

## APPENDIX I

## ACCOUNTANTS’ REPORT

### ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CAPITAL SECURITIES CORPORATION LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED / [REDACTED], CHINA GALAXY INTERNATIONAL SECURITIES (HONG KONG) CO., LIMITED, CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED AND BOCI ASIA LIMITED.

#### Introduction

We report on the historical financial information of Capital Securities Corporation Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [ ] to [ ], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [ ] to [ ] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

#### Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

#### Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 Accountants’ Reports on Historical Financial Information in Investment Circulars as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

#### Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

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**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

### **Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [ ] have been made.

### **Dividends**

We refer to note 49 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[ ]

*Certified Public Accountants*  
Hong Kong

[Date]

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### **I HISTORICAL FINANCIAL INFORMATION**

#### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

|                                                                        | <i>Notes</i> | Year ended December 31, |                |                |
|------------------------------------------------------------------------|--------------|-------------------------|----------------|----------------|
|                                                                        |              | 2023                    | 2024           | 2025           |
|                                                                        |              | <i>RMB’000</i>          | <i>RMB’000</i> | <i>RMB’000</i> |
| <b>Revenue</b>                                                         |              |                         |                |                |
| Commission and fee income                                              | 6            | 1,233,776               | 1,838,885      | 1,415,520      |
| Interest income                                                        | 7            | 576,991                 | 609,565        | 553,341        |
| Investment income and gains                                            | 8            | 1,159,626               | 1,139,333      | 1,667,724      |
| Total revenue                                                          |              | 2,970,393               | 3,587,783      | 3,636,585      |
| Other income and gains                                                 | 9            | 8,908                   | 13,994         | 9,779          |
| <b>Total revenue, gains and other income</b>                           |              | 2,979,301               | 3,601,777      | 3,646,364      |
| Depreciation and amortization                                          | 10           | (101,868)               | (115,637)      | (117,631)      |
| Staff costs                                                            | 11           | (734,563)               | (893,261)      | (879,017)      |
| Commission and fee expenses                                            | 12           | (356,284)               | (480,109)      | (444,660)      |
| Interest expenses                                                      | 13           | (729,111)               | (704,452)      | (696,503)      |
| Other operating expenses                                               | 14           | (256,342)               | (248,635)      | (292,640)      |
| Credit loss expense, net of reversal                                   | 15           | (41,904)                | (24,160)       | 32,751         |
| Impairment losses                                                      | 15           | —                       | —              | (5,916)        |
| <b>Total expenses</b>                                                  |              | (2,220,072)             | (2,466,254)    | (2,403,616)    |
| <b>Share of profits and losses of an associate and a joint venture</b> |              | 33,338                  | 2,764          | 23,866         |
| <b>Profit before income tax</b>                                        |              | 792,567                 | 1,138,287      | 1,266,614      |
| Income tax expense                                                     | 18           | (91,468)                | (153,140)      | (210,397)      |
| <b>Profit for the year</b>                                             |              | 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)          |
| Earnings per share (Expressed in RMB per share)                        |              |                         |                |                |
| - Basic                                                                | 19           | 0.26                    | 0.36           | 0.39           |
| - Diluted                                                              | 19           | 0.26                    | 0.36           | 0.39           |

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### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

|                                                                                                                   | Year ended December 31, |                  |                  |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|------------------|------------------|
|                                                                                                                   | 2023                    | 2024             | 2025             |
|                                                                                                                   | RMB’000                 | RMB’000          | RMB’000          |
| <b>Profit for the year</b>                                                                                        | <u>701,099</u>          | <u>985,147</u>   | <u>1,056,217</u> |
| Other comprehensive income:                                                                                       |                         |                  |                  |
| <i>Items that will not be reclassified to profit or loss:</i>                                                     |                         |                  |                  |
| Fair value gains on investments in equity instruments designated at fair value through other comprehensive income | —                       | 212,126          | 148,632          |
| Income tax effect                                                                                                 | —                       | (53,032)         | (48,364)         |
| Subtotal                                                                                                          | <u>—</u>                | <u>159,094</u>   | <u>100,268</u>   |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                                             |                         |                  |                  |
| Debt instruments at fair value through other comprehensive income:                                                |                         |                  |                  |
| - Fair value changes arising during the year                                                                      | 76,134                  | 216,144          | (130,384)        |
| - Reclassification adjustment to profit or loss on disposal                                                       | (4,077)                 | (4,897)          | (5,744)          |
| - Reclassification adjustment to profit or loss on impairment                                                     | 2,780                   | 3,769            | 6,545            |
| - Income tax effect                                                                                               | (18,709)                | (53,754)         | 32,396           |
| Share of other comprehensive income of an associate and a joint venture                                           | <u>78</u>               | <u>447</u>       | <u>(93)</u>      |
| Subtotal                                                                                                          | <u>56,206</u>           | <u>161,709</u>   | <u>(97,280)</u>  |
| Other comprehensive income for the year (net of tax)                                                              | 56,206                  | 320,803          | 2,988            |
| Total comprehensive income for the year (net of tax)                                                              | <u>757,305</u>          | <u>1,305,950</u> | <u>1,059,205</u> |
| Total comprehensive income for the year attributable to:                                                          |                         |                  |                  |
| Owners of the Company                                                                                             | 757,245                 | 1,305,691        | 1,059,391        |
| Non-controlling interests                                                                                         | <u>60</u>               | <u>259</u>       | <u>(186)</u>     |
|                                                                                                                   | <u>757,305</u>          | <u>1,305,950</u> | <u>1,059,205</u> |

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### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|                                                                                | <i>Notes</i> | As at December 31, |                |                |
|--------------------------------------------------------------------------------|--------------|--------------------|----------------|----------------|
|                                                                                |              | 2023               | 2024           | 2025           |
|                                                                                |              | <i>RMB'000</i>     | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Non-current assets</b>                                                      |              |                    |                |                |
| Property, plant and equipment                                                  | 20           | 77,120             | 67,327         | 176,576        |
| Investment properties                                                          | 21           | 17,280             | 36,982         | 9,837          |
| Right-of-use assets                                                            | 22           | 329,583            | 317,281        | 261,503        |
| Other intangible assets                                                        | 23           | 153,036            | 191,729        | 213,289        |
| Goodwill                                                                       | 24           | 125,838            | 125,838        | 125,838        |
| Interests in an associate and a joint venture                                  | 25           | 894,706            | 898,282        | 922,055        |
| Equity instruments designated at fair value through other comprehensive income | 27           | 1,400              | 2,334,308      | 6,193,615      |
| Financial assets at fair value through profit or loss                          | 29           | 4,228,960          | 1,812,578      | 1,008,616      |
| Other assets                                                                   | 30           | 62,105             | 44,447         | 44,961         |
| Deposits with exchanges and non-bank financial institutions                    | 31           | 699,348            | 776,422        | 1,770,836      |
| Deferred tax assets                                                            | 32           | 64,368             | 17,872         | 24,273         |
| Total non-current assets                                                       |              | 6,653,744          | 6,623,066      | 10,751,399     |
| <b>Current assets</b>                                                          |              |                    |                |                |
| Advances to customers                                                          | 33           | 2,263,839          | 3,040,258      | 3,941,496      |
| Accounts receivable                                                            | 34           | 744,552            | 597,284        | 596,274        |
| Tax recoverable                                                                |              | 42,296             | 592            | 5,100          |
| Other assets                                                                   | 30           | 158,580            | 128,090        | 179,528        |
| Debt instruments at fair value through other comprehensive income              | 26           | 11,264,617         | 9,191,245      | 8,750,103      |
| Financial assets held under resale agreements                                  | 28           | 353,931            | 93,364         | 66,319         |
| Financial assets at fair value through profit or loss                          | 29           | 13,781,788         | 17,237,200     | 17,659,845     |
| Derivative financial assets                                                    | 35           | 11,287             | 7,945          | 60,152         |
| Clearing settlement funds                                                      | 36           | 1,388,102          | 2,511,384      | 1,871,633      |
| Bank balances                                                                  | 37           | 6,538,719          | 7,425,351      | 8,496,876      |
| Total current assets                                                           |              | 36,547,711         | 40,232,713     | 41,627,326     |
| Total assets                                                                   |              | 43,201,455         | 46,855,779     | 52,378,725     |

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### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

|                                                            | <i>Notes</i> | As at December 31, |                |                |
|------------------------------------------------------------|--------------|--------------------|----------------|----------------|
|                                                            |              | 2023               | 2024           | 2025           |
|                                                            |              | <i>RMB'000</i>     | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Current liabilities</b>                                 |              |                    |                |                |
| Bonds payable                                              | 39           | 3,433,922          | 4,386,564      | 3,297,110      |
| Short-term financing payables                              | 40           | 1,733,119          | 1,990,809      | 1,340,266      |
| Due to banks and other financial institutions              | 41           | 914,706            | 1,536,753      | 2,940,154      |
| Accounts payable to brokerage clients                      | 42           | 5,531,837          | 7,678,582      | 8,393,388      |
| Accrued staff costs                                        | 43           | 98,938             | 93,753         | 127,671        |
| Other payables and accruals                                | 44           | 378,022            | 737,959        | 829,603        |
| Lease liabilities                                          | 22           | 52,650             | 75,413         | 68,311         |
| Current tax liabilities                                    |              | 2,379              | 17,112         | 30,649         |
| Financial liabilities at fair value through profit or loss | 45           | 684,990            | 1,253,099      | 822,580        |
| Derivative financial liabilities                           | 35           | —                  | 7,796          | 4,172          |
| Financial assets sold under repurchase agreements          | 46           | 11,988,563         | 9,287,839      | 8,804,968      |
| Contract liabilities                                       | 47           | 16,223             | 16,499         | 21,247         |
| 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 assets less current liabilities                      |              | 18,366,106         | 19,773,601     | 25,698,606     |
| <b>Non-current liabilities</b>                             |              |                    |                |                |
| Bonds payable                                              | 39           | 5,613,986          | 6,072,551      | 11,523,672     |
| Accrued staff costs                                        | 43           | 52,916             | 91,842         | 79,896         |
| Lease liabilities                                          | 22           | 324,046            | 305,321        | 247,848        |
| Deferred tax liabilities                                   | 32           | 12,702             | 58,783         | 75,881         |
| Total non-current liabilities                              |              | 6,003,650          | 6,528,497      | 11,927,297     |
| Net assets                                                 |              | 12,362,456         | 13,245,104     | 13,771,309     |
| <b>Equity</b>                                              |              |                    |                |                |
| Share capital                                              | 48           | 2,733,334          | 2,733,334      | 2,733,334      |
| Reserves                                                   | 49           | 8,379,668          | 9,019,373      | 9,394,299      |
| Retained profits                                           | 49           | 1,233,810          | 1,476,494      | 1,627,959      |
| Equity attributable to owners of the Company               |              | 12,346,812         | 13,229,201     | 13,755,592     |
| Non-controlling interests                                  |              | 15,644             | 15,903         | 15,717         |
| Total equity                                               |              | 12,362,456         | 13,245,104     | 13,771,309     |

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### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2023

|                                         | Equity attributable to owners of the Company |                            |                                                 |                             |                           |                                |                     |                         |
|-----------------------------------------|----------------------------------------------|----------------------------|-------------------------------------------------|-----------------------------|---------------------------|--------------------------------|---------------------|-------------------------|
|                                         | Reserves                                     |                            |                                                 |                             |                           |                                |                     | Total equity<br>RMB'000 |
|                                         | Share capital<br>RMB'000                     | Capital reserve<br>RMB'000 | Investment<br>revaluation<br>reserve<br>RMB'000 | General reserves<br>RMB'000 | Other reserves<br>RMB'000 | Retained<br>profits<br>RMB'000 | Subtotal<br>RMB'000 |                         |
| At January 1, 2023                      | 2,733,334                                    | 6,787,164                  | (32,751)                                        | 1,352,755                   | 365                       | 1,254,367                      | 12,095,234          | 12,110,818              |
| Profit for the year                     | —                                            | —                          | —                                               | —                           | —                         | 701,039                        | 701,039             | 701,099                 |
| Other comprehensive income for the year | —                                            | —                          | 56,128                                          | —                           | 78                        | —                              | 56,206              | 56,206                  |
| Total comprehensive income for the year | —                                            | —                          | 56,128                                          | —                           | 78                        | 701,039                        | 757,245             | 757,305                 |
| Appropriation to general reserves       | —                                            | —                          | —                                               | 215,929                     | —                         | (215,929)                      | —                   | —                       |
| Dividend declared                       | —                                            | —                          | —                                               | —                           | —                         | (505,667)                      | (505,667)           | (505,667)               |
| At December 31, 2023                    | 2,733,334                                    | 6,787,164                  | 23,377                                          | 1,568,684                   | 443                       | 1,233,810                      | 12,346,812          | 12,362,456              |

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended December 31, 2024

|                                         | Equity attributable to owners of the Company |                            |                                           |                             |                           |                             |                     |                         |
|-----------------------------------------|----------------------------------------------|----------------------------|-------------------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------|-------------------------|
|                                         | Reserves                                     |                            |                                           |                             |                           |                             |                     | Total equity<br>RMB'000 |
|                                         | Share capital<br>RMB'000                     | Capital reserve<br>RMB'000 | Investment revaluation reserve<br>RMB'000 | General reserves<br>RMB'000 | Other reserves<br>RMB'000 | Retained profits<br>RMB'000 | Subtotal<br>RMB'000 |                         |
| At January 1, 2024                      | 2,733,334                                    | 6,787,164                  | 23,377                                    | 1,568,684                   | 443                       | 1,233,810                   | 12,346,812          | 12,362,456              |
| Profit for the year                     | —                                            | —                          | —                                         | —                           | —                         | 984,888                     | 984,888             | 985,147                 |
| Other comprehensive income for the year | —                                            | —                          | 320,356                                   | —                           | 447                       | —                           | 320,803             | 320,803                 |
| Total comprehensive income for the year | —                                            | —                          | 320,356                                   | —                           | 447                       | 984,888                     | 1,305,691           | 1,305,950               |
| Appropriation to general reserves       | —                                            | —                          | —                                         | 318,537                     | —                         | (318,537)                   | —                   | —                       |
| Dividend declared                       | —                                            | —                          | —                                         | —                           | —                         | (423,667)                   | (423,667)           | (423,667)               |
| Other*                                  | —                                            | 365                        | —                                         | —                           | —                         | —                           | 365                 | 365                     |
| At December 31, 2024                    | 2,733,334                                    | 6,787,529                  | 343,733                                   | 1,887,221                   | 890                       | 1,476,494                   | 13,229,201          | 13,245,104              |

\* The change in capital reserve of the Group’s associate.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2025

|                                                                           | Equity attributable to owners of the Company |                 |                                |                  |                |                  |                           |
|---------------------------------------------------------------------------|----------------------------------------------|-----------------|--------------------------------|------------------|----------------|------------------|---------------------------|
|                                                                           | Reserves                                     |                 |                                |                  |                |                  | Non-controlling interests |
|                                                                           | Share capital                                | Capital reserve | Investment revaluation reserve | General reserves | Other reserves | Retained profits | Subtotal                  |
|                                                                           | RMB'000                                      | RMB'000         | RMB'000                        | RMB'000          | RMB'000        | RMB'000          | RMB'000                   |
| At January 1, 2025                                                        | 2,733,334                                    | 6,787,529       | 343,733                        | 1,887,221        | 890            | 1,476,494        | 13,229,201                |
| Profit for the year                                                       | —                                            | —               | —                              | —                | —              | 1,056,403        | 1,056,403                 |
| Other comprehensive income for the year                                   | —                                            | —               | 3,081                          | —                | (93)           | —                | 2,988                     |
| Total comprehensive income for the year                                   | —                                            | —               | 3,081                          | —                | (93)           | 1,056,403        | 1,059,391                 |
| Appropriation to general reserves                                         | —                                            | —               | —                              | 327,115          | —              | (327,115)        | —                         |
| Dividend declared                                                         | —                                            | —               | —                              | —                | —              | (533,000)        | (533,000)                 |
| Other comprehensive income that has been reclassified to retained profits | —                                            | —               | 44,823                         | —                | —              | (44,823)         | —                         |
| At 31 December 2025                                                       | 2,733,334                                    | 6,787,529       | 391,637                        | 2,214,336        | 797            | 1,627,959        | 13,755,592                |
|                                                                           |                                              |                 |                                |                  |                |                  | 15,717                    |
|                                                                           |                                              |                 |                                |                  |                |                  | 13,771,309                |

The reserve accounts comprise the consolidated reserves of RMB9,613 million, RMB10,496 million and RMB11,022 million in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025.

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### CONSOLIDATED STATEMENTS OF CASH FLOWS

|                                                                                                               | Year ended December 31, |             |           |
|---------------------------------------------------------------------------------------------------------------|-------------------------|-------------|-----------|
|                                                                                                               | 2023                    | 2024        | 2025      |
|                                                                                                               | RMB’000                 | RMB’000     | RMB’000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                   |                         |             |           |
| Profit before income tax                                                                                      | 792,567                 | 1,138,287   | 1,266,614 |
| Adjustments for:                                                                                              |                         |             |           |
| Interest expenses                                                                                             | 729,111                 | 704,452     | 696,503   |
| Share of profits and losses of an associate and a joint venture                                               | (33,338)                | (2,764)     | (23,866)  |
| Depreciation and amortization                                                                                 | 101,868                 | 115,637     | 117,631   |
| Credit loss expense, net of reversal                                                                          | 41,904                  | 24,160      | (32,751)  |
| Impairment losses                                                                                             | —                       | —           | 5,916     |
| Losses/(gains) on disposal of property and equipment and other intangible assets                              | 20                      | (39)        | (770)     |
| Foreign exchange (gains)/losses                                                                               | (381)                   | (399)       | 1,474     |
| Net realized gains from disposal of debt instruments at fair value through other comprehensive income         | (96,005)                | (170,725)   | (161,961) |
| Interest income from debt instruments at fair value through other comprehensive income                        | (281,021)               | (305,200)   | (239,968) |
| Dividend income from equity instruments designated at fair value through other comprehensive income           | —                       | (120,778)   | (326,956) |
| Unrealized fair value (gains)/losses and losses on financial instruments at fair value through profit or loss | (195,706)               | (19,126)    | 181,443   |
| Operating cash flows before movements in working capital                                                      | 1,059,019               | 1,363,505   | 1,483,309 |
| Increase in advances to customers                                                                             | (153,803)               | (793,830)   | (894,346) |
| (Increase)/decrease in accounts receivable and other assets                                                   | (523,778)               | 138,777     | (1,268)   |
| Decrease in financial assets held under resale agreements                                                     | 74,251                  | 263,358     | 73,559    |
| Increase in financial assets at fair value through profit or loss                                             | (1,748,172)             | (440,658)   | (286,478) |
| Decrease/(increase) in deposits with exchanges and non-bank financial institutions                            | 362,774                 | (77,071)    | (994,417) |
| (Increase)/decrease in clearing settlement funds for clients                                                  | 365,822                 | (671,856)   | 55,207    |
| Increase in cash held on behalf of customers                                                                  | (13,310)                | (1,712,975) | (835,992) |
| (Decrease)/increase in accounts payable to brokerage clients                                                  | (10,543)                | 2,146,745   | 714,806   |

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### CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

|                                                                                               | Year ended December 31, |                |                |
|-----------------------------------------------------------------------------------------------|-------------------------|----------------|----------------|
|                                                                                               | 2023                    | 2024           | 2025           |
|                                                                                               | <i>RMB’000</i>          | <i>RMB’000</i> | <i>RMB’000</i> |
| Increase/(decrease) in financial assets sold under repurchase agreements                      | 733,775                 | (2,693,588)    | (481,756)      |
| Increase in amounts due to banks and other financial institutions                             | 110,000                 | 620,000        | 1,400,000      |
| Increase in restricted bank deposits                                                          |                         | (6,447)        | (90,000)       |
| (Decrease)/increase in other payables                                                         | (90,126)                | 323,102        | 303,316        |
| Cash from operations                                                                          | 165,909                 | (1,540,938)    | 445,940        |
| Income taxes 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)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                   |                         |                |                |
| Dividends and interest received from investments                                              | 587,826                 | 742,752        | 802,010        |
| Purchases of property and equipment, investment properties and other intangible assets        | (82,339)                | (100,355)      | (179,000)      |
| Proceeds from disposal of property and equipment and other intangible assets                  | 349                     | 37             | 35             |
| Purchases of debt instruments at fair value through other comprehensive income                | (10,884,751)            | (9,285,217)    | (13,068,839)   |
| Proceeds from disposal of debt instruments at fair value through other comprehensive income   | 9,107,897               | 11,559,772     | 13,106,206     |
| Purchases of equity instruments designated at fair value through other comprehensive income   | —                       | (2,120,782)    | (4,096,514)    |
| Proceeds from disposal of equity instruments at fair value through other comprehensive income | —                       | —              | 370,899        |
| NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES                                            | (1,271,018)             | 796,207        | (3,065,203)    |

