology investments to advance digital and intelligent transformation for empowering business lines; and (6) approximately **[REDACTED]**%, or approximately HK$**[REDACTED]**, will be used for supplementing our working capital and for other general corporate purposes. See "Future Plans and Use of **[REDACTED]**" for further details.

OUR CONTROLLING SHAREHOLDER

As at the Latest Practicable Date, Capital Group directly holds approximately 53.20% of our total issued share capital. Immediately upon **[REDACTED]**, Capital Group will directly hold approximately **[REDACTED]**% of our total issued share capital (assuming the **[REDACTED]** is not exercised). Therefore, Capital Group is and will continue to be our Controlling Shareholder immediately upon **[REDACTED]**. For further details about our Controlling Shareholder, please see the section headed "Relationship with Capital Group".

[REDACTED]

DIVIDENDS

After the completion of the **[REDACTED]**, we may distribute dividends in the form of cash or by other means that we consider appropriate. Any proposed distribution of dividends shall be formulated by our Board and will be subject to our shareholders' approval and a number of factors, including our results of operations, cash flows, financial condition, capital adequacy ratio, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and other factors that our Board may consider important. In 2023, 2024 and 2025, we declared dividends of RMB505.7 million, RMB423.7 million and RMB533.0 million to our shareholders, respectively. Subsequent to the Track Record Period, we declared a dividend of RMB185.9 million (tax inclusive) in March 2026. Dividends declared and/or paid in prior periods shall not be indicative of future dividend payment. See "Financial Information – Dividends."

[REDACTED] EXPENSES

We expect to incur **[REDACTED]** expenses of approximately HK$**[REDACTED]** (assuming an **[REDACTED]** of HK**$[REDACTED]** per H Share, being the mid-point of the indicative **[REDACTED]** as stated in this document, and assuming the **[REDACTED]** is not exercised), accounting for approximately **[REDACTED]**% of the estimated **[REDACTED]** of the **[REDACTED]**. Our estimated **[REDACTED]** expenses include (i) **[REDACTED]**-related expenses, representing **[REDACTED]** and fees of approximately HK$**[REDACTED]**; and (ii) non-**[REDACTED]**-related expenses, comprising professional fees to the legal advisors and reporting accountant of approximately HK**$[REDACTED]** for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses of approximately HK$**[REDACTED]**. Our **[REDACTED]** expenses are expected to be incurred after December 31, 2025, of which HK$**[REDACTED]** is expected to be charged to our consolidated statements of comprehensive income and HK$**[REDACTED]** is expected to be accounted for as a deduction from equity. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations for the year ending December 31, 2026.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

As a public company listed on the Shanghai Stock Exchange, we are required to disclose unaudited financial results prepared under PRC GAAP for the first quarter of 2026 pursuant to the relevant PRC securities laws and regulations. We intend to publish our quarterly results on or around April 30, 2026. See also Note 61 to the Accountants' Report for certain events after the Track Record Period.

Our Directors have confirmed that, since December 31, 2025 and up to the date of this document, (i) there has been no material adverse change in our operational, financial or trading position or prospects and no event has occurred that would materially and adversely affect the information shown in our consolidated financial statements set out in the Accountants' Report included in Appendix I to this document; and (ii) there has been no material adverse change in our business, the industries in which we operate and/or market or regulatory environment to which we are subject.