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## ACCOUNTANTS’ REPORT

### CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

|                                                                               | Year ended December 31, |                  |                  |
|-------------------------------------------------------------------------------|-------------------------|------------------|------------------|
|                                                                               | 2023                    | 2024             | 2025             |
|                                                                               | <i>RMB'000</i>          | <i>RMB'000</i>   | <i>RMB'000</i>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                   |                         |                  |                  |
| Transaction costs paid on issuance of bonds and short-term financing payables | (10,367)                | (8,509)          | (6,517)          |
| Proceeds from bonds issued                                                    | 2,794,780               | 4,755,850        | 8,650,000        |
| Repayment of bonds issued                                                     | (500,000)               | (3,366,500)      | (4,282,550)      |
| Proceeds from short-term financing payables issued                            | 2,146,460               | 2,609,100        | 3,327,220        |
| Repayment of short-term financing payables issued                             | (1,616,530)             | (2,343,280)      | (3,982,880)      |
| Interest paid in respect of bonds and short-term financing payables           | (317,852)               | (359,914)        | (383,105)        |
| Dividends paid                                                                | (505,667)               | (423,667)        | (533,000)        |
| Payment of lease liabilities                                                  | (89,815)                | (71,564)         | (93,233)         |
| Payment of [REDACTED] expenses                                                | —                       | —                | (26,133)         |
| <b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>                               | <b>1,901,009</b>        | <b>791,516</b>   | <b>2,669,802</b> |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                   | <b>317,305</b>          | <b>(383,373)</b> | <b>(438,085)</b> |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>                     | <b>2,717,341</b>        | <b>3,035,027</b> | <b>2,652,053</b> |
| Effect of foreign exchange rate changes, net                                  | 381                     | 399              | (1,474)          |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                               | <b>38 3,035,027</b>     | <b>2,652,053</b> | <b>2,212,494</b> |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>                      |                         |                  |                  |
| Cash and bank balances                                                        | 2,245,603               | 1,411,203        | 1,556,188        |
| Clearing settlement funds                                                     | 789,424                 | 1,240,850        | 656,306          |
| <b>Cash and cash equivalents as stated in the statement of cash flows</b>     | <b>3,035,027</b>        | <b>2,652,053</b> | <b>2,212,494</b> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### STATEMENTS OF FINANCIAL POSITION

|                                                                                | <i>Notes</i> | As at December 31, |                |                |
|--------------------------------------------------------------------------------|--------------|--------------------|----------------|----------------|
|                                                                                |              | 2023               | 2024           | 2025           |
|                                                                                |              | <i>RMB’000</i>     | <i>RMB’000</i> | <i>RMB’000</i> |
| <b>Non-current assets</b>                                                      |              |                    |                |                |
| Property, plant and equipment                                                  | 20           | 73,582             | 61,027         | 171,513        |
| Investment properties                                                          | 21           | —                  | 20,543         | —              |
| Right-of-use assets                                                            | 22           | 325,716            | 299,443        | 247,566        |
| Other intangible assets                                                        | 23           | 146,810            | 186,310        | 208,163        |
| Goodwill                                                                       | 24           | 105,520            | 105,520        | 105,520        |
| Interests in an associate and a joint venture                                  | 25           | 888,494            | 892,082        | 915,824        |
| Interests in subsidiaries                                                      | 25           | 1,530,445          | 1,530,445      | 1,590,445      |
| Equity instruments designated at fair value through other comprehensive income | 27           | —                  | 2,332,908      | 6,192,215      |
| Financial assets at fair value through profit or loss                          | 29           | 3,754,772          | 1,327,594      | 614,691        |
| Other assets                                                                   | 30           | 60,851             | 42,845         | 43,340         |
| Deposits with exchanges and non-bank financial institutions                    | 31           | 247,829            | 325,160        | 326,556        |
| Deferred tax assets                                                            | 32           | 59,611             | —              | —              |
| Total non-current assets                                                       |              | 7,193,630          | 7,123,877      | 10,415,833     |
| <b>Current assets</b>                                                          |              |                    |                |                |
| Advances to customers                                                          | 33           | 2,263,839          | 3,040,258      | 3,941,496      |
| Accounts receivable                                                            | 34           | 741,949            | 593,066        | 578,378        |
| Tax recoverable                                                                |              | 41,209             | —              | —              |
| Other assets                                                                   | 30           | 105,332            | 93,810         | 159,215        |
| Amounts due from subsidiaries                                                  | 30/34        | 1,987              | 2,607          | 1,225          |
| Debt instruments at fair value through other comprehensive income              | 26           | 11,264,617         | 9,191,245      | 8,750,103      |
| Financial assets held under resale agreements                                  | 28           | 349,929            | 64,349         | —              |
| Financial assets at fair value through profit or loss                          | 29           | 12,945,435         | 16,097,856     | 18,064,464     |
| Derivative financial assets                                                    | 35           | 10,926             | 4,570          | 5,517          |
| Clearing settlement funds                                                      | 36           | 1,435,083          | 2,396,318      | 1,772,058      |
| Bank balances                                                                  | 37           | 5,416,303          | 6,382,975      | 6,761,143      |
| Total current assets                                                           |              | 34,576,609         | 37,867,054     | 40,033,599     |
| Total assets                                                                   |              | 41,770,239         | 44,990,931     | 50,449,432     |
| <b>Current liabilities</b>                                                     |              |                    |                |                |
| Bonds payable                                                                  | 39           | 3,433,922          | 4,386,564      | 3,297,110      |
| Short-term financing payables                                                  | 40           | 1,733,119          | 1,990,809      | 1,340,266      |
| Due to banks and other financial institutions                                  | 41           | 914,706            | 1,536,753      | 2,940,154      |

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## ACCOUNTANTS’ REPORT

### STATEMENTS OF FINANCIAL POSITION (CONTINUED)

|                                                            | <i>Notes</i> | <b>As at December 31,</b> |                |                |
|------------------------------------------------------------|--------------|---------------------------|----------------|----------------|
|                                                            |              | <b>2023</b>               | <b>2024</b>    | <b>2025</b>    |
|                                                            |              | <i>RMB’000</i>            | <i>RMB’000</i> | <i>RMB’000</i> |
| Accounts payable to brokerage clients                      | 42           | 4,664,771                 | 6,641,375      | 6,842,625      |
| Accrued staff costs                                        | 43           | 94,745                    | 91,685         | 123,413        |
| Other payables and accruals                                | 44           | 365,720                   | 728,322        | 796,215        |
| Lease liabilities                                          | 22           | 49,331                    | 71,238         | 64,204         |
| Current tax liabilities                                    |              | —                         | 17,069         | 30,649         |
| Financial liabilities at fair value through profit or loss | 45           | 363,929                   | 644,609        | 589,589        |
| Derivative financial liabilities                           | 35           | —                         | 7,796          | —              |
| Financial assets sold under repurchase agreements          | 46           | 11,916,293                | 9,157,933      | 8,740,683      |
| Contract liabilities                                       | 47           | 13,589                    | 14,941         | 19,665         |
| Total current liabilities                                  |              | 23,550,125                | 25,289,094     | 24,784,573     |
| Net current assets                                         |              | 11,026,484                | 12,577,960     | 15,249,026     |
| Total assets less current liabilities                      |              | 18,220,114                | 19,701,837     | 25,664,589     |
| <b>Non-current liabilities</b>                             |              |                           |                |                |
| Bonds payable                                              | 39           | 5,613,986                 | 6,072,551      | 11,523,672     |
| Accrued staff costs                                        | 43           | 40,020                    | 80,274         | 74,783         |
| Lease liabilities                                          | 22           | 323,148                   | 290,786        | 237,120        |
| Deferred tax liabilities                                   | 32           | —                         | 58,753         | 71,571         |
| Total non-current liabilities                              |              | 5,977,154                 | 6,502,364      | 11,907,146     |
| Net assets                                                 |              | 12,242,960                | 13,199,473     | 13,757,713     |
| <b>Equity</b>                                              |              |                           |                |                |
| Share capital                                              | 48           | 2,733,334                 | 2,733,334      | 2,733,334      |
| Reserves                                                   | 49           | 8,375,590                 | 9,014,462      | 9,388,748      |
| Retained profits                                           | 49           | 1,134,036                 | 1,451,677      | 1,635,631      |
| Total equity                                               |              | 12,242,960                | 13,199,473     | 13,757,713     |

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## ACCOUNTANTS’ REPORT

### II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

#### 1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in People’s Republic of China (“PRC”) on February 3, 2000. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Main Board of the Shanghai Stock Exchange (stock code: 601136) on December 22, 2022. The registered office of the Company is located at No. 5 An Ding Road, Building 13, Block A, Floors 11-21, Chaoyang District, Beijing. The Company is ultimately controlled by Beijing State-owned Assets Supervision and Administration Commission of the Beijing Municipal People’s Government (“Beijing SASAC”).

The Company is principally engaged in securities brokerage, securities investment consulting, financial advisory related to securities trading and securities investment activities, securities underwriting and sponsorship, securities proprietary trading, sale of securities investment funds, securities asset management, margin trading and securities lending, sale of financial products on a commission basis and provision of intermediary referral services to futures companies.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

| Name                                                                                | Place and date of registration and place of operations | Nominal value of registered share capital | Percentage of equity attributable to the Company |          | Principal activities                                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------|--------------------------------------------------|----------|---------------------------------------------------------------------------------------------|
|                                                                                     |                                                        |                                           | Direct                                           | Indirect |                                                                                             |
| Capital Jingdu Futures Co., Ltd.<br>(“Jingdu Futures”)                              | 6 March 1993<br>PRC/Chinese mainland                   | RMB’000<br>600,000                        | 100%                                             | —        | Commodity futures brokerage, financial futures brokerage, asset management                  |
| Shouzheng Desheng Capital Management Co., Ltd.                                      | July 23, 2014<br>PRC/Chinese mainland                  | 500,000                                   | 100%                                             | —        | Investment management and financial advisory                                                |
| Beijing Wangjing Private Equity Management Co., Ltd.<br>(“Wangjing Private Equity”) | October 25, 2017<br>PRC/Chinese mainland               | 30,000                                    | —                                                | 51%      | Investment management and advisory of non-securities business; Equity investment management |
| Shouzheng Zefu Innovation Investment (Beijing) Co., Ltd.                            | March 10, 2015<br>PRC/Chinese mainland                 | 800,000                                   | 100%                                             | —        | Project Investment                                                                          |

#### Notes:

- The English names of these companies represent the best effort made by the management of the Company to directly translate the Chinese names as they do not register any official English names.
- The statutory financial statements of these entities for the year ended December 31, 2023 prepared in accordance with generally accepted accounting principles and financial regulations in the PRC were audited by Tian Zhi CPAs LLP, a certified public accounting firm registered in the PRC.
- The statutory financial statements of these entities for the year ended December 31, 2024 and 2025 prepared in accordance with generally accepted accounting principles and financial regulations in the PRC were audited by Da Hua CPAs LLP, a certified public accounting firm registered in the PRC.

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## ACCOUNTANTS’ REPORT

### 2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”).

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income and financial assets/liabilities at fair value through profit or loss which have been measured at fair value at the end of each of the Relevant Periods.

#### Basis of consolidation

The Historical Financial Information include the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities and any non-controlling interest; and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.2 ISSUED BUT NOT YET EFFECTIVE IFRS Accounting Standards

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information.

|                                                                   |                                                                                                           |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| IFRS 18                                                           | <i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>                                   |
| IFRS 19 and its amendments                                        | <i>Subsidiaries without Public Accountability: Disclosures</i> <sup>3</sup>                               |
| Amendments to IFRS 9 and IFRS 7                                   | <i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>             |
| Amendments to IFRS 9 and IFRS 7                                   | <i>Contracts Referencing Nature-dependent Electricity</i> <sup>2</sup>                                    |
| Amendments to IFRS 10 and IAS 28                                  | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup> |
| Amendments to IAS 21                                              | <i>Translation to a Hyperinflationary Presentation Currency</i> <sup>3</sup>                              |
| <i>Annual Improvements to IFRS Accounting Standards—Volume 11</i> | Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 <sup>2</sup>                                      |

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## ACCOUNTANTS’ REPORT

- 1 No mandatory effective date yet determined but available for adoption
- 2 Effective for annual periods beginning on or after January 1, 2026
- 3 Effective for annual periods beginning on or after January 1, 2027

The Group is in the process of making a detailed assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group’s financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s financial information.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group’s investments in associates and joint ventures are stated in the consolidated statements of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses. The Group’s share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statements of profit or loss and consolidated statements of comprehensive income, respectively. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group’s investments in the associates or joint ventures, except where unrealized losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group’s investments in associates or joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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## **ACCOUNTANTS’ REPORT**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group’s previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31,. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

### Fair value measurement

The Group measures its derivative financial instruments and financial investments at fair value at the end of each of the Relevant Periods. 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, financial assets, investment properties and non-current assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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## **ACCOUNTANTS’ REPORT**

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person’s family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a

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replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| <u>Classes</u>                         | <u>Estimated residual<br/>value rates</u> | <u>Useful lives</u>                                           |
|----------------------------------------|-------------------------------------------|---------------------------------------------------------------|
| Buildings                              | 5%                                        | 20 years                                                      |
| Electronic and communication equipment | 5%                                        | 3 to 5 years                                                  |
| Motor vehicles                         | 5%                                        | 4 years                                                       |
| Office equipment                       | 5%                                        | 5 years                                                       |
| Leasehold improvements                 | —                                         | Shorter of estimated useful lives<br>or remaining lease terms |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment loss. Depreciation is recognized so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Intangible assets with finite lives are subsequently amortized on the straight-line basis over 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

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### (b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

### Investments and other financial assets

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (“FVTOCI”), and fair value through profit or loss (“FVTPL”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset.

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### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

#### *Financial assets at amortized cost (debt instruments)*

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

#### *Financial assets at fair value through other comprehensive income (debt instruments)*

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the statement of profit or loss.

#### *Financial assets designated at fair value through other comprehensive income (equity investments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognized as investment income and gains in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

#### Financial assets sold under repurchase agreements and financial assets held under resale agreements

Financial assets held under resale agreements and financial assets sold under repurchase agreements are recorded at the amount actually paid or received when the transactions occur, and are recognized in the statement of financial position. The assets held under the agreements to resell are registered as off-balance-sheet items, while the assets sold under the agreements to repurchase are recorded in the statement of financial position.

The bid-ask spread of the financial assets under agreements to resell and financial assets sold under agreements to repurchase is recognized as interest income or interest expense using the effective interest rate method in the reselling or repurchasing period.

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### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group recognizes an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### *General approach*

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a Lifetime ECLs).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

In certain cases, the Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to Lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to Lifetime ECLs

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### *Simplified approach*

For account receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on Lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### Financial liabilities

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, or payables.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include financial assets sold under repurchase agreements, bonds payable, accounts payable to brokerage clients, financial liabilities at fair value through profit or loss, accounts and other payables, derivative financial instruments and interest-bearing bank and other borrowings.

#### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognized in the statement of profit or loss, except for the gains or losses arising from the Group’s own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

#### *Financial liabilities at amortized cost (accounts and other payables, and borrowings)*

After initial recognition, accounts and other payables, and interest-bearing borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss.

### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the statement of profit or loss.

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### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### Derivative financial instruments

#### *Initial recognition and subsequent measurement*

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Fair values are obtained from quoted market prices in active markets or are determined using valuation techniques, including discounted cash flow model and option pricing model as appropriate. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

### Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

### Dividends appropriated to investors

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorized and declared after the end of each of the Relevant Periods are not recognized as a liability at the end of each of the Relevant Periods and disclosed separately in the notes to the Historical Financial Information.

### Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual installments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

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Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Revenue recognition

#### *Revenue from contracts with customers*

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Further details of the Group’s revenue and other income recognition policies are as follows:

#### (a) Asset management and fund management fee income

Asset and fund management fees include periodic management fees calculated based on assets under management and performance-based fees. The fees are recognized progressively over time using a method that depicts the Group’s performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

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(b) Commission income and fees from brokerage business

Commission income includes commission income on securities dealing and commission income on futures and option contracts dealing, which is recognized on the trade date when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business including handling fees for selling financial products and fees from account opening and transfer service, which is recognized when the related services are rendered.

(c) Underwriting and sponsors’ fee income

Income from the underwriting business is recognized when the obligations under the contracts are fulfilled. Depending on the contract terms, income from the sponsorship business is recognized upon the completion of the obligations.

(d) Consultancy and financial advisory fee income

Depending on the nature of the services and the contract terms, consultancy and financial advisory fees are recognized in profit or loss over time using a method that depicts the Group’s performance, or at a point in time when the service is completed.

(e) Interest income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset. For financial assets at FVTOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortized cost (i.e. gross carrying amount net of loss allowance) of the asset.

(f) Dividend income

Dividend income is recognized when the shareholders’ right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(g) Other business

Income from other business shall be recognized when the Group’s responsibilities and obligations under the contracts have been fulfilled and the amounts collected can be reasonably estimated.

### Contract liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### Employee benefits

#### *Employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans are accrued in the period in which the associated services are rendered by employees.

Short-term social welfare expenditure refers to payments for employees’ social welfare system established by the government of the PRC, including, health care insurance, housing funds and other social welfare contributions. The Group contributes on a regular basis to these funds based on a certain percentage of the employees’ salaries and the contributions are recognized in profit or loss for the period when employees have rendered service entitling them to the contribution. The Group’s liabilities in respect of these funds were limited to the contribution payable in the Relevant Periods.

Pursuant to the relevant laws and regulations in the PRC, the Group participates in the social pension schemes for employees arranged by local government labor and security authorities. The Group makes contributions to the retirement schemes at the applicable rates based on the amounts stipulated by the government. The contributions are charged to profit or loss on an accrual basis. When employees retire, the local labor and security authorities are responsible for the payment of the basic retirement benefits to the retired employees.

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### *Termination benefits*

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### Securities lending

The Group lends securities to clients and the cash collateral required under securities lending agreements and interest arising from these agreements are included in “accounts payable to brokerage clients”. Securities lent to clients are not derecognized and are continued to be recorded as “Financial assets at fair value through profit or loss”.

### Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorization for issue, about conditions that existed at the end of each the Relevant Periods, it will assess whether the information affects the amounts that it recognizes in its financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Group will not change the amounts recognized in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

### Dividends

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 49 to the Historical Financial Information. Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

### Foreign currencies

The Historical Financial Information is presented in Renminbi, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognized in the consolidated statements of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

## 4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

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### Judgments

In the process of applying the Group’s accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

#### *Deferred tax assets*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. If sufficient profits or taxable temporary differences are not expected to be generated, deferred tax assets would be reversed in profit or loss in that period. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Details of the tax losses and deductible temporary differences are disclosed in the note 32 to the Historical Financial Information.

#### *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 sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor’s returns. The Group reassesses whether or not 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.

For collective asset management schemes and investment funds where the Group involves as manager and also as investor, the Group considers the scope of its decision-making authority and assesses whether the combination of interests it holds together with its remuneration and credit enhancements creates exposure to variability of returns from the activities of the collective asset management schemes and investment funds that is of such significance that it indicates that the Group is a principal. The collective asset management schemes and investment funds are consolidated if the Group acts in the role of principal.

### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 24 to the Historical Financial Information.

#### *Fair value of financial instrument*

The Group uses valuation techniques to estimate the fair value of financial instruments which are not quoted in an active market. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and option pricing models. To the extent practical market observable inputs and data, such as interest rate yield curves, foreign currency rates and implied option volatilities, are used when estimating fair value through a valuation technique. Where market observable inputs are not available, they are estimated using assumptions that are calibrated as closely as possible to market observable data. However, areas such as the credit risk of the Group and the counterparty, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

#### *Determination on classification of financial assets*

Classification and measurement of financial assets depends on the results of whether the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding 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 judgment 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.

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### *Measurement and recognition of ECLs*

The following significant judgments are required in applying the accounting requirements for measuring the ECLs:

#### *– Significant increase in credit risk*

ECLs are measured as an allowance equal to 12-month ECLs for stage 1 assets, or Lifetime ECLs for stage 2 or stage 3 assets. An asset classified as stage 2 when its credit risk has increased significantly since initial recognition, and it comes to stage 3 when it is credit impaired (but it is not purchased original credit impaired). In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 58 to the Historical Financial Information for more details.

#### *– Establishing groups of assets with similar credit risk characteristics*

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Assets transfer from 12-month to Lifetime ECLs when there is a significant increase in credit risk, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or Lifetime ECLs but the amount of ECLs changes because the credit risk of the portfolios differ.

#### *– Models and assumptions used*

The Group uses various models and assumptions in estimating ECLs. The Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default (“PD”) constitutes a key input in measuring ECLs. 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. Loss given default (“LGD”) is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. See note 58 to the Historical Financial Information for more details on ECLs.

## 5. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the nature of products sold and services provided by the Group, which is also consistent with the Group’s basis of organization, whereby the businesses are organized and managed separately as individual strategic business units that offer different products and serve different markets. Segment information is measured in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to the board of directors, which are consistent with the accounting and measurement criteria in the preparation of the Historical Financial Information.

Specifically, the Group’s operating segments are as follows:

- (a) **Wealth Management:** It primarily engages in agency trading securities, securities investment advisory services, sales of financial products, margin financing and securities lending, research services and futures business.
- (b) **Asset Management:** It is principally engaged in the provision of asset management services through the Company, private equity fund services through the Group’s wholly-owned subsidiary, Shouzheng Desheng Capital Management Co., Ltd., as well as mutual fund services through the Group’s associate, China Post & Capital Fund Management Co., Ltd.
- (c) **Investment:** It is engaged in fixed income investment and trading business, equity securities investment business, market making in the New Over the Counter Board and alternative investment business.
- (d) **Investment Banking:** It mainly includes stock underwriting and sponsorship business, bond issuance and underwriting, and financial advisory.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the Relevant Periods. Segment profit or loss represents the profit earned or loss incurred by each segment without allocation of income tax expenses. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

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The operating and reportable segment information provided to the CODM during the Relevant Periods:

|                                                                    | <b>Wealth<br/>Management</b><br><i>RMB'000</i> | <b>Asset<br/>Management</b><br><i>RMB'000</i> | <b>Investment</b><br><i>RMB'000</i> | <b>Investment<br/>Banking</b><br><i>RMB'000</i> | <b>Others</b><br><i>RMB'000</i> | <b>Consolidated</b><br><i>RMB'000</i> |
|--------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------|-------------------------------------|-------------------------------------------------|---------------------------------|---------------------------------------|
| For the year ended 31 December 2023                                |                                                |                                               |                                     |                                                 |                                 |                                       |
| <b>Segment revenue and results</b>                                 |                                                |                                               |                                     |                                                 |                                 |                                       |
| Revenue and net investment gains                                   | 608,430                                        | 792,498                                       | 1,241,905                           | 123,688                                         | 203,872                         | 2,970,393                             |
| Other income                                                       | 2,331                                          | 15                                            | 272                                 | 37                                              | 6,253                           | 8,908                                 |
| Segment revenue and other income                                   | 610,761                                        | 792,513                                       | 1,242,177                           | 123,725                                         | 210,125                         | 2,979,301                             |
| Segment expenses                                                   | 704,463                                        | 398,613                                       | 461,554                             | 124,152                                         | 531,290                         | 2,220,072                             |
| Segment result                                                     | (93,702)                                       | 393,900                                       | 780,623                             | (427)                                           | (321,165)                       | 759,229                               |
| Share of profits and losses of an<br>associate and a joint venture | —                                              | 33,338                                        | —                                   | —                                               | —                               | 33,338                                |
| Profit/(loss) before income tax                                    | (93,702)                                       | 427,238                                       | 780,623                             | (427)                                           | (321,165)                       | 792,567                               |
| <b>Other segment information</b>                                   |                                                |                                               |                                     |                                                 |                                 |                                       |
| Depreciation and amortization                                      | 52,508                                         | 7,556                                         | 5,839                               | 7,141                                           | 28,824                          | 101,868                               |
| Impairment losses                                                  | 12                                             | 672                                           | 2,780                               | —                                               | 38,440                          | 41,904                                |
| Interest income from operations                                    | 254,066                                        | 2,135                                         | 7,665                               | —                                               | 32,104                          | 295,970                               |
| Interest income from investments                                   | —                                              | —                                             | 281,021                             | —                                               | —                               | 281,021                               |
| Interest expenses                                                  | 139,706                                        | 1,531                                         | 341,513                             | 2,818                                           | 243,543                         | 729,111                               |

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### 5. SEGMENT INFORMATION (continued)

The operating and reportable segment information provided to the CODM during the Relevant Periods: (continued)

|                                                                    | Wealth<br>Management | Asset<br>Management | Investment | Investment<br>Banking | Others    | Consolidated |
|--------------------------------------------------------------------|----------------------|---------------------|------------|-----------------------|-----------|--------------|
|                                                                    | RMB'000              | RMB'000             | RMB'000    | RMB'000               | RMB'000   | RMB'000      |
| For the year ended December 31, 2024                               |                      |                     |            |                       |           |              |
| <b>Segment revenue and results</b>                                 |                      |                     |            |                       |           |              |
| Revenue and net investment gains                                   | 612,108              | 1,282,407           | 1,343,509  | 208,164               | 141,595   | 3,587,783    |
| Other income                                                       | 6,553                | 19                  | 40         | 36                    | 7,346     | 13,994       |
| Segment revenue and other income                                   | 618,661              | 1,282,426           | 1,343,549  | 208,200               | 148,941   | 3,601,777    |
| Segment expenses                                                   | 714,582              | 556,671             | 438,627    | 152,602               | 603,772   | 2,466,254    |
| Segment result                                                     | (95,921)             | 725,755             | 904,922    | 55,598                | (454,831) | 1,135,523    |
| Share of profits and losses of an associate<br>and a joint venture | —                    | 2,764               | —          | —                     | —         | 2,764        |
| Profit/(loss) before income tax                                    | (95,921)             | 728,519             | 904,922    | 55,598                | (454,831) | 1,138,287    |
| <b>Other segment information</b>                                   |                      |                     |            |                       |           |              |
| Depreciation and amortization                                      | 53,018               | 9,263               | 8,583      | 9,303                 | 35,470    | 115,637      |
| Impairment losses                                                  | (522)                | 18,205              | 3,449      | —                     | 3,028     | 24,160       |
| Interest income from operations                                    | 248,588              | 562                 | 6,761      | —                     | 48,454    | 304,365      |
| Interest income from investments                                   | —                    | —                   | 305,200    | —                     | —         | 305,200      |
| Interest expenses                                                  | 115,391              | 1,446               | 277,652    | 2,664                 | 307,299   | 704,452      |
| For the year ended December 31, 2025                               |                      |                     |            |                       |           |              |
| <b>Segment revenue and results</b>                                 |                      |                     |            |                       |           |              |
| Revenue and net investment gains                                   | 747,487              | 757,384             | 1,802,557  | 203,809               | 125,348   | 3,636,585    |
| Other income                                                       | 2,772                | 12                  | 54         | 3                     | 6,938     | 9,779        |
| Segment revenue and other income                                   | 750,259              | 757,396             | 1,802,611  | 203,812               | 132,286   | 3,646,364    |
| Segment expenses                                                   | 736,329              | 475,188             | 432,149    | 134,204               | 625,746   | 2,403,616    |
| Segment result                                                     | 13,930               | 282,208             | 1,370,462  | 69,608                | (493,460) | 1,242,748    |
| Share of profits and losses of an associate<br>and a joint venture | —                    | 23,866              | —          | —                     | —         | 23,866       |
| Profit/(loss) before income tax                                    | 13,930               | 306,074             | 1,370,462  | 69,608                | (493,460) | 1,266,614    |
| <b>Other segment information</b>                                   |                      |                     |            |                       |           |              |
| Depreciation and amortisation                                      | 47,986               | 10,816              | 8,706      | 7,163                 | 42,960    | 117,631      |
| Impairment losses                                                  | 20                   | 19,000              | 6,545      | —                     | (52,400)  | (26,835)     |
| Interest income from operations                                    | 276,857              | 124                 | 5,345      | —                     | 31,047    | 313,373      |
| Interest income from investments                                   | —                    | —                   | 239,968    | —                     | —         | 239,968      |
| Interest expenses                                                  | 125,004              | 1,434               | 248,170    | 2,091                 | 319,804   | 696,503      |

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### 6. COMMISSION AND FEE INCOME

|                                                                                        | Year ended December 31, |                  |                  |
|----------------------------------------------------------------------------------------|-------------------------|------------------|------------------|
|                                                                                        | 2023                    | 2024             | 2025             |
|                                                                                        | RMB'000                 | RMB'000          | RMB'000          |
| Asset management and fund management fee income                                        | 775,526                 | 1,268,624        | 712,770          |
| Commission on securities dealing, broking and seats renting and handling fee income    | 268,346                 | 269,808          | 350,488          |
| Underwriting and sponsors’ fee income                                                  | 76,734                  | 164,094          | 170,927          |
| Commission on futures and option contracts dealing and broking and handling fee income | 42,488                  | 45,370           | 49,427           |
| Consultancy and financial advisory fee income                                          | 42,434                  | 73,990           | 123,305          |
| Others                                                                                 | 28,248                  | 16,999           | 8,603            |
|                                                                                        | <u>1,233,776</u>        | <u>1,838,885</u> | <u>1,415,520</u> |

|                                                                                        | Year ended December 31, |                |                    |                  |                    |                |
|----------------------------------------------------------------------------------------|-------------------------|----------------|--------------------|------------------|--------------------|----------------|
|                                                                                        | 2023                    |                | 2024               |                  | 2025               |                |
|                                                                                        | At a point in time      | Over time      | At a point in time | Over time        | At a point in time | Over time      |
|                                                                                        | RMB'000                 | RMB'000        | RMB'000            | RMB'000          | RMB'000            | RMB'000        |
| Asset management and fund management fee income                                        | —                       | 775,526        | —                  | 1,268,624        | —                  | 712,770        |
| Commission on securities dealing, broking and seats renting and handling fee income    | 268,346                 | —              | 269,808            | —                | 350,488            | —              |
| Underwriting and sponsors’ fees                                                        | 76,734                  | —              | 164,094            | —                | 170,927            | —              |
| Commission on futures and option contracts dealing and broking and handling fee income | 42,488                  | —              | 45,370             | —                | 49,427             | —              |
| Consultancy and financial advisory fee income                                          | 28,782                  | 13,652         | 60,810             | 13,180           | 111,572            | 11,733         |
| Others                                                                                 | 28,248                  | —              | 16,999             | —                | 8,603              | —              |
| Total                                                                                  | <u>444,598</u>          | <u>789,178</u> | <u>557,081</u>     | <u>1,281,804</u> | <u>691,017</u>     | <u>724,503</u> |

### 7. INTEREST INCOME

|                                                                   | Year ended December 31, |                |                |
|-------------------------------------------------------------------|-------------------------|----------------|----------------|
|                                                                   | 2023                    | 2024           | 2025           |
|                                                                   | RMB'000                 | RMB'000        | RMB'000        |
| Debt instruments at fair value through other comprehensive income | 281,021                 | 305,200        | 239,968        |
| Deposits with exchanges and financial institutions                | 126,739                 | 148,969        | 132,572        |
| Advances to customers and securities lending                      | 140,491                 | 135,611        | 170,577        |
| Financial assets held under resale agreements and others          | 28,740                  | 19,785         | 10,224         |
|                                                                   | <u>576,991</u>          | <u>609,565</u> | <u>553,341</u> |

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## ACCOUNTANTS’ REPORT

### 8. INVESTMENT INCOME AND GAINS

|                                              | Year ended December 31, |                  |                  |
|----------------------------------------------|-------------------------|------------------|------------------|
|                                              | 2023                    | 2024             | 2025             |
|                                              | RMB'000                 | RMB'000          | RMB'000          |
| Realized and unrealized gains/(losses) from: |                         |                  |                  |
| - Financial assets at FVTPL                  | 1,172,980               | 1,127,257        | 1,169,077        |
| - Financial liabilities at FVTPL             | (28,097)                | (86,016)         | 11,155           |
| - Derivatives                                | (81,262)                | (193,411)        | (1,425)          |
| - Debt instruments at FVTOCI                 | 96,005                  | 170,725          | 161,961          |
| Dividend income from:                        |                         |                  |                  |
| - Equity instruments designated at FVTOCI    | —                       | 120,778          | 326,956          |
|                                              | <u>1,159,626</u>        | <u>1,139,333</u> | <u>1,667,724</u> |

### 9. OTHER INCOME AND GAINS

|                                            | Year ended December 31, |               |              |
|--------------------------------------------|-------------------------|---------------|--------------|
|                                            | 2023                    | 2024          | 2025         |
|                                            | RMB'000                 | RMB'000       | RMB'000      |
| Government grants                          | 4,830                   | 8,548         | 5,717        |
| Gains on disposals of non-financial assets | 68                      | 146           | 826          |
| Foreign exchange gains/(losses)            | 381                     | 399           | (1,474)      |
| Others                                     | 3,629                   | 4,901         | 4,710        |
|                                            | <u>8,908</u>            | <u>13,994</u> | <u>9,779</u> |

These government grants were received by the Group from the local governments to support financial institutions to operate in designated locations.

### 10. DEPRECIATION AND AMORTIZATION

|                                                | Year ended December 31, |                |                |
|------------------------------------------------|-------------------------|----------------|----------------|
|                                                | 2023                    | 2024           | 2025           |
|                                                | RMB'000                 | RMB'000        | RMB'000        |
| Depreciation for right-of-use assets           | 60,351                  | 65,846         | 64,282         |
| Depreciation for property, plant and equipment | 22,774                  | 25,209         | 24,270         |
| Depreciation for investment properties         | 420                     | 841            | 1,297          |
| Amortization of other intangible assets        | 18,323                  | 23,741         | 27,782         |
|                                                | <u>101,868</u>          | <u>115,637</u> | <u>117,631</u> |

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### 11. STAFF COSTS

|                                | Year ended December 31, |                |                |
|--------------------------------|-------------------------|----------------|----------------|
|                                | 2023                    | 2024           | 2025           |
|                                | RMB'000                 | RMB'000        | RMB'000        |
| Salaries, bonus and allowances | 540,219                 | 674,863        | 660,837        |
| Social welfare                 | 79,869                  | 87,705         | 94,656         |
| Defined contribution plans     | 86,493                  | 97,384         | 87,883         |
| Others                         | 27,982                  | 33,309         | 35,641         |
|                                | <u>734,563</u>          | <u>893,261</u> | <u>879,017</u> |

### 12. COMMISSION AND FEE EXPENSES

|                                                                       | Year ended December 31, |                |                |
|-----------------------------------------------------------------------|-------------------------|----------------|----------------|
|                                                                       | 2023                    | 2024           | 2025           |
|                                                                       | RMB'000                 | RMB'000        | RMB'000        |
| Asset management and fund management fee expenses                     | 265,375                 | 374,530        | 302,959        |
| Commission on securities and futures dealing and broking fee expenses | 88,106                  | 95,611         | 128,632        |
| Underwriting and sponsors’ fee expenses                               | 2,633                   | 7,832          | 13,021         |
| Other service expenses                                                | 170                     | 2,136          | 48             |
|                                                                       | <u>356,284</u>          | <u>480,109</u> | <u>444,660</u> |

### 13. INTEREST EXPENSES

|                                                                     | Year ended December 31, |                |                |
|---------------------------------------------------------------------|-------------------------|----------------|----------------|
|                                                                     | 2023                    | 2024           | 2025           |
|                                                                     | RMB'000                 | RMB'000        | RMB'000        |
| Presented below are interest expenses on the following liabilities: |                         |                |                |
| - Bonds payable and short-term financing payables                   | 333,062                 | 373,641        | 382,438        |
| - Financial assets sold under repurchase agreements                 | 292,779                 | 259,145        | 220,280        |
| - Due to banks and other financial institutions                     | 42,546                  | 38,185         | 63,563         |
| - Accounts payable to brokerage clients                             | 14,568                  | 13,617         | 9,136          |
| - Lease liabilities                                                 | 17,531                  | 16,653         | 14,854         |
| - Others                                                            | 28,625                  | 3,211          | 6,232          |
|                                                                     | <u>729,111</u>          | <u>704,452</u> | <u>696,503</u> |

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### 14. OTHER OPERATING EXPENSES

|                                                      | Year ended December 31, |                |                |
|------------------------------------------------------|-------------------------|----------------|----------------|
|                                                      | 2023                    | 2024           | 2025           |
|                                                      | RMB'000                 | RMB'000        | RMB'000        |
| General and administrative expenses                  | 69,351                  | 50,902         | 78,234         |
| Electronic equipment operating expenses              | 29,219                  | 43,169         | 51,336         |
| Business promotion expenses                          | 16,401                  | 26,622         | 31,810         |
| Consulting and professional services                 | 30,053                  | 22,302         | 15,929         |
| Taxes and surcharges                                 | 10,581                  | 15,420         | 14,009         |
| Property management expenses                         | 10,459                  | 11,037         | 11,695         |
| Business travel expenses                             | 11,090                  | 12,927         | 13,018         |
| Fees for securities and futures exchanges administer | 11,846                  | 12,691         | 14,282         |
| Business entertainment expenses                      | 20,140                  | 11,983         | 10,051         |
| Securities and futures investor protection funds     | 8,743                   | 11,474         | 11,548         |
| Data transmission expenses                           | 13,832                  | 9,706          | 10,512         |
| Leasing fee                                          | 5,734                   | 1,389          | 971            |
| Auditors’ remuneration                               | 2,195                   | 1,168          | 1,143          |
| Others                                               | 16,698                  | 17,845         | 28,102         |
|                                                      | <u>256,342</u>          | <u>248,635</u> | <u>292,640</u> |

### 15. CREDIT LOSS EXPENSE AND IMPAIRMENT LOSSES, NET OF REVERSAL

|                                                 | Year ended December 31, |               |                 |
|-------------------------------------------------|-------------------------|---------------|-----------------|
|                                                 | 2023                    | 2024          | 2025            |
|                                                 | RMB'000                 | RMB'000       | RMB'000         |
| Credit loss expense:                            |                         |               |                 |
| - Financial assets held under resale agreements | 37,724                  | (3,256)       | (52,701)        |
| - Advances to customers                         | 137                     | 2,176         | (412)           |
| - Accounts receivables                          | 451                     | 4,721         | 592             |
| - Other receivables                             | 812                     | 16,750        | 13,225          |
| - Debt instruments at FVTOCI                    | 2,780                   | 3,769         | 6,545           |
|                                                 | <u>41,904</u>           | <u>24,160</u> | <u>(32,751)</u> |
| Subtotal                                        |                         |               |                 |
| Impairment losses:                              |                         |               |                 |
| - Investment properties                         | —                       | —             | 5,916           |
|                                                 | <u>41,904</u>           | <u>24,160</u> | <u>(26,835)</u> |
| Total                                           |                         |               |                 |

Details of financial assets’ impairment assessment for the Relevant Periods are set out in note 58 to the Historical Financial Information.

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## ACCOUNTANTS’ REPORT

### 16. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

The remuneration of directors and supervisors of the Company recorded during the Relevant Periods is set out below:

|                                               | Year ended December 31, |         |         |
|-----------------------------------------------|-------------------------|---------|---------|
|                                               | 2023                    | 2024    | 2025    |
|                                               | RMB’000                 | RMB’000 | RMB’000 |
| Fees                                          | 800                     | 800     | 800     |
| Other emoluments:                             |                         |         |         |
| Salaries and allowances                       | 5,238                   | 4,457   | 4,167   |
| Bonuses                                       | 2,933                   | —       | —       |
| Social welfare and defined contribution plans | 919                     | 1,220   | 971     |
| Total                                         | 9,890                   | 6,477   | 5,938   |

#### For the year ended December 31, 2023

| Name                          | Fees    | Salaries and allowances | Social welfare and defined contribution plans | Bonuses | Total   |
|-------------------------------|---------|-------------------------|-----------------------------------------------|---------|---------|
|                               | RMB’000 | RMB’000                 | RMB’000                                       | RMB’000 | RMB’000 |
| <b>Directors:</b>             |         |                         |                                               |         |         |
| Bi Jinsong (1)                | —       | 1,603                   | 205                                           | 818     | 2,626   |
| Cheng Jialin (1)              | —       | 1,295                   | 205                                           | 821     | 2,321   |
| Su ZhaoHui                    | —       | —                       | —                                             | —       | —       |
| Liu Huibin (4)                | —       | —                       | —                                             | —       | —       |
| Qin Yi (4)                    | —       | —                       | —                                             | —       | —       |
| Ma Jiaqi (2)                  | —       | —                       | —                                             | —       | —       |
| Yang Weibin (3)               | —       | —                       | —                                             | —       | —       |
| Ren Yuhang                    | —       | —                       | —                                             | —       | —       |
| Tian Ye                       | —       | —                       | —                                             | —       | —       |
| <b>Independent directors:</b> |         |                         |                                               |         |         |
| Ye Lin                        | 200     | —                       | —                                             | —       | 200     |
| Wang Xixin                    | 200     | —                       | —                                             | —       | 200     |
| Zhang Jianhua (5)             | 67      | —                       | —                                             | —       | 67      |
| Rong Jian (5)                 | 67      | —                       | —                                             | —       | 67      |
| Ye Jinfu (8)                  | 133     | —                       | —                                             | —       | 133     |
| Feng Bo (8)                   | 133     | —                       | —                                             | —       | 133     |
| <b>Supervisors:</b>           |         |                         |                                               |         |         |
| Li Zhang (6)                  | —       | —                       | —                                             | —       | —       |
| Han Xuesong                   | —       | —                       | —                                             | —       | —       |
| Yang Ling                     | —       | 702                     | 205                                           | 417     | 1,324   |
| Liu Meijun                    | —       | 724                     | 205                                           | 400     | 1,329   |
| Zhang Jiantong (1)(9)         | —       | 914                     | 99                                            | 477     | 1,490   |
| Zhu Lijin                     | —       | —                       | —                                             | —       | —       |
| Total                         | 800     | 5,238                   | 919                                           | 2,933   | 9,890   |

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## ACCOUNTANTS’ REPORT

For the year ended December 31, 2024

| <u>Name</u>                   | <u>Fees</u>    | <u>Salaries and allowances</u> | <u>Social welfare and defined contribution plans</u> | <u>Bonuses</u> | <u>Total</u>   |
|-------------------------------|----------------|--------------------------------|------------------------------------------------------|----------------|----------------|
|                               | <i>RMB'000</i> | <i>RMB'000</i>                 | <i>RMB'000</i>                                       | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Directors:</b>             |                |                                |                                                      |                |                |
| Bi Jinsong (1)                | —              | 963                            | 215                                                  | —              | 1,178          |
| Zhang Tao (1)(11)             | —              | 698                            | 162                                                  | —              | 860            |
| Cheng Jialin (1)              | —              | 807                            | 215                                                  | —              | 1,022          |
| Liu Huibin                    | —              | —                              | —                                                    | —              | —              |
| Qin Yi                        | —              | —                              | —                                                    | —              | —              |
| Li Yang (12)                  | —              | —                              | —                                                    | —              | —              |
| Tian Ye                       | —              | —                              | —                                                    | —              | —              |
| Su Zhaohui (13)               | —              | —                              | —                                                    | —              | —              |
| Ren Yuhang (14)               | —              | —                              | —                                                    | —              | —              |
| <b>Independent directors:</b> |                |                                |                                                      |                |                |
| Ye Lin                        | 200            | —                              | —                                                    | —              | 200            |
| Wang Xixin                    | 200            | —                              | —                                                    | —              | 200            |
| Zhang Jianhua                 | 200            | —                              | —                                                    | —              | 200            |
| Rong Jian                     | 200            | —                              | —                                                    | —              | 200            |
| <b>Supervisors:</b>           |                |                                |                                                      |                |                |
| Li Zhang                      | —              | —                              | —                                                    | —              | —              |
| Han Xuesong                   | —              | —                              | —                                                    | —              | —              |
| Yang Ling                     | —              | 698                            | 215                                                  | —              | 913            |
| Liu Meijun                    | —              | 756                            | 215                                                  | —              | 971            |
| Gao Wenbin (1)(7)             | —              | 535                            | 198                                                  | —              | 733            |
| Zhu Lijin (10)                | —              | —                              | —                                                    | —              | —              |
| Total                         | <u>800</u>     | <u>4,457</u>                   | <u>1,220</u>                                         | <u>—</u>       | <u>6,477</u>   |

The remuneration of 2024 is the total amount of compensation attributable and received during the year.

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## ACCOUNTANTS’ REPORT

For the year ended December 31, 2025

| Name                          | Fees       | Salaries and allowances | Social welfare and defined contribution plans | Bonuses  | Total        |
|-------------------------------|------------|-------------------------|-----------------------------------------------|----------|--------------|
|                               | RMB'000    | RMB'000                 | RMB'000                                       | RMB'000  | RMB'000      |
| <b>Directors:</b>             |            |                         |                                               |          |              |
| Bi Jinsong (1)(17)            | —          | 882                     | 176                                           | —        | 1,058        |
| Zhang Tao (1)                 | —          | 963                     | 196                                           | —        | 1,159        |
| Cheng Jialin (1)              | —          | 807                     | 193                                           | —        | 1,000        |
| Liu Huibin (1)                | —          | 80                      | 17                                            | —        | 97           |
| Liu Meijun (16)               | —          | 65                      | 17                                            | —        | 82           |
| Qin Yi                        | —          | —                       | —                                             | —        | —            |
| Li Yang                       | —          | —                       | —                                             | —        | —            |
| Tian Ye                       | —          | —                       | —                                             | —        | —            |
| <b>Independent directors:</b> |            |                         |                                               |          |              |
| Ye Lin                        | 200        | —                       | —                                             | —        | 200          |
| Wang Xixin                    | 200        | —                       | —                                             | —        | 200          |
| Zhang Jianhua                 | 200        | —                       | —                                             | —        | 200          |
| Rong Jian                     | 200        | —                       | —                                             | —        | 200          |
| <b>Supervisors:</b>           |            |                         |                                               |          |              |
| Li Zhang (15)                 | —          | —                       | —                                             | —        | —            |
| Han Xuesong (15)              | —          | —                       | —                                             | —        | —            |
| Yang Ling (15)                | —          | 468                     | 124                                           | —        | 592          |
| Liu Meijun (15)               | —          | 511                     | 124                                           | —        | 635          |
| Gao Wenbin (1)(15)            | —          | 391                     | 124                                           | —        | 515          |
| Total                         | <u>800</u> | <u>4,167</u>            | <u>971</u>                                    | <u>—</u> | <u>5,938</u> |

The remuneration of 2025 is the total amount of compensation attributable and received during the year. Part of the remuneration is still under verification, and the unverified portion has not been disclosed temporarily. It will be disclosed in subsequent periodic reports.

- (1) Pursuant to the PRC relevant regulations, a portion of the performance-based bonus for certain directors and supervisors are deferred for a maximum of 3 years contingent upon the future performance.
- (2) Resigned as a director in February 2023.
- (3) Resigned as a director in April 2023.
- (4) Appointed as a director in September 2023.
- (5) Appointed as an independent director in September 2023.
- (6) Appointed as a supervisor in September 2023.
- (7) Appointed as a supervisor in February 2024.
- (8) Resigned as an independent director in September 2023.
- (9) Resigned as a supervisor in July 2023.
- (10) Resigned as a supervisor in January 2024.
- (11) Appointed as a director in May 2024.
- (12) Appointed as a director in December 2024.
- (13) Resigned as a director in April 2024.
- (14) Resigned as a director in December 2024.
- (15) Resigned as a supervisor in August 2025.
- (16) Appointed as a director in December 2025.
- (17) Resigned as a director in November 2025.
- (18) There were no amounts paid during the Relevant Periods to the directors and supervisors in connection with their retirement from employment or compensation for loss of office with the Group, or inducement to join. There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

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## ACCOUNTANTS’ REPORT

### 17. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid employees during the years ended December 31, 2023, 2024 and 2025 included zero, zero and zero director, respectively, details of whose remuneration are set out in note 16 above. Details of the remuneration for the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

|                         | Year ended December 31, |               |               |
|-------------------------|-------------------------|---------------|---------------|
|                         | 2023                    | 2024          | 2025          |
|                         | RMB'000                 | RMB'000       | RMB'000       |
| Salaries and allowances | 2,729                   | 2,986         | 2,730         |
| Bonuses                 | 13,366                  | 15,268        | 12,531        |
|                         | <u>16,095</u>           | <u>18,254</u> | <u>15,261</u> |

The numbers of the highest paid employees whose remuneration fell within the following bands are as follows:

|                                | Number of employees     |          |          |
|--------------------------------|-------------------------|----------|----------|
|                                | Year ended December 31, |          |          |
|                                | 2023                    | 2024     | 2025     |
|                                | RMB'000                 | RMB'000  | RMB'000  |
| Emolument bands                |                         |          |          |
| - RMB1,000,001 to RMB2,000,000 | —                       | —        | —        |
| - RMB2,000,001 to RMB3,000,000 | 3                       | 2        | 3        |
| - RMB3,000,001 to RMB4,000,000 | 1                       | 2        | 2        |
| - RMB4,000,001 to RMB5,000,000 | —                       | 1        | —        |
| - RMB5,000,001 to RMB6,000,000 | 1                       | —        | —        |
| - RMB6,000,001 to RMB7,000,000 | —                       | —        | —        |
|                                | <u>5</u>                | <u>5</u> | <u>5</u> |

### 18. INCOME TAX EXPENSE

Under the Corporate Income Tax Law of the PRC (the “CIT”), the statutory tax rate of the Company and its subsidiaries in Chinese mainland is 25%, except for Wangjing Private Equity, whose statutory tax rate is 20%.

|                                                | Year ended December 31, |                 |                |
|------------------------------------------------|-------------------------|-----------------|----------------|
|                                                | 2023                    | 2024            | 2025           |
|                                                | RMB'000                 | RMB'000         | RMB'000        |
| Current income tax                             |                         |                 |                |
| PRC Enterprise Income Tax                      | 22,897                  | 167,569         | 215,668        |
| Underprovision/(overprovision) in prior years: |                         |                 |                |
| PRC Enterprise Income Tax                      | —                       | (220)           | —              |
| Subtotal                                       | <u>22,897</u>           | <u>167,349</u>  | <u>215,668</u> |
| Deferred income tax                            | <u>68,571</u>           | <u>(14,209)</u> | <u>(5,271)</u> |
|                                                | <u>91,468</u>           | <u>153,140</u>  | <u>210,397</u> |

According to the Law of the People’s Republic of China on Enterprise Income Tax and its implementing regulations,

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## ACCOUNTANTS’ REPORT

the Announcement on Further Implementing the Preferential Income Tax Policy for Small and Micro Enterprises (Caishui [2022] No. 13), and Announcement on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individually-Owned Businesses (Caishui [2023] No. 12), from January 1, 2022 to December 31, 2027, the portion of the annual taxable income of small and micro profit enterprises that exceeding RMB1 million but not exceeding RMB3 million shall be included in the taxable income reduced by 25% and paying corporate income tax at a rate of 20%. Wangjing Private Equity, the subsidiary of the Company, complies with the above-mentioned tax reduction and exemption policies for small and micro profit enterprises for the years 2023, 2024 and 2025.

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

|                                                                               | Year ended December 31, |           |           |
|-------------------------------------------------------------------------------|-------------------------|-----------|-----------|
|                                                                               | 2023                    | 2024      | 2025      |
|                                                                               | RMB'000                 | RMB'000   | RMB'000   |
| Profit before income tax                                                      | 792,567                 | 1,138,287 | 1,266,614 |
| Tax at the statutory tax rate of 25%                                          | 198,142                 | 284,572   | 316,654   |
| Effect of different tax rates of subsidiaries                                 | (39)                    | (147)     | 100       |
| Tax effect of share of profits and losses of an associate and a joint venture | (8,263)                 | (694)     | (5,967)   |
| Tax effect of expenses not deductible for tax purposes                        | 6,566                   | 3,214     | 23,350    |
| Tax effect of income not taxable for tax purposes and other adjustments*      | (104,938)               | (133,585) | (135,660) |
| Overprovision in respect of prior years                                       | —                       | (220)     | —         |
| Others                                                                        | —                       | —         | 11,920    |
| Income tax expense for the year                                               | 91,468                  | 153,140   | 210,397   |
| The effective income tax rate                                                 | 11.54%                  | 13.45%    | 16.61%    |

\* Mainly including interest income from local government bonds, national debt and perpetual bonds which is not taxable.

### 19. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company and the number of ordinary shares in issue during the year.

|                                                       | Year ended December 31, |           |           |
|-------------------------------------------------------|-------------------------|-----------|-----------|
|                                                       | 2023                    | 2024      | 2025      |
| Profit attributable to owners of the Company          | 701,039                 | 984,888   | 1,056,403 |
| Weighted average number of shares in issue (thousand) | 2,733,334               | 2,733,334 | 2,733,334 |
| Basic earnings per share (in RMB)                     | 0.26                    | 0.36      | 0.39      |

There were no potential dilutive ordinary shares in issue for the Relevant Periods.

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## ACCOUNTANTS’ REPORT

### 20. PROPERTY, PLANT AND EQUIPMENT

#### The Group

|                                 | <b>Buildings</b> | <b>Electronic and<br/>communication<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Office<br/>equipment</b> | <b>Leasehold<br/>improvements</b> | <b>Others</b>  | <b>Total</b>   |
|---------------------------------|------------------|-------------------------------------------------------|---------------------------|-----------------------------|-----------------------------------|----------------|----------------|
|                                 | <i>RMB'000</i>   | <i>RMB'000</i>                                        | <i>RMB'000</i>            | <i>RMB'000</i>              | <i>RMB'000</i>                    | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Cost</b>                     |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2023           | 21,704           | 47,614                                                | 9,166                     | 8,655                       | 55,846                            | 943            | 143,928        |
| Additions                       | —                | 3,919                                                 | 499                       | 931                         | 5,376                             | 3              | 10,728         |
| Disposals/write-off             | —                | (2,630)                                               | —                         | (365)                       | (1,222)                           | (141)          | (4,358)        |
| As at December 31, 2023         | 21,704           | 48,903                                                | 9,665                     | 9,221                       | 60,000                            | 805            | 150,298        |
| <b>Accumulated depreciation</b> |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2023           | 1,671            | 26,498                                                | 8,712                     | 3,297                       | 13,649                            | 678            | 54,505         |
| Charge for the year             | 993              | 8,370                                                 | —                         | 1,340                       | 11,981                            | 90             | 22,774         |
| Disposals/write-off             | —                | (2,395)                                               | —                         | (348)                       | (1,222)                           | (136)          | (4,101)        |
| As at December 31, 2023         | 2,664            | 32,473                                                | 8,712                     | 4,289                       | 24,408                            | 632            | 73,178         |
| <b>Carrying amounts</b>         |                  |                                                       |                           |                             |                                   |                |                |
| As at December 31, 2022         | 20,033           | 21,116                                                | 454                       | 5,358                       | 42,197                            | 265            | 89,423         |
| As at December 31, 2023         | 19,040           | 16,430                                                | 953                       | 4,932                       | 35,592                            | 173            | 77,120         |
| <b>Cost</b>                     |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2024           | 21,704           | 48,903                                                | 9,665                     | 9,221                       | 60,000                            | 805            | 150,298        |
| Additions                       | —                | 6,061                                                 | —                         | 580                         | 8,954                             | —              | 15,595         |
| Disposals/write-off             | —                | (2,053)                                               | —                         | (346)                       | (5,151)                           | —              | (7,550)        |
| As at December 31, 2024         | 21,704           | 52,911                                                | 9,665                     | 9,455                       | 63,803                            | 805            | 158,343        |
| <b>Accumulated depreciation</b> |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2024           | 2,664            | 32,473                                                | 8,712                     | 4,289                       | 24,408                            | 632            | 73,178         |
| Charge for the year             | 993              | 8,605                                                 | 119                       | 1,406                       | 14,021                            | 65             | 25,209         |
| Disposals/write-off             | —                | (1,906)                                               | —                         | (314)                       | (5,151)                           | —              | (7,371)        |

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## ACCOUNTANTS’ REPORT

|                                 | <b>Buildings</b> | <b>Electronic and<br/>communication<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Office<br/>equipment</b> | <b>Leasehold<br/>improvements</b> | <b>Others</b>  | <b>Total</b>   |
|---------------------------------|------------------|-------------------------------------------------------|---------------------------|-----------------------------|-----------------------------------|----------------|----------------|
|                                 | <i>RMB'000</i>   | <i>RMB'000</i>                                        | <i>RMB'000</i>            | <i>RMB'000</i>              | <i>RMB'000</i>                    | <i>RMB'000</i> | <i>RMB'000</i> |
| As at December 31, 2024         | 3,657            | 39,172                                                | 8,831                     | 5,381                       | 33,278                            | 697            | 91,016         |
| <b>Carrying amounts</b>         |                  |                                                       |                           |                             |                                   |                |                |
| As at December 31, 2023         | 19,040           | 16,430                                                | 953                       | 4,932                       | 35,592                            | 173            | 77,120         |
| As at December 31, 2024         | 18,047           | 13,739                                                | 834                       | 4,074                       | 30,525                            | 108            | 67,327         |
| <b>Cost</b>                     |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2025           | 21,704           | 52,911                                                | 9,665                     | 9,455                       | 63,803                            | 805            | 158,343        |
| Additions                       | 98,204           | 9,160                                                 | 160                       | 702                         | 5,481                             | —              | 113,707        |
| Transfer                        | 20,543           | —                                                     | —                         | —                           | —                                 | —              | 20,543         |
| Disposals/write-off             | —                | (1,878)                                               | (179)                     | (422)                       | (3,741)                           | —              | (6,220)        |
| As at December 31, 2025         | 140,451          | 60,193                                                | 9,646                     | 9,735                       | 65,543                            | 805            | 286,373        |
| <b>Accumulated depreciation</b> |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2025           | 3,657            | 39,172                                                | 8,831                     | 5,381                       | 33,278                            | 697            | 91,016         |
| Charge for the year             | 2,525            | 6,523                                                 | 141                       | 1,442                       | 13,607                            | 32             | 24,270         |
| Transfer                        | 610              | —                                                     | —                         | —                           | —                                 | —              | 610            |
| Disposals/write-off             | —                | (1,785)                                               | (174)                     | (399)                       | (3,741)                           | —              | (6,099)        |
| As at December 31, 2025         | 6,792            | 43,910                                                | 8,798                     | 6,424                       | 43,144                            | 729            | 109,797        |
| <b>Carrying amounts</b>         |                  |                                                       |                           |                             |                                   |                |                |
| As at December 31, 2024         | 18,047           | 13,739                                                | 834                       | 4,074                       | 30,525                            | 108            | 67,327         |
| As at December 31, 2025         | 133,659          | 16,283                                                | 848                       | 3,311                       | 22,399                            | 76             | 176,576        |

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## ACCOUNTANTS’ REPORT

### The Company

|                                 | <b>Buildings</b> | <b>Electronic and<br/>communication<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Office<br/>equipment</b> | <b>Leasehold<br/>improvements</b> | <b>Others</b>  | <b>Total</b>   |
|---------------------------------|------------------|-------------------------------------------------------|---------------------------|-----------------------------|-----------------------------------|----------------|----------------|
|                                 | <i>RMB'000</i>   | <i>RMB'000</i>                                        | <i>RMB'000</i>            | <i>RMB'000</i>              | <i>RMB'000</i>                    | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Cost</b>                     |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2023           | 21,704           | 39,582                                                | 9,166                     | 8,267                       | 54,040                            | 854            | 133,613        |
| Additions                       | —                | 3,673                                                 | 499                       | 759                         | 5,044                             | 2              | 9,977          |
| Disposals/write-off             | —                | (2,469)                                               | —                         | (249)                       | (1,222)                           | (141)          | (4,081)        |
| As at December 31, 2023         | 21,704           | 40,786                                                | 9,665                     | 8,777                       | 57,862                            | 715            | 139,509        |
| <b>Accumulated depreciation</b> |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2023           | 1,671            | 22,640                                                | 8,712                     | 3,029                       | 12,710                            | 600            | 49,362         |
| Charge for the year             | 993              | 6,615                                                 | —                         | 1,233                       | 11,484                            | 82             | 20,407         |
| Disposals/write-off             | —                | (2,249)                                               | —                         | (235)                       | (1,222)                           | (136)          | (3,842)        |
| As at December 31, 2023         | 2,664            | 27,006                                                | 8,712                     | 4,027                       | 22,972                            | 546            | 65,927         |
| <b>Carrying amounts</b>         |                  |                                                       |                           |                             |                                   |                |                |
| As at December 31, 2022         | 20,033           | 16,942                                                | 454                       | 5,238                       | 41,330                            | 254            | 84,251         |
| As at December 31, 2023         | 19,040           | 13,780                                                | 953                       | 4,750                       | 34,890                            | 169            | 73,582         |
| <b>Cost</b>                     |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2024           | 21,704           | 40,786                                                | 9,665                     | 8,777                       | 57,862                            | 715            | 139,509        |
| Additions                       | —                | 4,708                                                 | —                         | 469                         | 4,948                             | —              | 10,125         |
| Disposals/write-off             | —                | (1,416)                                               | —                         | (291)                       | (3,839)                           | —              | (5,546)        |
| As at December 31, 2024         | 21,704           | 44,078                                                | 9,665                     | 8,955                       | 58,971                            | 715            | 144,088        |
| <b>Accumulated depreciation</b> |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2024           | 2,664            | 27,006                                                | 8,712                     | 4,027                       | 22,972                            | 546            | 65,927         |
| Charge for the year             | 993              | 6,813                                                 | 119                       | 1,300                       | 13,270                            | 65             | 22,560         |
| Disposals/write-off             | —                | (1,320)                                               | —                         | (267)                       | (3,839)                           | —              | (5,426)        |
| As at December 31, 2024         | 3,657            | 32,499                                                | 8,831                     | 5,060                       | 32,403                            | 611            | 83,061         |
| <b>Carrying amounts</b>         |                  |                                                       |                           |                             |                                   |                |                |
| As at December 31, 2023         | 19,040           | 13,780                                                | 953                       | 4,750                       | 34,890                            | 169            | 73,582         |
| As at December 31, 2024         | 18,047           | 11,579                                                | 834                       | 3,895                       | 26,568                            | 104            | 61,027         |

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## ACCOUNTANTS’ REPORT

|                                 | <b>Buildings</b> | <b>Electronic and<br/>communication<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Office<br/>equipment</b> | <b>Leasehold<br/>improvements</b> | <b>Others</b>  | <b>Total</b>   |
|---------------------------------|------------------|-------------------------------------------------------|---------------------------|-----------------------------|-----------------------------------|----------------|----------------|
|                                 | <i>RMB'000</i>   | <i>RMB'000</i>                                        | <i>RMB'000</i>            | <i>RMB'000</i>              | <i>RMB'000</i>                    | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Cost</b>                     |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2025           | 21,704           | 44,078                                                | 9,665                     | 8,955                       | 58,971                            | 715            | 144,088        |
| Additions                       | 98,204           | 8,487                                                 | 160                       | 566                         | 5,190                             | —              | 112,607        |
| Transfer                        | 20,543           | —                                                     | —                         | —                           | —                                 | —              | 20,543         |
| Disposals/write-off             | —                | (766)                                                 | (179)                     | (422)                       | (3,247)                           | —              | (4,614)        |
| As at December 31, 2025         | 140,451          | 51,799                                                | 9,646                     | 9,099                       | 60,914                            | 715            | 272,624        |
| <b>Accumulated depreciation</b> |                  |                                                       |                           |                             |                                   |                |                |
| As at January 1, 2025           | 3,657            | 32,499                                                | 8,831                     | 5,060                       | 32,403                            | 611            | 83,061         |
| Charge for the year             | 2,525            | 5,542                                                 | 141                       | 1,328                       | 12,400                            | 32             | 21,968         |
| Transfer                        | 610              | —                                                     | —                         | —                           | —                                 | —              | 610            |
| Disposals/write-off             | —                | (708)                                                 | (174)                     | (399)                       | (3,247)                           | —              | (4,528)        |
| As at December 31, 2025         | 6,792            | 37,333                                                | 8,798                     | 5,989                       | 41,556                            | 643            | 101,111        |
| <b>Carrying amounts</b>         |                  |                                                       |                           |                             |                                   |                |                |
| As at December 31, 2024         | 18,047           | 11,579                                                | 834                       | 3,895                       | 26,568                            | 104            | 61,027         |
| As at December 31, 2025         | 133,659          | 14,466                                                | 848                       | 3,110                       | 19,358                            | 72             | 171,513        |

### 21. INVESTMENT PROPERTIES

#### The Group

|                                 | <b>As at December 31,</b> |                |                |
|---------------------------------|---------------------------|----------------|----------------|
|                                 | <b>2023</b>               | <b>2024</b>    | <b>2025</b>    |
|                                 | <i>RMB'000</i>            | <i>RMB'000</i> | <i>RMB'000</i> |
| <b>Cost</b>                     |                           |                |                |
| At the beginning of the year    | —                         | 17,700         | 38,243         |
| Additions                       | 17,700                    | 20,543         | —              |
| Transfers during the year       | —                         | —              | (20,543)       |
| At the end of the year          | 17,700                    | 38,243         | 17,700         |
| <b>Accumulated depreciation</b> |                           |                |                |
| At the beginning of the year    | —                         | 420            | 1,261          |
| Charge for the year             | 420                       | 841            | 1,297          |
| Transfers during the year       | —                         | —              | (610)          |
| At the end of the year          | 420                       | 1,261          | 1,948          |
| <b>Accumulated impairment</b>   |                           |                |                |
| At the beginning of the year    | —                         | —              | —              |
| Charge for the year             | —                         | —              | 5,915          |
| At the end of the year          | —                         | —              | 5,915          |
| <b>Carrying amount</b>          |                           |                |                |
| Beginning of the year           | —                         | 17,280         | 36,982         |
| End of the year                 | 17,280                    | 36,982         | 9,837          |

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## ACCOUNTANTS’ REPORT

### The Company

|                                 | As at December 31, |         |          |
|---------------------------------|--------------------|---------|----------|
|                                 | 2023               | 2024    | 2025     |
|                                 | RMB'000            | RMB'000 | RMB'000  |
| <b>Cost</b>                     |                    |         |          |
| At the beginning of the year    | —                  | —       | 20,543   |
| Additions                       | —                  | 20,543  | —        |
| Transfers during the year       | —                  | —       | (20,543) |
|                                 | —                  | —       | —        |
| At the end of the year          | —                  | 20,543  | —        |
| <b>Accumulated depreciation</b> |                    |         |          |
| At the beginning of the year    | —                  | —       | —        |
| Charge for the year             | —                  | —       | 610      |
| Transfers during the year       | —                  | —       | (610)    |
|                                 | —                  | —       | —        |
| At the end of the year          | —                  | —       | —        |
| <b>Accumulated impairment</b>   |                    |         |          |
| At the beginning of the year    | —                  | —       | —        |
| Charge for the year             | —                  | —       | —        |
|                                 | —                  | —       | —        |
| At the end of the year          | —                  | —       | —        |
| <b>Carrying amount</b>          |                    |         |          |
| Beginning of the year           | —                  | —       | 20,543   |
| End of the year                 | —                  | 20,543  | —        |

The Group’s investment properties are located in Beijing and Qinhuangdao. The investment properties are leased to third parties under operating leases. The properties are measured initially and subsequently at cost. Depreciation of the Group is calculated on the straight-line basis of 20 years. At the end of each of the Relevant Periods, the fair values of the Group’s investment properties were within level 3 hierarchy and approximated to the carrying amounts.

## 22. LEASES

### Group as a lessee

The Group has lease contracts for buildings between 1 and 10 years.

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## ACCOUNTANTS’ REPORT

### (a) RIGHT-OF-USE ASSETS

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

#### The Group

|                                 | As at December 31, |          |          |
|---------------------------------|--------------------|----------|----------|
|                                 | 2023               | 2024     | 2025     |
|                                 | RMB'000            | RMB'000  | RMB'000  |
| <b>Cost</b>                     |                    |          |          |
| At the beginning of the year    | 452,817            | 459,458  | 483,232  |
| Additions                       | 33,638             | 58,406   | 10,892   |
| Deductions                      | (26,997)           | (34,632) | (24,880) |
| At the end of the year          | 459,458            | 483,232  | 469,244  |
| <b>Accumulated depreciation</b> |                    |          |          |
| At the beginning of the year    | 91,138             | 129,875  | 165,951  |
| Charge for the year             | 60,351             | 65,846   | 64,282   |
| Deductions                      | (21,614)           | (29,770) | (22,492) |
| At the end of the year          | 129,875            | 165,951  | 207,741  |
| <b>Carrying amount</b>          |                    |          |          |
| Beginning of the year           | 361,679            | 329,583  | 317,281  |
| End of the year                 | 329,583            | 317,281  | 261,503  |

#### The Company

|                                 | As at December 31, |          |          |
|---------------------------------|--------------------|----------|----------|
|                                 | 2023               | 2024     | 2025     |
|                                 | RMB'000            | RMB'000  | RMB'000  |
| <b>Cost</b>                     |                    |          |          |
| At the beginning of the year    | 438,895            | 444,171  | 461,441  |
| Additions                       | 32,273             | 38,295   | 10,322   |
| Deductions                      | (26,997)           | (21,025) | (24,565) |
| At the end of the year          | 444,171            | 461,441  | 447,198  |
| <b>Accumulated depreciation</b> |                    |          |          |
| At the beginning of the year    | 83,870             | 118,455  | 161,998  |
| Charge for the year             | 56,199             | 60,056   | 59,810   |
| Deductions                      | (21,614)           | (16,513) | (22,176) |
| At the end of the year          | 118,455            | 161,998  | 199,632  |
| <b>Carrying amount</b>          |                    |          |          |
| Beginning of the year           | 355,025            | 325,716  | 299,443  |
| End of the year                 | 325,716            | 299,443  | 247,566  |

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## ACCOUNTANTS’ REPORT

### (b) LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

#### The Group

|                                                  | Year ended December 31, |                |                |
|--------------------------------------------------|-------------------------|----------------|----------------|
|                                                  | 2023                    | 2024           | 2025           |
|                                                  | RMB'000                 | RMB'000        | RMB'000        |
| At the beginning of the year                     | 407,640                 | 376,696        | 380,734        |
| New leases                                       | 33,638                  | 58,406         | 10,892         |
| Accretion of interest recognized during the year | 17,531                  | 16,653         | 14,854         |
| Payments                                         | (82,113)                | (71,021)       | (90,321)       |
| At the end of the year                           | <u>376,696</u>          | <u>380,734</u> | <u>316,159</u> |

|                          | As at December 31, |                |                |
|--------------------------|--------------------|----------------|----------------|
|                          | 2023               | 2024           | 2025           |
|                          | RMB'000            | RMB'000        | RMB'000        |
| Properties and buildings |                    |                |                |
| Current                  | 52,650             | 75,413         | 68,311         |
| Non-current              | 324,046            | 305,321        | 247,848        |
| Total                    | <u>376,696</u>     | <u>380,734</u> | <u>316,159</u> |

The maturity analysis of lease liabilities is as follows:

|                                   | As at December 31, |                |                |
|-----------------------------------|--------------------|----------------|----------------|
|                                   | 2023               | 2024           | 2025           |
|                                   | RMB'000            | RMB'000        | RMB'000        |
| Less than 1 year                  | 68,762             | 95,690         | 73,693         |
| More than 1 but less than 5 years | 217,754            | 231,195        | 253,782        |
| More than 5 years                 | 158,726            | 109,785        | 18,947         |
| Undiscounted lease liabilities    | <u>445,242</u>     | <u>436,670</u> | <u>346,422</u> |

The amounts recognized in profit or loss in relation to leases are as follows:

|                                                                      | Year ended December 31, |               |               |
|----------------------------------------------------------------------|-------------------------|---------------|---------------|
|                                                                      | 2023                    | 2024          | 2025          |
|                                                                      | RMB'000                 | RMB'000       | RMB'000       |
| Interest on lease liabilities                                        | 17,531                  | 16,653        | 14,854        |
| Depreciation charge of right-of-use assets                           | 60,351                  | 65,846        | 64,282        |
| Expense relating to short-term leases and leases of low-value assets | 5,734                   | 1,389         | 971           |
| Total amount recognized in profit or loss                            | <u>83,616</u>           | <u>83,888</u> | <u>80,107</u> |

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## ACCOUNTANTS’ REPORT

### The Company

|                                                  | Year ended December 31, |          |          |
|--------------------------------------------------|-------------------------|----------|----------|
|                                                  | 2023                    | 2024     | 2025     |
|                                                  | RMB'000                 | RMB'000  | RMB'000  |
| At the beginning of the year                     | 400,475                 | 372,479  | 362,024  |
| New leases                                       | 32,273                  | 38,295   | 10,322   |
| Accretion of interest recognized during the year | 17,264                  | 16,325   | 14,185   |
| Payments                                         | (77,533)                | (65,075) | (85,207) |
| At the end of the year                           | 372,479                 | 362,024  | 301,324  |

  

|                          | As at December 31, |         |         |
|--------------------------|--------------------|---------|---------|
|                          | 2023               | 2024    | 2025    |
|                          | RMB'000            | RMB'000 | RMB'000 |
| Properties and buildings |                    |         |         |
| Current                  | 49,331             | 71,238  | 64,204  |
| Non-current              | 323,148            | 290,786 | 237,120 |
| Total                    | 372,479            | 362,024 | 301,324 |

### Group as a lessor

The Group leases its properties in Beijing under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognized by the Group in the years ended December 31, 2023, 2024 and 2025 was nil, RMB5,429 and RMB1,285,058 respectively.

At the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Group and the Company in future periods under non-cancellable operating leases with its tenants are as follows:

|                                        | As at December 31, |         |         |
|----------------------------------------|--------------------|---------|---------|
|                                        | 2023               | 2024    | 2025    |
|                                        | RMB'000            | RMB'000 | RMB'000 |
| Within one year                        | —                  | 2,260   | —       |
| After one year but within two years    | —                  | 2,373   | —       |
| After two years but within three years | —                  | 600     | —       |
| After three years                      | —                  | —       | —       |
| Total                                  | —                  | 5,233   | —       |

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## ACCOUNTANTS’ REPORT

### 23. OTHER INTANGIBLE ASSETS

#### The Group

|                          | Computer<br>software | Trading<br>rights | Total   |
|--------------------------|----------------------|-------------------|---------|
|                          | RMB'000              | RMB'000           | RMB'000 |
| <b>Cost</b>              |                      |                   |         |
| As at January 1, 2023    | 190,788              | 26,798            | 217,586 |
| Additions                | 58,838               | —                 | 58,838  |
| Transfer out             | —                    | (1,400)           | (1,400) |
| As at December 31, 2023  | 249,626              | 25,398            | 275,024 |
| Accumulated amortization |                      |                   |         |
| As at January 1, 2023    | 78,334               | 25,331            | 103,665 |
| Charge for the year      | 18,273               | 50                | 18,323  |
| As at December 31, 2023  | 96,607               | 25,381            | 121,988 |
| Carrying amounts         |                      |                   |         |
| As at December 31, 2022  | 112,454              | 1,467             | 113,921 |
| As at December 31, 2023  | 153,019              | 17                | 153,036 |
| <b>Cost</b>              |                      |                   |         |
| As at January 1, 2024    | 249,626              | 25,398            | 275,024 |
| Additions                | 62,434               | —                 | 62,434  |
| Disposals/write-off      | (318)                | —                 | (318)   |
| As at December 31, 2024  | 311,742              | 25,398            | 337,140 |
| Accumulated amortization |                      |                   |         |
| As at January 1, 2024    | 96,607               | 25,381            | 121,988 |
| Charge for the year      | 23,724               | 17                | 23,741  |
| Disposals/write-off      | (318)                | —                 | (318)   |
| As at December 31, 2024  | 120,013              | 25,398            | 145,411 |
| Carrying amounts         |                      |                   |         |
| As at December 31, 2023  | 153,019              | 17                | 153,036 |
| As at December 31, 2024  | 191,729              | —                 | 191,729 |
|                          | Computer<br>software | Trading<br>rights | Total   |
|                          | RMB'000              | RMB'000           | RMB'000 |
| <b>Cost</b>              |                      |                   |         |
| As at January 1, 2025    | 311,742              | 25,398            | 337,140 |
| Additions                | 49,342               | —                 | 49,342  |
| Disposals/write-off      | (82)                 | —                 | (82)    |
| As at December 31, 2025  | 361,002              | 25,398            | 386,400 |
| Accumulated amortization |                      |                   |         |
| As at January 1, 2025    | 120,013              | 25,398            | 145,411 |
| Charge for the year      | 27,782               | —                 | 27,782  |
| Disposals/write-off      | (82)                 | —                 | (82)    |
| As at December 31, 2025  | 147,713              | 25,398            | 173,111 |
| Carrying amounts         |                      |                   |         |
| As at December 31, 2024  | 191,729              | —                 | 191,729 |
| As at December 31, 2025  | 213,289              | —                 | 213,289 |

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## ACCOUNTANTS’ REPORT

### The Company

|                          | <b>Computer<br/>software</b> | <b>Trading<br/>rights</b> | <b>Total</b>   |
|--------------------------|------------------------------|---------------------------|----------------|
|                          | <i>RMB'000</i>               | <i>RMB'000</i>            | <i>RMB'000</i> |
| <b>Cost</b>              |                              |                           |                |
| As at January 1, 2023    | 181,869                      | 25,398                    | 207,267        |
| Additions                | 58,089                       | —                         | 58,089         |
| Transfer out             | —                            | —                         | —              |
| As at December 31, 2023  | 239,958                      | 25,398                    | 265,356        |
| Accumulated amortization |                              |                           |                |
| As at January 1, 2023    | 75,775                       | 25,331                    | 101,106        |
| Charge for the year      | 17,390                       | 50                        | 17,440         |
| As at December 31, 2023  | 93,165                       | 25,381                    | 118,546        |
| Carrying amounts         |                              |                           |                |
| As at December 31, 2022  | 106,094                      | 67                        | 106,161        |
| As at December 31, 2023  | 146,793                      | 17                        | 146,810        |
|                          |                              |                           |                |
|                          | <b>Computer<br/>software</b> | <b>Trading<br/>rights</b> | <b>Total</b>   |
|                          | <i>RMB'000</i>               | <i>RMB'000</i>            | <i>RMB'000</i> |
| <b>Cost</b>              |                              |                           |                |
| As at January 1, 2024    | 239,958                      | 25,398                    | 265,356        |
| Additions                | 62,345                       | —                         | 62,345         |
| Disposals/write-off      | (100)                        | —                         | (100)          |
| As at December 31, 2024  | 302,203                      | 25,398                    | 327,601        |
| Accumulated amortization |                              |                           |                |
| As at January 1, 2024    | 93,165                       | 25,381                    | 118,546        |
| Charge for the year      | 22,828                       | 17                        | 22,845         |
| Disposals/write-off      | (100)                        | —                         | (100)          |
| As at December 31, 2024  | 115,893                      | 25,398                    | 141,291        |
| Carrying amounts         |                              |                           |                |
| As at December 31, 2023  | 146,793                      | 17                        | 146,810        |
| As at December 31, 2024  | 186,310                      | —                         | 186,310        |

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## ACCOUNTANTS’ REPORT

|                                 | <b>Computer<br/>software</b> | <b>Trading<br/>rights</b> | <b>Total</b>   |
|---------------------------------|------------------------------|---------------------------|----------------|
|                                 | <i>RMB'000</i>               | <i>RMB'000</i>            | <i>RMB'000</i> |
| <b>Cost</b>                     |                              |                           |                |
| As at January 1, 2025           | 302,203                      | 25,398                    | 327,601        |
| Additions                       | 48,733                       | —                         | 48,733         |
| Disposals/write-off             | (82)                         | —                         | (82)           |
| As at December 31, 2025         | <u>350,854</u>               | <u>25,398</u>             | <u>376,252</u> |
| <b>Accumulated amortization</b> |                              |                           |                |
| As at January 1, 2025           | 115,893                      | 25,398                    | 141,291        |
| Charge for the year             | 26,880                       | —                         | 26,880         |
| Disposals/write-off             | (82)                         | —                         | (82)           |
| As at December 31, 2025         | <u>142,691</u>               | <u>25,398</u>             | <u>168,089</u> |
| <b>Carrying amounts</b>         |                              |                           |                |
| As at December 31, 2024         | 186,310                      | —                         | 186,310        |
| As at December 31, 2025         | <u>208,163</u>               | <u>—</u>                  | <u>208,163</u> |

Trading rights mainly comprise the trading rights on the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the Beijing Stock Exchange. These rights allow the Group to trade securities and futures contracts on or through these exchanges.

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## ACCOUNTANTS’ REPORT

### 24. GOODWILL

#### The Group

|                                                    | As at December 31, |                |                |
|----------------------------------------------------|--------------------|----------------|----------------|
|                                                    | 2023               | 2024           | 2025           |
|                                                    | RMB'000            | RMB'000        | RMB'000        |
| <b>Cost</b>                                        |                    |                |                |
| Securities brokerage business cash-generating unit | 105,520            | 105,520        | 105,520        |
| Jingdu Futures cash-generating unit                | 20,318             | 20,318         | 20,318         |
|                                                    | <u>125,838</u>     | <u>125,838</u> | <u>125,838</u> |
| <b>Accumulated impairment</b>                      |                    |                |                |
| Securities brokerage business cash-generating unit | —                  | —              | —              |
| Jingdu Futures cash-generating unit                | —                  | —              | —              |
|                                                    | <u>—</u>           | <u>—</u>       | <u>—</u>       |
| <b>Carrying amount</b>                             |                    |                |                |
| Securities brokerage business cash-generating unit | 105,520            | 105,520        | 105,520        |
| Jingdu Futures cash-generating unit                | 20,318             | 20,318         | 20,318         |
|                                                    | <u>125,838</u>     | <u>125,838</u> | <u>125,838</u> |

#### The Company

|                                                                                        | As at December 31, |                |                |
|----------------------------------------------------------------------------------------|--------------------|----------------|----------------|
|                                                                                        | 2023               | 2024           | 2025           |
|                                                                                        | RMB'000            | RMB'000        | RMB'000        |
| Securities brokerage business cash-generating unit                                     |                    |                |                |
| Cost                                                                                   | 105,520            | 105,520        | 105,520        |
| Accumulated impairment                                                                 | —                  | —              | —              |
|                                                                                        | <u>105,520</u>     | <u>105,520</u> | <u>105,520</u> |
| Carrying amount                                                                        | <u>105,520</u>     | <u>105,520</u> | <u>105,520</u> |
| <i>Securities brokerage business cash-generating unit (“Securities Brokerage CGU”)</i> |                    |                |                |

On April 1, 2008, the Company incorporated 6 securities branches including Beijing Yonghegong Securities Business Department into the scope of consolidation through absorption and merger not under the same control. The fair value of the identifiable net assets of the 6 business departments on the acquisition date is calculated and determined according to the evaluation report Zhong Lian Ping Bao Zi [2007] No.436 issued by Zhongshui Zhiyuan Asset Evaluation Co., Ltd. The difference between the purchase consideration and the fair value of the identifiable net assets acquired in the acquisition is recognized as the goodwill. The Securities Brokerage CGU is mainly composed of securities brokerage business, which belongs to the Wealth Management segment.

#### *Jingdu Futures cash-generating unit (“Jingdu Futures CGU”)*

In January 2010, the Group acquired 100% equity interest in Jingdu Futures CGU. The difference between the consideration and the fair value of the identifiable net assets of Jingdu Futures on the acquisition date is regarded as goodwill. The Jingdu Futures CGU is mainly composed of futures brokerage business and belongs to the Wealth Management segment.

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## ACCOUNTANTS’ REPORT

### Impairment testing on goodwill

#### *Securities Brokerage CGU*

The recoverable amount of the Securities Brokerage CGU is determined according to the present value of the expected future cash flows of the asset group of securities brokerage business. The present value of the expected cash flows is calculated and determined based on the relevant management’s financial budget of the current year according to the predictable business development plan, cash flow forecast of the asset group of securities brokerage business in the next five years and the discount rate adjusted to reflect the specific risks of the Securities Brokerage CGU. Determination basis of key parameters in the forecast period is judging from historical operating data and future development trend. Determination bases of key parameters during the stabilization period are the growth rates, being the economic growth rates of developed countries, and the discount rate, which is calculated using the Capital Asset Pricing Model (CAPM).

| Securities Brokerage CGU | As at December 31, |         |         |
|--------------------------|--------------------|---------|---------|
|                          | 2023               | 2024    | 2025    |
|                          | RMB’000            | RMB’000 | RMB’000 |
| Carrying amount          | 112,582            | 111,584 | 112,066 |
| Recoverable amount       | 127,083            | 225,442 | 295,253 |
| Headroom*                | 14,501             | 113,858 | 183,187 |
| Pre-tax discount rate    | 13.13%             | 12.15%  | 11.97%  |
| Perpetual growth rate    | 2%                 | 2%      | 2%      |

\* The excess of the recoverable amount over the carrying amount of the CGU.

For the goodwill allocated to the CGU, management has assessed that the most sensitive key assumptions are pre-tax discount rate and perpetual growth rate. As at December 31, 2023, 2024 and 2025, if discount rate had increased by 1% from management’s estimates, while other variables were held constant with the expectations, the Group would have to recognize impairment losses against goodwill by approximately nil, nil and nil, respectively; if perpetual growth rate had decreased by 1% from management’s estimates, while other variables were held constant with the expectations, the Group would have to recognize impairment losses against goodwill by approximately nil, nil and nil, respectively.

#### *Jingdu Futures CGU*

The recoverable amount of the Jingdu Futures CGU are determined according to the net amount of the fair value of assessed assets group minus the disposal expenses. The fair value of the asset group is calculated under the comparative company method, which is determined based on the adjusted multiplier of comparable company values, taking into account the lack of market liquidity discounts. The key parameter is price-to-book value ratio (PB).

| Jingdu Futures CGU | As at December 31, |         |         |
|--------------------|--------------------|---------|---------|
|                    | 2023               | 2024    | 2025    |
|                    | RMB’000            | RMB’000 | RMB’000 |
| Carrying amount    | 208,480            | 283,996 | 458,782 |
| Recoverable amount | 687,692            | 449,457 | 744,914 |
| Headroom           | 479,212            | 165,461 | 286,132 |
| PB                 | 2.17               | 1.53    | 1.96    |

For the goodwill allocated to the Jingdu Futures CGU, management has assessed that the most sensitive key assumption is PB. As at December 31, 2023, 2024 and 2025, if PB had decreased by 1% from management’s estimates, while other variables were held constant with the expectations, the Group would have to recognize impairment losses against goodwill by approximately nil, nil and nil, respectively.

As at the end of each of the Relevant Periods, the Group performed goodwill impairment tests. There was no impairment recognized for the goodwill related to the aforesaid CGU since the recoverable amounts were greater than their carrying amounts individually.

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### 25. INVESTMENTS IN ASSOCIATE, JOINT VENTURE AND SUBSIDIARIES

#### (1) Share of net assets

##### The Group

|                                                                                             | As at December 31, |                |                |
|---------------------------------------------------------------------------------------------|--------------------|----------------|----------------|
|                                                                                             | 2023               | 2024           | 2025           |
|                                                                                             | RMB'000            | RMB'000        | RMB'000        |
| As at beginning of the year                                                                 | 912,050            | 894,706        | 898,282        |
| Share of post-acquisition profits and other comprehensive income, net of dividends received | (17,344)           | 3,211          | 23,773         |
| Other                                                                                       | —                  | 365            | —              |
| As at end of the year                                                                       | <u>894,706</u>     | <u>898,282</u> | <u>922,055</u> |

##### The Company

|                                                                                             | As at December 31, |                |                |
|---------------------------------------------------------------------------------------------|--------------------|----------------|----------------|
|                                                                                             | 2023               | 2024           | 2025           |
|                                                                                             | RMB'000            | RMB'000        | RMB'000        |
| As at beginning of the year                                                                 | 906,123            | 888,494        | 892,082        |
| Share of post-acquisition profits and other comprehensive income, net of dividends received | (17,629)           | 3,223          | 23,742         |
| Other                                                                                       | —                  | 365            | —              |
| As at end of the year                                                                       | <u>888,494</u>     | <u>892,082</u> | <u>915,824</u> |

#### (2) Particulars of the Group’s associate and joint venture

China Post & Capital Fund Management Co., Ltd. is an associate of the Group, whose principal activity is fund management. It is established on May 8, 2006 and registered and commenced its business in Chinese mainland. At the end of each of Relevant Periods, the proportion of ownership interest and the proportion of voting rights held by the Group were both 46.37%. China Post & Capital Fund Management Co., Ltd. is directly held by the Company.

Zhuhai Shouzheng Dejin Equity Investment Fund (Limited Partnership) is a joint venture of the Group, whose principal activity is investment management. It is established on July 5, 2019 and registered and commenced its business in Chinese mainland. At the end of each of Relevant Periods, the proportion of ownership interest and the proportion of voting rights held by the Group were both 20.00%. Zhuhai Shouzheng Dejin Equity Investment Fund (Limited Partnership) is directly held by the Company’s subsidiary.

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The summarized financial information of China Post & Capital Fund Management Co., Ltd., which is an individually significant associate to the Group that are accounted for using equity method, prepared in accordance with IFRS Accounting Standards, is set out below:

|                   | As at December 31, |           |           |
|-------------------|--------------------|-----------|-----------|
|                   | 2023               | 2024      | 2025      |
|                   | RMB'000            | RMB'000   | RMB'000   |
| Total assets      | 2,523,825          | 2,432,610 | 2,737,174 |
| Total liabilities | 228,301            | 289,654   | 540,558   |
| Net assets        | 2,295,524          | 2,142,956 | 2,196,616 |

  

|                                                      | Year ended December 31, |          |         |
|------------------------------------------------------|-------------------------|----------|---------|
|                                                      | 2023                    | 2024     | 2025    |
|                                                      | RMB'000                 | RMB'000  | RMB'000 |
| Total revenue                                        | 499,024                 | 370,394  | 390,045 |
| Profit/(loss) for the year                           | 84,725                  | (19,254) | 53,861  |
| Other comprehensive income                           | 423                     | 912      | (200)   |
| Total comprehensive income                           | 85,148                  | (18,342) | 53,661  |
| Dividend received from the associate during the year | 50,760                  | —        | —       |

The reconciliation of the above summarized financial information to the carrying amounts of the interest in China Post & Capital Fund Management Co., Ltd. recognized in the Historical Financial Information:

|                                                            | As at December 31, |           |           |
|------------------------------------------------------------|--------------------|-----------|-----------|
|                                                            | 2023               | 2024      | 2025      |
|                                                            | RMB'000            | RMB'000   | RMB'000   |
| Net assets attributable to equity holders of the associate | 1,682,079          | 1,689,817 | 1,741,019 |
| Proportion of equity interest held by the Group            | 46.37%             | 46.37%    | 46.37%    |
| Other adjustments                                          | 108,506            | 108,506   | 108,506   |
| Carrying value                                             | 888,494            | 892,082   | 915,824   |

The following table illustrates the financial information of the Group’s joint venture that is not individually material:

|                                                                | Year ended December 31, |         |         |
|----------------------------------------------------------------|-------------------------|---------|---------|
|                                                                | 2023                    | 2024    | 2025    |
|                                                                | RMB'000                 | RMB'000 | RMB'000 |
| Share of the joint venture’s profit for the year               | 285                     | (12)    | 31      |
| Share of the joint venture’s total comprehensive income        | 285                     | (12)    | 31      |
| Carrying amount of the Group’s investment in the joint venture | 6,212                   | 6,200   | 6,231   |

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### (3) Investment in subsidiaries

#### The Company

|                      | As at December 31, |                  |                  |
|----------------------|--------------------|------------------|------------------|
|                      | 2023               | 2024             | 2025             |
|                      | RMB'000            | RMB'000          | RMB'000          |
| Investments, at cost | 1,530,445          | 1,530,445        | 1,590,445        |
| Less: Impairment     | —                  | —                | —                |
| Net carrying amount  | <u>1,530,445</u>   | <u>1,530,445</u> | <u>1,590,445</u> |

Particulars of the subsidiaries, which are directly owned by the Company, are included in note 1 to the Historical Financial Information.

### 26. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### The Group and the Company

|                          | As at December 31, |                  |                  |
|--------------------------|--------------------|------------------|------------------|
|                          | 2023               | 2024             | 2025             |
|                          | RMB'000            | RMB'000          | RMB'000          |
| <u>Current</u>           |                    |                  |                  |
| Debt securities          | 11,074,885         | 9,064,980        | 8,659,705        |
| Add: Accrued interest    | <u>189,732</u>     | <u>126,265</u>   | <u>90,398</u>    |
|                          | <u>11,264,617</u>  | <u>9,191,245</u> | <u>8,750,103</u> |
| Analyzed as:             |                    |                  |                  |
| Listed outside Hong Kong | 4,015,942          | 2,931,391        | 3,284,048        |
| Unlisted                 | <u>7,248,675</u>   | <u>6,259,854</u> | <u>5,466,055</u> |
| Total                    | <u>11,264,617</u>  | <u>9,191,245</u> | <u>8,750,103</u> |

Details of impairment assessment are set out in note 58 to the Historical Financial Information.

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### 27. EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### The Group

|                                         | As at December 31, |           |           |
|-----------------------------------------|--------------------|-----------|-----------|
|                                         | 2023               | 2024      | 2025      |
|                                         | RMB'000            | RMB'000   | RMB'000   |
| Non-current                             |                    |           |           |
| Equity securities                       | —                  | 2,198,146 | 5,850,174 |
| Real estate investment trusts (“REITs”) | —                  | 134,762   | 342,041   |
| Other investments                       | 1,400              | 1,400     | 1,400     |
| Total                                   | 1,400              | 2,334,308 | 6,193,615 |
| Analyzed as:                            |                    |           |           |
| Listed in Hong Kong                     | —                  | 356,337   | 3,870,201 |
| Listed outside Hong Kong                | —                  | 1,976,571 | 2,322,014 |
| Unlisted                                | 1,400              | 1,400     | 1,400     |
| Total                                   | 1,400              | 2,334,308 | 6,193,615 |

During the Relevant Period, the Group received the following dividends from equity instruments designated at fair value through other comprehensive income:

|                                                             | Year ended December 31, |         |         |
|-------------------------------------------------------------|-------------------------|---------|---------|
|                                                             | 2023                    | 2024    | 2025    |
|                                                             | RMB'000                 | RMB'000 | RMB'000 |
| Dividends recognized during the year related to investments |                         |         |         |
| — held at the end of the year                               | —                       | 120,778 | 326,956 |

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments have a high dividend yield and can be held for a long time to obtain higher cash returns.

For the years ended 31 December 2023 and 2024, there were no disposals of other equity instruments.

During the year ended December 31, 2025, the Group disposed of the investments of CICC Yinli Consume REITs (180602.SZ) and three additional REITs, 5 listed stocks such as Lu'an Huanneng (601699.SH) as these investments were no longer consistent with the Group's investment strategy. The total fair value on the disposal date was RMB371 million and the total accumulated loss recognized in other comprehensive income of RMB45 million was transferred to retained profits.

#### The Company

|                                         | As at December 31, |           |           |
|-----------------------------------------|--------------------|-----------|-----------|
|                                         | 2023               | 2024      | 2025      |
|                                         | RMB'000            | RMB'000   | RMB'000   |
| Non-current                             |                    |           |           |
| Equity securities                       | —                  | 2,198,146 | 5,850,174 |
| Real estate investment trusts (“REITs”) | —                  | 134,762   | 342,041   |
| Total                                   | —                  | 2,332,908 | 6,192,215 |
| Analysed as:                            |                    |           |           |
| Listed in Hong Kong                     | —                  | 356,337   | 3,870,201 |
| Listed outside Hong Kong                | —                  | 1,976,571 | 2,322,014 |
| Total                                   | —                  | 2,332,908 | 6,192,215 |

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### 28. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

#### The Group

|                                   | As at December 31, |          |          |
|-----------------------------------|--------------------|----------|----------|
|                                   | 2023               | 2024     | 2025     |
|                                   | RMB'000            | RMB'000  | RMB'000  |
| Current                           |                    |          |          |
| Analyzed by collateral type:      |                    |          |          |
| Equity securities                 | 298,990            | 107,032  | 11,157   |
| Debt securities                   | 115,400            | 44,000   | 66,316   |
| Add: Accrued interest             | 15,683             | 15,218   | 9,031    |
| Less: Impairment                  | (76,142)           | (72,886) | (20,185) |
|                                   | 353,931            | 93,364   | 66,319   |
| Analyzed by market of collateral: |                    |          |          |
| Stock exchanges                   | 274,439            | 78,364   | 66,319   |
| Interbank bond market             | 79,492             | 15,000   | —        |

#### The Company

|                                   | As at December 31, |          |          |
|-----------------------------------|--------------------|----------|----------|
|                                   | 2023               | 2024     | 2025     |
|                                   | RMB'000            | RMB'000  | RMB'000  |
| Current                           |                    |          |          |
| Analysed by collateral type:      |                    |          |          |
| Equity securities                 | 298,990            | 107,032  | 11,157   |
| Debt securities                   | 111,400            | 15,000   | —        |
| Add: Accrued interest             | 15,681             | 15,203   | 9,028    |
| Less: Impairment                  | (76,142)           | (72,886) | (20,185) |
|                                   | 349,929            | 64,349   | —        |
| Analysed by market of collateral: |                    |          |          |
| Stock exchanges                   | 270,437            | 49,349   | —        |
| Interbank bond market             | 79,492             | 15,000   | —        |

Details of impairment assessment are set out in note 58 to the Historical Financial Information.

The fair values of collateral received by the Group were approximately RMB1,104 million, RMB187 million and RMB69 million as at December 31, 2023, 2024 and 2025.

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### 29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

#### The Group

|                                                    | As at December 31, |                   |                   |
|----------------------------------------------------|--------------------|-------------------|-------------------|
|                                                    | 2023               | 2024              | 2025              |
|                                                    | RMB'000            | RMB'000           | RMB'000           |
| <u>Non-current</u>                                 |                    |                   |                   |
| Debt securities                                    | 3,694,772          | 1,267,594         | 544,837           |
| Funds                                              | 260,309            | 268,363           | 233,230           |
| Private equity                                     | 273,879            | 276,621           | 230,549           |
|                                                    | <u>4,228,960</u>   | <u>1,812,578</u>  | <u>1,008,616</u>  |
| Analyzed as:                                       |                    |                   |                   |
| Listed outside Hong Kong                           | 1,464,927          | 285,030           | 420,967           |
| Unlisted                                           | <u>2,764,033</u>   | <u>1,527,548</u>  | <u>587,649</u>    |
|                                                    | <u>4,228,960</u>   | <u>1,812,578</u>  | <u>1,008,616</u>  |
| <u>Current</u>                                     |                    |                   |                   |
| Debt securities                                    | 7,821,126          | 10,967,717        | 11,617,930        |
| Asset management plan                              | 3,773,237          | 3,890,787         | 2,034,254         |
| Funds                                              | 1,431,639          | 1,517,349         | 2,530,150         |
| Equity securities                                  | 686,438            | 483,265           | 1,120,758         |
| Trust schemes                                      | 69,348             | 165,122           | 51,937            |
| Structured deposits and wealth management products | —                  | 212,960           | 304,816           |
|                                                    | <u>13,781,788</u>  | <u>17,237,200</u> | <u>17,659,845</u> |
| Analyzed as:                                       |                    |                   |                   |
| Listed in Hong Kong                                | —                  | 76                | 365,141           |
| Listed outside Hong Kong                           | 4,238,293          | 5,343,805         | 6,477,010         |
| Unlisted                                           | <u>9,543,495</u>   | <u>11,893,319</u> | <u>10,817,694</u> |
|                                                    | <u>13,781,788</u>  | <u>17,237,200</u> | <u>17,659,845</u> |

#### The Company

|                          | As at December 31, |                  |                |
|--------------------------|--------------------|------------------|----------------|
|                          | 2023               | 2024             | 2025           |
|                          | RMB'000            | RMB'000          | RMB'000        |
| <b>Non-current</b>       |                    |                  |                |
| Debt securities          | 3,694,772          | 1,267,594        | 544,837        |
| Private equity           | 60,000             | 60,000           | 69,854         |
|                          | <u>3,754,772</u>   | <u>1,327,594</u> | <u>614,691</u> |
| Analyzed as:             |                    |                  |                |
| Listed outside Hong Kong | 1,464,927          | 285,030          | 420,967        |
| Unlisted                 | <u>2,289,845</u>   | <u>1,042,564</u> | <u>193,724</u> |
|                          | <u>3,754,772</u>   | <u>1,327,594</u> | <u>614,691</u> |

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|                                                    | As at December 31, |                   |                   |
|----------------------------------------------------|--------------------|-------------------|-------------------|
|                                                    | 2023               | 2024              | 2025              |
|                                                    | RMB'000            | RMB'000           | RMB'000           |
| Current                                            |                    |                   |                   |
| Debt securities                                    | 7,298,968          | 10,149,590        | 8,510,552         |
| Asset management plan                              | 3,782,439          | 3,929,651         | 6,921,521         |
| Funds                                              | 1,394,354          | 1,464,709         | 2,075,672         |
| Equity securities                                  | 400,326            | 228,209           | 356,485           |
| Trust schemes                                      | 69,348             | 112,737           | 234               |
| Structured deposits and wealth management products | —                  | 212,960           | 200,000           |
|                                                    | <u>12,945,435</u>  | <u>16,097,856</u> | <u>18,064,464</u> |
| Analyzed as:                                       |                    |                   |                   |
| Listed in Hong Kong                                | —                  | 76                | 94,310            |
| Listed outside Hong Kong                           | 3,732,678          | 4,648,250         | 4,140,287         |
| Unlisted                                           | <u>9,212,757</u>   | <u>11,449,530</u> | <u>13,829,867</u> |
|                                                    | <u>12,945,435</u>  | <u>16,097,856</u> | <u>18,064,464</u> |

### 30. OTHER ASSETS

#### The Group

|                                        | As at December 31, |                 |                 |
|----------------------------------------|--------------------|-----------------|-----------------|
|                                        | 2023               | 2024            | 2025            |
|                                        | RMB'000            | RMB'000         | RMB'000         |
| Non-current                            |                    |                 |                 |
| Lease and property deposits receivable | 28,595             | 22,335          | 22,191          |
| Prepayments                            | 34,255             | 22,527          | 23,184          |
| Less: Impairment                       | <u>(745)</u>       | <u>(415)</u>    | <u>(414)</u>    |
| Subtotal                               | <u>62,105</u>      | <u>44,447</u>   | <u>44,961</u>   |
| Current                                |                    |                 |                 |
| Receivables from repossessed assets    | 52,050             | 51,956          | 49,346          |
| Prepayments                            | 82,915             | 35,225          | 62,094          |
| Estimated VAT input tax                | 12,586             | 13,927          | 16,353          |
| Deferred VAT input tax                 | 3,559              | 4,390           | 5,410           |
| Dividends receivable                   | —                  | 35,861          | 72,050          |
| Accrued interest                       | 11,440             | 8,299           | —               |
| Others                                 | 2,611              | 2,945           | 9,821           |
| Less: Impairment                       | <u>(6,581)</u>     | <u>(24,513)</u> | <u>(35,546)</u> |
| Subtotal                               | <u>158,580</u>     | <u>128,090</u>  | <u>179,528</u>  |
| Total                                  | <u>220,685</u>     | <u>172,537</u>  | <u>224,489</u>  |

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### The Company

|                                        | As at 31 December |         |         |
|----------------------------------------|-------------------|---------|---------|
|                                        | 2023              | 2024    | 2025    |
|                                        | RMB'000           | RMB'000 | RMB'000 |
| Non-current                            |                   |         |         |
| Lease and property deposits receivable | 27,354            | 20,732  | 20,538  |
| Prepayments                            | 33,923            | 22,527  | 23,184  |
| Less: Impairment                       | (426)             | (414)   | (382)   |
| Subtotal                               | 60,851            | 42,845  | 43,340  |
| Current                                |                   |         |         |
| Prepayments                            | 80,089            | 32,610  | 59,274  |
| Estimated VAT input tax                | 12,132            | 13,339  | 15,873  |
| Deferred VAT input tax                 | 3,421             | 3,861   | 4,664   |
| Dividends receivable                   | —                 | 35,861  | 71,532  |
| Accrued interest                       | 11,440            | 8,299   | —       |
| Others                                 | 1,309             | 2,302   | 8,514   |
| Less: Impairment                       | (3,059)           | (2,462) | (642)   |
| Subtotal                               | 105,332           | 93,810  | 159,215 |
| Total                                  | 166,183           | 136,655 | 202,555 |

Details of the impairment assessment are set out in note 58 to the Historical Financial Information.

As at December 31, 2023, 2024 and 2025, included in the Company’s other assets were amounts due from the Company’s subsidiaries of RMB1 million, RMB1 million and RMB1 million, respectively, which were repayable on credit terms similar to those offered to the major customers of the Group.

### 31. DEPOSITS WITH EXCHANGES AND NON-BANK FINANCIAL INSTITUTIONS

#### The Group

|                       | As at December 31, |         |           |
|-----------------------|--------------------|---------|-----------|
|                       | 2023               | 2024    | 2025      |
|                       | RMB'000            | RMB'000 | RMB'000   |
| Non-current           |                    |         |           |
| Trading deposits      | 660,123            | 750,875 | 925,926   |
| Credit deposits       | 4,550              | 5,300   | 7,539     |
| Performance deposits  | 34,675             | 20,244  | 837,371   |
| Add: Accrued interest | —                  | 3       | —         |
| Total                 | 699,348            | 776,422 | 1,770,836 |

#### The Company

|                      | As at 31 December |         |         |
|----------------------|-------------------|---------|---------|
|                      | 2023              | 2024    | 2025    |
|                      | RMB'000           | RMB'000 | RMB'000 |
| Non-current          |                   |         |         |
| Trading deposits     | 243,279           | 240,608 | 220,692 |
| Credit deposits      | 4,550             | 5,300   | 7,539   |
| Performance deposits | —                 | 79,252  | 98,325  |
| Total                | 247,829           | 325,160 | 326,556 |

Deposits with exchanges and non-bank financial institutions are mainly placed at China Securities Depository and Clearing Corporation Limited, China Securities Finance Corporation Limited, China Financial Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange, Shanghai Futures Exchange, CITIC Securities Co., Ltd. and other institutions.

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### 32. DEFERRED TAXATION

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

#### The Group

|                          | As at December 31, |                 |                 |
|--------------------------|--------------------|-----------------|-----------------|
|                          | 2023               | 2024            | 2025            |
|                          | RMB'000            | RMB'000         | RMB'000         |
| Deferred tax assets      | 64,368             | 17,872          | 24,273          |
| Deferred tax liabilities | 12,702             | 58,783          | 75,881          |
|                          | <u>51,666</u>      | <u>(40,911)</u> | <u>(51,608)</u> |

#### The Company

|                          | As at December 31, |                 |                 |
|--------------------------|--------------------|-----------------|-----------------|
|                          | 2023               | 2024            | 2025            |
|                          | RMB'000            | RMB'000         | RMB'000         |
| Deferred tax assets      | 59,611             | —               | —               |
| Deferred tax liabilities | —                  | 58,753          | 71,571          |
|                          | <u>59,611</u>      | <u>(58,753)</u> | <u>(71,571)</u> |

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes, if any, and the taxes are to be levied by the same tax authority and of the same taxable entity.

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The movements of deferred tax assets and liabilities are set out below:

### The Group

|                                                        | Changes<br>in fair<br>value of<br>financial<br>assets at<br>fair<br>value<br>through<br>profit or<br>loss | Changes<br>in fair<br>value of<br>financial<br>liabilities<br>at fair<br>value<br>through<br>profit or<br>loss | Changes<br>in fair<br>value of<br>financial<br>assets at<br>FVTOCI | Accrued<br>staff costs | Allowance<br>for<br>impairment<br>losses | Changes in<br>fair value<br>of<br>derivative<br>instruments | Lease<br>liabilities | Unrecovered<br>losses | Right-of-use<br>assets | Others       | Total           |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------|------------------------------------------|-------------------------------------------------------------|----------------------|-----------------------|------------------------|--------------|-----------------|
|                                                        | RMB'000                                                                                                   | RMB'000                                                                                                        | RMB'000                                                            | RMB'000                | RMB'000                                  | RMB'000                                                     | RMB'000              | RMB'000               | RMB'000                | RMB'000      | RMB'000         |
| As at January 1<br>2023                                | 34,807                                                                                                    | 73                                                                                                             | 12,828                                                             | 67,674                 | 13,279                                   | (1,294)                                                     | 101,910              | 82                    | (90,420)               | —            | 138,939         |
| (Charge)/credit to<br>profit or loss                   | (50,383)                                                                                                  | (4,086)                                                                                                        | —                                                                  | (32,358)               | 9,208                                    | 7,270                                                       | (7,736)              | 1,497                 | 8,024                  | —            | (68,564)        |
| Credit/(charge) to<br>other<br>comprehensive<br>income | —                                                                                                         | —                                                                                                              | (19,034)                                                           | —                      | 325                                      | —                                                           | —                    | —                     | —                      | —            | (18,709)        |
| As at<br>December 31<br>2023                           | (15,576)                                                                                                  | (4,013)                                                                                                        | (6,206)                                                            | 35,316                 | 22,812                                   | 5,976                                                       | 94,174               | 1,579                 | (82,396)               | —            | 51,666          |
| (Charge)/credit to<br>profit or loss                   | (31,721)                                                                                                  | 13,431                                                                                                         | —                                                                  | 9,311                  | 4,279                                    | 11,282                                                      | 1,009                | 3,543                 | 3,075                  | —            | 14,209          |
| Credit/(charge) to<br>other<br>comprehensive<br>income | —                                                                                                         | —                                                                                                              | (107,068)                                                          | —                      | 282                                      | —                                                           | —                    | —                     | —                      | —            | (106,786)       |
| As at<br>December 31<br>2024                           | (47,297)                                                                                                  | 9,418                                                                                                          | (113,274)                                                          | 44,627                 | 27,373                                   | 17,258                                                      | 95,183               | 5,122                 | (79,321)               | —            | (40,911)        |
| (Charge)/credit to<br>profit or loss                   | 37,194                                                                                                    | (11,776)                                                                                                       | —                                                                  | 5,475                  | (9,319)                                  | (20,655)                                                    | (16,144)             | 2,824                 | 13,945                 | 3,727        | 5,271           |
| Credit/(charge) to<br>other<br>comprehensive<br>income | —                                                                                                         | —                                                                                                              | (15,768)                                                           | —                      | (200)                                    | —                                                           | —                    | —                     | —                      | —            | (15,968)        |
| As at<br>December 31<br>2025                           | <u>(10,103)</u>                                                                                           | <u>(2,358)</u>                                                                                                 | <u>(129,042)</u>                                                   | <u>50,102</u>          | <u>17,854</u>                            | <u>(3,397)</u>                                              | <u>79,039</u>        | <u>7,946</u>          | <u>(65,376)</u>        | <u>3,727</u> | <u>(51,608)</u> |

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## ACCOUNTANTS’ REPORT

### The Company

|                                                        | Changes<br>in fair<br>value of<br>financial<br>assets at<br>fair<br>value<br>through<br>profit or<br>loss | Changes<br>in fair<br>value of<br>financial<br>liabilities<br>at fair<br>value<br>through<br>profit or<br>loss | Changes<br>in fair<br>value of<br>financial<br>assets at<br>FVTOCI | Accrued<br>staff<br>costs | Allowance<br>for<br>impairment<br>losses | Changes in<br>fair value<br>of<br>derivative<br>instruments | Lease<br>liabilities | Right-of-use<br>assets | Others  | Total     |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------|------------------------------------------|-------------------------------------------------------------|----------------------|------------------------|---------|-----------|
|                                                        | RMB'000                                                                                                   | RMB'000                                                                                                        | RMB'000                                                            | RMB'000                   | RMB'000                                  | RMB'000                                                     | RMB'000              | RMB'000                | RMB'000 | RMB'000   |
| As at January 1,<br>2023                               | 45,359                                                                                                    | 73                                                                                                             | 12,828                                                             | 61,124                    | 12,240                                   | (1,294)                                                     | 100,118              | (88,757)               | —       | 141,691   |
| (Charge)/credit to<br>profit or loss                   | (46,282)                                                                                                  | (4,086)                                                                                                        | —                                                                  | (29,887)                  | 9,286                                    | 7,270                                                       | (6,999)              | 7,327                  | —       | (63,371)  |
| Credit/(charge) to<br>other<br>comprehensive<br>income | —                                                                                                         | —                                                                                                              | (19,034)                                                           | —                         | 325                                      | —                                                           | —                    | —                      | —       | (18,709)  |
| As at December 31,<br>2023                             | (923)                                                                                                     | (4,013)                                                                                                        | (6,206)                                                            | 31,237                    | 21,851                                   | 5,976                                                       | 93,119               | (81,430)               | —       | 59,611    |
| (Charge)/credit to<br>profit or loss                   | (50,132)                                                                                                  | 13,431                                                                                                         | —                                                                  | 10,159                    | (274)                                    | 11,282                                                      | (2,613)              | 6,569                  | —       | (11,578)  |
| Credit/(charge) to<br>other<br>comprehensive<br>income | —                                                                                                         | —                                                                                                              | (107,068)                                                          | —                         | 282                                      | —                                                           | —                    | —                      | —       | (106,786) |
| As at December 31,<br>2024                             | (51,055)                                                                                                  | 9,418                                                                                                          | (113,274)                                                          | 41,396                    | 21,859                                   | 17,258                                                      | 90,506               | (74,861)               | —       | (58,753)  |
| (Charge)/credit to<br>profit or loss                   | 41,566                                                                                                    | (11,776)                                                                                                       | —                                                                  | 6,565                     | (14,069)                                 | (20,655)                                                    | (15,176)             | 12,968                 | 3,727   | 3,150     |
| Credit/(charge) to<br>other<br>comprehensive<br>income | —                                                                                                         | —                                                                                                              | (15,768)                                                           | —                         | (200)                                    | —                                                           | —                    | —                      | —       | (15,968)  |
| As at December 31,<br>2025                             | (9,489)                                                                                                   | (2,358)                                                                                                        | (129,042)                                                          | 47,961                    | 7,590                                    | (3,397)                                                     | 75,330               | (61,893)               | 3,727   | (71,571)  |

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## ACCOUNTANTS’ REPORT

### 33. ADVANCES TO CUSTOMERS

#### The Group and the Company

|                       | As at December 31, |                  |                  |
|-----------------------|--------------------|------------------|------------------|
|                       | 2023               | 2024             | 2025             |
|                       | RMB'000            | RMB'000          | RMB'000          |
| Current               |                    |                  |                  |
| Individuals           | 1,938,635          | 2,649,543        | 3,453,596        |
| Institutions          | 153,673            | 236,595          | 326,888          |
| Add: Accrued interest | 172,311            | 157,076          | 163,556          |
| Less: Impairment      | (780)              | (2,956)          | (2,544)          |
|                       | <u>2,263,839</u>   | <u>3,040,258</u> | <u>3,941,496</u> |

The credit facility limits for margin clients are determined by the market value of the collateral securities accepted by the Group and the Company. The analysis of by fair value of collateral of margin financing and securities lending business is as follows:

|                 | As at December 31, |                  |                   |
|-----------------|--------------------|------------------|-------------------|
|                 | 2023               | 2024             | 2025              |
|                 | RMB'000            | RMB'000          | RMB'000           |
| Stocks          | 6,352,989          | 8,794,133        | 12,037,433        |
| Funds           | 267,689            | 373,723          | 418,372           |
| Cash            | 324,713            | 487,224          | 535,713           |
| Debt securities | 867                | 327              | 612               |
|                 | <u>6,946,258</u>   | <u>9,655,407</u> | <u>12,992,130</u> |

The Group and the Company determines the allowance for advances to customers based on the evaluation of collectability and on management’s judgment including the assessment of change in credit quality and collateral.

Details of impairment assessment are set out in note 58 to the Historical Financial Information.

The concentration of credit risk is limited due to the customer base being large and diversified.

### 34. ACCOUNTS RECEIVABLE

#### The Group

|                                       | As at December 31, |                |                |
|---------------------------------------|--------------------|----------------|----------------|
|                                       | 2023               | 2024           | 2025           |
|                                       | RMB'000            | RMB'000        | RMB'000        |
| Accounts receivable from/related to:  |                    |                |                |
| Clearing house                        | 420,817            | 392,331        | 414,690        |
| Asset management fees                 | 202,579            | 183,354        | 165,581        |
| Commission and fee                    | 27,160             | 22,756         | 21,051         |
| Receivables of investments redemption | 95,436             | 5,000          | 1,706          |
| Others                                | 5,560              | 2,565          | 60             |
| Subtotal                              | 751,552            | 606,006        | 603,088        |
| Less: Impairment                      | (7,000)            | (8,722)        | (6,814)        |
| Total                                 | <u>744,552</u>     | <u>597,284</u> | <u>596,274</u> |

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## ACCOUNTANTS’ REPORT

An aging analysis of accounts receivable is as follows:

|                       | As at December 31, |                |                |
|-----------------------|--------------------|----------------|----------------|
|                       | 2023               | 2024           | 2025           |
|                       | RMB'000            | RMB'000        | RMB'000        |
| Within 1 year         | 720,417            | 596,337        | 590,890        |
| Between 1 and 2 years | 19,447             | 1,875          | 5,428          |
| Between 2 and 3 years | 6,189              | 480            | 1,475          |
| Over 3 years          | 5,499              | 7,314          | 5,295          |
|                       | <u>751,552</u>     | <u>606,006</u> | <u>603,088</u> |

### The Company

|                                       | As at December 31, |                |                |
|---------------------------------------|--------------------|----------------|----------------|
|                                       | 2023               | 2024           | 2025           |
|                                       | RMB'000            | RMB'000        | RMB'000        |
| Accounts receivable from/related to:  |                    |                |                |
| Clearing house                        | 420,819            | 389,644        | 398,535        |
| Asset management fees                 | 199,972            | 181,821        | 163,635        |
| Commission and fee                    | 27,160             | 22,756         | 21,051         |
| Receivables of investments redemption | 95,436             | 5,000          | 1,706          |
| Others                                | 5,559              | 2,565          | 60             |
| Subtotal                              | 748,946            | 601,786        | 584,987        |
| Less: Impairment                      | (6,997)            | (8,720)        | (6,609)        |
| Total                                 | <u>741,949</u>     | <u>593,066</u> | <u>578,378</u> |

Details of impairment assessment are set out in note 58 to the Historical Financial Information.

As at December 31, 2023, 2024 and 2025, included in the Company’s account receivables were amounts due from the Company’s consolidated structured entities of RMB1 million, RMB2 million and RMB1 million, respectively, which were repayable on credit terms similar to those offered to the major customers of the Group.

### 35. DERIVATIVE FINANCIAL INSTRUMENTS

#### The Group

|                                      | As at December 31, 2023 |               |             |
|--------------------------------------|-------------------------|---------------|-------------|
|                                      | Notional amounts        | Assets        | Liabilities |
|                                      | RMB'000                 | RMB'000       | RMB'000     |
| Non-hedging contracts:               |                         |               |             |
| Interest rate contracts              |                         |               |             |
| —Interest rate swaps                 | 1,350,000               | —             | —           |
| —Treasury bond futures               | 1,791,881               | —             | —           |
| Equity contracts                     |                         |               |             |
| —Stock index futures                 | 41,953                  | —             | —           |
| —Exchange-traded options             | 137,420                 | 1,619         | —           |
| —Over-the-counter equity derivatives | 29,846                  | 361           | —           |
| Other contracts                      |                         |               |             |
| —Total return swaps                  | 247,000                 | 9,307         | —           |
| Total                                | <u>3,598,100</u>        | <u>11,287</u> | <u>—</u>    |

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## ACCOUNTANTS’ REPORT

| As at December 31, 2024              |                  |         |             |
|--------------------------------------|------------------|---------|-------------|
|                                      | Notional amounts | Assets  | Liabilities |
|                                      | RMB'000          | RMB'000 | RMB'000     |
| Non-hedging contracts:               |                  |         |             |
| Interest rate contracts              |                  |         |             |
| —Interest rate swaps                 | 1,630,000        | —       | —           |
| —Treasury bond futures               | 1,920,809        | —       | —           |
| Equity contracts                     |                  |         |             |
| —Stock index futures                 | 260,405          | —       | —           |
| —Exchange-traded options             | 155,410          | 4,855   | —           |
| —Over-the-counter equity derivatives | 74,162           | 3,088   | —           |
| Other contracts                      |                  |         |             |
| —Total return swaps                  | 70,195           | 2       | 7,796       |
| Total                                | 4,110,981        | 7,945   | 7,796       |

| As at December 31, 2025              |                  |         |             |
|--------------------------------------|------------------|---------|-------------|
|                                      | Notional amounts | Assets  | Liabilities |
|                                      | RMB'000          | RMB'000 | RMB'000     |
| Non-hedging contracts:               |                  |         |             |
| Interest rate contracts              |                  |         |             |
| —Interest rate swaps                 | 3,980,000        | —       | —           |
| —Treasury bond futures               | 3,093,426        | —       | —           |
| —Bond forward                        | 708,000          | 730     | —           |
| Equity contracts                     |                  |         |             |
| —Stock index futures                 | 305,807          | —       | —           |
| —Exchange-traded options             | 592,000          | 4,787   | 678         |
| Other contracts                      |                  |         |             |
| —Total return swaps                  | 833,600          | 53,798  | 3,494       |
| —Commodity futures                   | 84,608           | —       | —           |
| —Foreign Exchange Forward Derivative | 49,413           | 837     | —           |
| Total                                | 9,646,854        | 60,152  | 4,172       |

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## ACCOUNTANTS’ REPORT

### The Company

| As at December 31, 2023  |                  |         |             |
|--------------------------|------------------|---------|-------------|
|                          | Notional amounts | Assets  | Liabilities |
|                          | RMB'000          | RMB'000 | RMB'000     |
| Non-hedging contracts:   |                  |         |             |
| Interest rate contracts  |                  |         |             |
| —Interest rate swaps     | 1,350,000        | —       | —           |
| —Treasury bond futures   | 1,791,881        | —       | —           |
| Equity contracts         |                  |         |             |
| —Stock index futures     | 41,953           | —       | —           |
| —Exchange-traded options | 137,420          | 1,619   | —           |
| Other contracts          |                  |         |             |
| —Total return swaps      | 247,000          | 9,307   | —           |
| Total                    | 3,568,254        | 10,926  | —           |

| As at December 31, 2024  |                  |         |             |
|--------------------------|------------------|---------|-------------|
|                          | Notional amounts | Assets  | Liabilities |
|                          | RMB'000          | RMB'000 | RMB'000     |
| Non-hedging contracts:   |                  |         |             |
| Interest rate contracts  |                  |         |             |
| —Interest rate swaps     | 1,630,000        | —       | —           |
| —Treasury bond futures   | 1,920,809        | —       | —           |
| Equity contracts         |                  |         |             |
| —Stock index futures     | 260,405          | —       | —           |
| —Exchange-traded options | 151,000          | 4,570   | —           |
| Other contracts          |                  |         |             |
| —Total return swaps      | 60,000           | —       | 7,796       |
| Total                    | 4,022,214        | 4,570   | 7,796       |

| As at December 31, 2025  |                  |         |             |
|--------------------------|------------------|---------|-------------|
|                          | Notional amounts | Assets  | Liabilities |
|                          | RMB'000          | RMB'000 | RMB'000     |
| Non-hedging contracts:   |                  |         |             |
| Interest rate contracts  |                  |         |             |
| —Interest rate swaps     | 3,980,000        | —       | —           |
| —Treasury bond futures   | 3,091,168        | —       | —           |
| —Bond forward            | 708,000          | 730     | —           |
| Equity contracts         |                  |         |             |
| —Stock index futures     | 242,205          | —       | —           |
| —Exchange-traded options | 545,500          | 4,787   | —           |
| Other contracts          |                  |         |             |
| —Commodity futures       | 84,608           | —       | —           |
| Total                    | 8,651,481        | 5,517   | —           |

Under the daily mark-to-market and settlement arrangements, stock index futures, interest rate swaps, treasury bond futures and commodity futures were settled daily and the corresponding receipts and payments were included in clearing settlement funds.

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## ACCOUNTANTS’ REPORT

### 36. CLEARING SETTLEMENT FUNDS

#### The Group

|                                                          | As at 31 December |                  |                  |
|----------------------------------------------------------|-------------------|------------------|------------------|
|                                                          | 2023              | 2024             | 2025             |
|                                                          | RMB'000           | RMB'000          | RMB'000          |
| Clearing settlement funds held with clearing houses for: |                   |                  |                  |
| — House accounts                                         | 789,423           | 1,240,849        | 656,305          |
| — Client accounts                                        | 598,678           | 1,270,534        | 1,215,327        |
| Add: Accrued interest                                    | 1                 | 1                | 1                |
| Total                                                    | <u>1,388,102</u>  | <u>2,511,384</u> | <u>1,871,633</u> |

#### The Company

|                                                          | As at December 31, |                  |                  |
|----------------------------------------------------------|--------------------|------------------|------------------|
|                                                          | 2023               | 2024             | 2025             |
|                                                          | RMB'000            | RMB'000          | RMB'000          |
| Clearing settlement funds held with clearing houses for: |                    |                  |                  |
| — House accounts                                         | 836,405            | 1,291,133        | 763,065          |
| — Client accounts                                        | 598,678            | 1,105,185        | 1,008,993        |
| Total                                                    | <u>1,435,083</u>   | <u>2,396,318</u> | <u>1,772,058</u> |

These clearing settlement funds are held by the clearing houses for the Group and the Company and these balances carry interest at prevailing market interest rates.

### 37. BANK BALANCES

#### The Group

|                                  | As at December 31, |                  |                  |
|----------------------------------|--------------------|------------------|------------------|
|                                  | 2023               | 2024             | 2025             |
|                                  | RMB'000            | RMB'000          | RMB'000          |
| House accounts                   | 2,252,957          | 1,425,004        | 1,659,989        |
| Cash held on behalf of customers | 4,285,760          | 5,998,735        | 6,834,727        |
| Add: Accrued interest            | 2                  | 1,612            | 2,160            |
|                                  | <u>6,538,719</u>   | <u>7,425,351</u> | <u>8,496,876</u> |

#### The Company

|                                  | As at December 31, |                  |                  |
|----------------------------------|--------------------|------------------|------------------|
|                                  | 2023               | 2024             | 2025             |
|                                  | RMB'000            | RMB'000          | RMB'000          |
| House accounts                   | 1,610,288          | 887,568          | 836,409          |
| Cash held on behalf of customers | 3,806,015          | 5,495,407        | 5,924,734        |
|                                  | <u>5,416,303</u>   | <u>6,382,975</u> | <u>6,761,143</u> |

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## ACCOUNTANTS’ REPORT

Bank balances comprise time and demand deposits at banks which bear interest at the prevailing market rates.

As at 31 December 2023, the Company’s basic deposit account with China Construction Bank Beijing Anhui sub-branch had been frozen due to the judicial proceedings and the funds of RMB8 million had been frozen. As at December 31, 2024 and 2025, the Company’s basic deposit account with China Construction Bank Beijing Anhui sub-branch had been frozen due to the investigation of the Company’s customers’ cases, with the frozen funds of RMB14 million. There were no restrictions else on the use of the account and other funds in the account.

As at 31 December 2025, the Company had restriction on the use of funds and bonds subscription of RMB90.00 million.

The Group maintains accounts with banks to hold customers’ deposits arising from normal business transactions. The corresponding liabilities are recorded as accounts payable to brokerage clients (note 42 to the Historical Financial Information).

### 38. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

|                                            | As at December 31, |                  |                  |
|--------------------------------------------|--------------------|------------------|------------------|
|                                            | 2023               | 2024             | 2025             |
|                                            | RMB’000            | RMB’000          | RMB’000          |
| Bank balances - house accounts             | 2,252,959          | 1,426,616        | 1,662,149        |
| Clearing settlement funds - house accounts | 789,424            | 1,240,850        | 656,306          |
| Less: Restricted funds                     | 7,353              | 13,800           | 103,800          |
| Interest receivable                        | 3                  | 1,613            | 2,161            |
| Cash and cash equivalents                  | <u>3,035,027</u>   | <u>2,652,053</u> | <u>2,212,494</u> |

### 39. BONDS PAYABLE

At the end of each of the Relevant Periods, bonds payable comprised subordinated bonds, corporate bonds and beneficiary certificates.

#### The Group and the Company

|                              | As at December 31, |                  |                   |
|------------------------------|--------------------|------------------|-------------------|
|                              | 2023               | 2024             | 2025              |
|                              | RMB’000            | RMB’000          | RMB’000           |
| Non-current                  |                    |                  |                   |
| Subordinated bonds (1)       | 4,084,858          | 3,040,147        | 2,524,179         |
| Corporate bonds (1)          | 1,015,878          | 2,043,096        | 6,571,856         |
| Beneficiary certificates (2) | 513,250            | 989,308          | 2,427,637         |
|                              | <u>5,613,986</u>   | <u>6,072,551</u> | <u>11,523,672</u> |
| Current                      |                    |                  |                   |
| Subordinated bonds (1)       | 2,044,546          | 2,052,880        | 2,031,978         |
| Corporate bonds (1)          | 1,012,874          | 1,015,878        | —                 |
| Beneficiary certificates (2) | 376,502            | 1,317,806        | 1,265,132         |
|                              | <u>3,433,922</u>   | <u>4,386,564</u> | <u>3,297,110</u>  |

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## ACCOUNTANTS’ REPORT

(1) Details of the bonds issued by the Group are as follows:

### Non-current

| Name      | Issurance date     | Maturity date      | Coupon rate | As at December 31, |                  |                  |
|-----------|--------------------|--------------------|-------------|--------------------|------------------|------------------|
|           |                    |                    |             | 2023               | 2024             | 2025             |
|           |                    |                    |             | Carrying amount    | Carrying amount  | Carrying amount  |
|           |                    |                    |             | RMB'000            | RMB'000          | RMB'000          |
| 22 CSC C1 | March 29, 2022     | March 29, 2025     | 4.40%       | 1,550,269          | —                | —                |
| 22 CSC C2 | November 8, 2022   | November 8, 2025   | 3.53%       | 502,611            | —                | —                |
| 23 CSC C1 | April 25, 2023     | April 25, 2026     | 4.19%       | 1,028,813          | 1,028,813        | —                |
| 23 CSC C2 | November 29, 2023  | November 29, 2026  | 3.50%       | 1,003,165          | 1,003,165        | —                |
| 24 CSC C1 | August 12, 2024    | August 12, 2027    | 2.10%       | —                  | 1,008,169        | 1,008,169        |
| 25 CSC C1 | February 24, 2025  | February 24, 2028  | 2.27%       | —                  | —                | 509,672          |
| 22 CSC 01 | July 12, 2022      | July 12, 2025      | 3.35%       | 1,015,878          | —                | —                |
| 24 CSC 01 | March 21, 2024     | March 21, 2027     | 2.75%       | —                  | 2,043,096        | 2,043,096        |
| 25 CSC 01 | July 7, 2025       | July 7, 2028       | 2.00%       | —                  | —                | 1,009,753        |
| 25 CSC 02 | August 11, 2025    | August 11, 2028    | 2.04%       | —                  | —                | 1,007,992        |
| 25 CSC 01 | September 16, 2025 | September 16, 2028 | 2.10%       | —                  | —                | 1,006,156        |
| 25 CSC 02 | October 23, 2025   | October 23, 2027   | 2.00%       | —                  | —                | 1,003,836        |
| 25 CSC K1 | November 21, 2025  | May 21, 2027       | 1.82%       | —                  | —                | 501,022          |
| 25 CSC C3 | August 8, 2025     | August 8, 2028     | 2.08%       | —                  | —                | 504,160          |
| 25 CSC C1 | October 22, 2025   | April 22, 2028     | 2.24%       | —                  | —                | 502,179          |
|           |                    |                    |             | <u>5,100,736</u>   | <u>5,083,243</u> | <u>9,096,035</u> |

### Current

| Name      | Issurance date     | Maturity date     | Coupon rate | As at December 31, |                  |                  |
|-----------|--------------------|-------------------|-------------|--------------------|------------------|------------------|
|           |                    |                   |             | 2023               | 2024             | 2025             |
|           |                    |                   |             | Carrying amount    | Carrying amount  | Carrying amount  |
|           |                    |                   |             | RMB'000            | RMB'000          | RMB'000          |
| 21 CSC C1 | April 12, 2021     | April 12, 2024    | 4.41%       | 1,031,897          | —                | —                |
| 21 CSC C2 | September 28, 2021 | March 28, 2024    | 4.86%       | 1,012,649          | —                | —                |
| 22 CSC C1 | March 29, 2022     | March 29, 2025    | 4.40%       | —                  | 1,550,269        | —                |
| 22 CSC C2 | November 8, 2022   | November 8, 2025  | 3.53%       | —                  | 502,611          | —                |
| 23 CSC C1 | April 25, 2023     | April 25, 2026    | 4.19%       | —                  | —                | 1,028,813        |
| 21 CSC 01 | August 27, 2021    | August 27, 2024   | 3.70%       | 1,012,874          | —                | —                |
| 22 CSC 01 | July 12, 2022      | July 12, 2025     | 3.35%       | —                  | 1,015,878        | —                |
| 23 CSC C2 | November 29, 2023  | November 29, 2026 | 3.50%       | —                  | —                | 1,003,165        |
|           |                    |                   |             | <u>3,057,420</u>   | <u>3,068,758</u> | <u>2,031,978</u> |

(2) Beneficiary certificates

As at December 31, 2023, for beneficiary certificates issued by the Company, their coupon rates were from 3.10% to 4.50%.

As at December 31, 2024, for beneficiary certificates issued by the Company, their coupon rates were from 2.30% to 3.70%.

As at December 31, 2025, for beneficiary certificates issued by the Company, their coupon rates were from 2.03% to 3.30%.

All of these bonds and beneficiary certificates are denominated in RMB.

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### 40. SHORT-TERM FINANCING PAYABLES

#### The Group and the Company

|                                         | As at December 31, |                  |                  |
|-----------------------------------------|--------------------|------------------|------------------|
|                                         | 2023               | 2024             | 2025             |
|                                         | RMB'000            | RMB'000          | RMB'000          |
| Short-term commercial papers (1)        | —                  | 500,890          | 1,312,548        |
| Short-term beneficiary certificates (2) | 1,733,119          | 1,489,919        | 27,718           |
|                                         | <u>1,733,119</u>   | <u>1,990,809</u> | <u>1,340,266</u> |

#### (1) Short-term commercial papers

The details of short-term commercial papers as at December 31, 2024 are as follows:

| Name         | Issue amount | Issurance date    | Maturity date   | Coupon rate |
|--------------|--------------|-------------------|-----------------|-------------|
|              | RMB'000      |                   |                 |             |
| 24 CSC CP001 | 500,000      | November 28, 2024 | August 28, 2025 | 1.91%       |

The details of short-term commercial papers as at December 31, 2025 are as follows:

| Name         | Issue amount | Issurance date | Maturity date | Coupon rate |
|--------------|--------------|----------------|---------------|-------------|
|              | RMB'000      |                |               |             |
| 25 CSC CP003 | 800,000      | May 16, 2025   | May 16, 2026  | 1.70%       |
| 25 CSC CP004 | 500,000      | July 9, 2025   | July 8, 2026  | 1.65%       |

#### (2) Short-term beneficiary certificates

As at December 31, 2023, for short-term beneficiary certificates issued by the Company, their coupon rates were from 2.20% to 3.40%.

As at December 31, 2024, for short-term beneficiary certificates issued by the Company, their coupon rates were from 2.00% to 2.50%.

As at December 31, 2025, for short-term beneficiary certificates issued by the Company, their coupon rates were from 2.10% to 2.30%.

### 41. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

#### The Group and the Company

|                                 | As at December 31, |                  |                  |
|---------------------------------|--------------------|------------------|------------------|
|                                 | 2023               | 2024             | 2025             |
|                                 | RMB'000            | RMB'000          | RMB'000          |
| Due to banks                    | 100,000            | 200,000          | 800,000          |
| Due to China Securities Finance | 810,000            | 1,330,000        | 2,130,000        |
| Add: Interest payable           | 4,706              | 6,753            | 10,154           |
|                                 | <u>914,706</u>     | <u>1,536,753</u> | <u>2,940,154</u> |

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As at December 31, 2023, the effective interest rate on the amounts due to banks was 2.60% per annum. The amounts due to banks were repayable within two days from December 31, 2023. The range of effective interest rate on the amounts due to other financial institutions was 2.31% to 3.50% per annum. The amounts due to other financial institutions were repayable within five months from December 31, 2023.

As at December 31, 2024, the range of effective interest rate on the amounts due to banks was 1.72% to 1.80% per annum. The amounts due to banks were repayable within six days from December 31, 2024. The range of effective interest rate on the amounts due to other financial institutions was 1.99% to 2.56% per annum. The amounts due to other financial institutions were repayable within five months from December 31, 2024.

As at December 31, 2025, the range of effective interest rate on the amounts due to banks was 1.50% to 2.15% per annum. The amounts due to banks were repayable within three days from December 31, 2025. The range of effective interest rate on the amounts due to other financial institutions was 1.63% to 2.42% per annum. The amounts due to other financial institutions were repayable within six months from December 31, 2025.

### 42. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

#### The Group

|                                       | As at December 31, |                  |                  |
|---------------------------------------|--------------------|------------------|------------------|
|                                       | 2023               | 2024             | 2025             |
|                                       | RMB'000            | RMB'000          | RMB'000          |
| Client deposits for brokerage trading | 5,207,123          | 7,191,357        | 7,857,675        |
| Client deposits for margin financing  | 324,714            | 487,225          | 535,713          |
|                                       | <u>5,531,837</u>   | <u>7,678,582</u> | <u>8,393,388</u> |

#### The Company

|                                       | As at December 31, |                  |                  |
|---------------------------------------|--------------------|------------------|------------------|
|                                       | 2023               | 2024             | 2025             |
|                                       | RMB'000            | RMB'000          | RMB'000          |
| Client deposits for brokerage trading | 4,340,057          | 6,154,150        | 6,306,912        |
| Client deposits for margin financing  | 324,714            | 487,225          | 535,713          |
|                                       | <u>4,664,771</u>   | <u>6,641,375</u> | <u>6,842,625</u> |

Accounts payable to brokerage clients mainly include money held on behalf of clients at banks and at clearing houses by the Group and are interest-bearing at the prevailing market interest rates.

The majority of the accounts payable are repayable on demand except where certain payables represent margin deposits and cash collateral received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value to the readers of the Historical Financial Information in view of the nature of these businesses.

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### 43. ACCRUED STAFF COSTS

#### The Group

|                                | As at December 31, |         |         |
|--------------------------------|--------------------|---------|---------|
|                                | 2023               | 2024    | 2025    |
|                                | RMB'000            | RMB'000 | RMB'000 |
| <u>Non-current</u>             |                    |         |         |
| Salaries, bonus and allowances | 52,916             | 91,842  | 79,896  |
| <u>Current</u>                 |                    |         |         |
| Salaries, bonus and allowances | 90,580             | 86,794  | 120,809 |
| Social welfare                 | 2,604              | 2,694   | 2,736   |
| Annuity schemes                | 67                 | —       | —       |
| Others                         | 5,687              | 4,265   | 4,126   |
| Subtotal                       | 98,938             | 93,753  | 127,671 |
| Total                          | 151,854            | 185,595 | 207,567 |

#### The Company

|                                | As at December 31, |         |         |
|--------------------------------|--------------------|---------|---------|
|                                | 2023               | 2024    | 2025    |
|                                | RMB'000            | RMB'000 | RMB'000 |
| <u>Non-current</u>             |                    |         |         |
| Salaries, bonus and allowances | 40,020             | 80,274  | 74,783  |
| <u>Current</u>                 |                    |         |         |
| Salaries, bonus and allowances | 87,157             | 85,435  | 117,353 |
| Social welfare                 | 2,104              | 2,135   | 2,161   |
| Annuity schemes                | 32                 | —       | —       |
| Others                         | 5,452              | 4,115   | 3,899   |
| Subtotal                       | 94,745             | 91,685  | 123,413 |
| Total                          | 134,765            | 171,959 | 198,196 |

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### 44. OTHER PAYABLES AND ACCRUALS

#### The Group

|                                                            | As at December 31, |                |                |
|------------------------------------------------------------|--------------------|----------------|----------------|
|                                                            | 2023               | 2024           | 2025           |
|                                                            | RMB'000            | RMB'000        | RMB'000        |
| Current                                                    |                    |                |                |
| Accounts payable to asset management clients               | 84,959             | 361,086        | 491,917        |
| Custody fees and commissions payable                       | 117,180            | 119,665        | 116,137        |
| Accounts payable for settlement                            | 64,685             | 143,481        | 95,709         |
| Procurement and suppliers payable                          | 36,334             | 27,281         | 45,949         |
| Value-added tax and other taxes                            | 35,865             | 40,034         | 41,163         |
| Withholding and payables on behalf of others               | 11,378             | 20,894         | 10,979         |
| Risk reserve and broker commissions payable                | 10,760             | 11,490         | 12,542         |
| Futures risk reserve payable                               | 7,098              | 8,042          | 9,118          |
| Payable to securities and futures investor protection fund | 5,233              | 5,812          | 6,059          |
| Guarantee fees payable                                     | 4,500              | —              | —              |
| Others                                                     | 30                 | 174            | 30             |
|                                                            | <u>378,022</u>     | <u>737,959</u> | <u>829,603</u> |

#### The Company

|                                                            | As at December 31, |                |                |
|------------------------------------------------------------|--------------------|----------------|----------------|
|                                                            | 2023               | 2024           | 2025           |
|                                                            | RMB'000            | RMB'000        | RMB'000        |
| Current                                                    |                    |                |                |
| Accounts payable to asset management clients               | 84,959             | 361,086        | 491,917        |
| Custody fees and commissions payable                       | 116,255            | 119,664        | 116,137        |
| Accounts payable for settlement                            | 64,685             | 143,481        | 95,005         |
| Procurement and suppliers payable                          | 32,811             | 25,515         | 26,640         |
| Value-added tax and other taxes                            | 33,371             | 39,368         | 37,215         |
| Withholding and payables on behalf of others               | 13,151             | 23,272         | 11,930         |
| Risk reserve and broker commissions payable                | 10,761             | 9,989          | 11,344         |
| Payable to securities and futures investor protection fund | 5,197              | 5,773          | 5,997          |
| Guarantee fees payable                                     | 4,500              | —              | —              |
| Others                                                     | 30                 | 174            | 30             |
|                                                            | <u>365,720</u>     | <u>728,322</u> | <u>796,215</u> |

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### 45. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

#### The Group

|                                                                             | As at December 31, |                  |                |
|-----------------------------------------------------------------------------|--------------------|------------------|----------------|
|                                                                             | 2023               | 2024             | 2025           |
|                                                                             | RMB'000            | RMB'000          | RMB'000        |
| Current                                                                     |                    |                  |                |
| Financial liabilities designated at fair value through profit or loss:      |                    |                  |                |
| — Payables to third-party interests in the consolidated structured entities | 321,061            | 608,490          | 232,991        |
| Financial liabilities at fair value through profit or loss:                 |                    |                  |                |
| — Debt securities                                                           | 363,929            | 644,609          | 589,589        |
|                                                                             | <u>684,990</u>     | <u>1,253,099</u> | <u>822,580</u> |

#### The Company

|                                                             | As at December 31, |                |                |
|-------------------------------------------------------------|--------------------|----------------|----------------|
|                                                             | 2023               | 2024           | 2025           |
|                                                             | RMB'000            | RMB'000        | RMB'000        |
| Current                                                     |                    |                |                |
| Financial liabilities at fair value through profit or loss: |                    |                |                |
| — Debt securities                                           | 363,929            | 644,609        | 589,589        |
|                                                             | <u>363,929</u>     | <u>644,609</u> | <u>589,589</u> |

The Group entered into securities lending arrangements with counterparties, resulting in the group pledging securities as collateral to counterparties. The fair values of the pledged securities as at December 31, 2023, 2024 and 2025 were RMB407 million, RMB668 million and RMB785 million respectively. These securities continued to be recognized as financial assets of the Group.

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### 46. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

#### The Group

|                                   | As at December 31, |                  |                  |
|-----------------------------------|--------------------|------------------|------------------|
|                                   | 2023               | 2024             | 2025             |
|                                   | RMB'000            | RMB'000          | RMB'000          |
| Current                           |                    |                  |                  |
| Analyzed by collateral type:      |                    |                  |                  |
| Debt securities                   | 11,978,763         | 9,285,175        | 8,803,419        |
| Add: Interest payable             | 9,800              | 2,664            | 1,549            |
|                                   | <u>11,988,563</u>  | <u>9,287,839</u> | <u>8,804,968</u> |
| Analyzed by market of collateral: |                    |                  |                  |
| Stock exchange                    | 4,522,466          | 4,038,684        | 2,675,805        |
| Interbank bond market             | 7,466,097          | 5,249,155        | 6,129,163        |
|                                   | <u>11,988,563</u>  | <u>9,287,839</u> | <u>8,804,968</u> |

The Group entered into repurchase agreements with certain counterparties to sell debt securities recognized as financial assets at fair value through profit or loss with carrying amount of RMB13 billion, RMB10 billion and RMB11 billion as at December 31, 2023, 2024 and 2025 respectively. The Group are subject to the simultaneous agreements to repurchase these securities at the agreed dates and prices.

Financial assets sold under repurchase agreements bear effective interest rates at 1.00%-5.80%, 1.56%-2.30% and 1.63%-2.40% as at December 31, 2023, 2024 and 2025.

#### The Company

|                                   | As at December 31, |                  |                  |
|-----------------------------------|--------------------|------------------|------------------|
|                                   | 2023               | 2024             | 2025             |
|                                   | RMB'000            | RMB'000          | RMB'000          |
| Current                           |                    |                  |                  |
| Analysed by collateral type:      |                    |                  |                  |
| Debt securities                   | 11,906,563         | 9,155,318        | 8,739,169        |
| Add: Interest payable             | 9,730              | 2,615            | 1,514            |
|                                   | <u>11,916,293</u>  | <u>9,157,933</u> | <u>8,740,683</u> |
| Analysed by market of collateral: |                    |                  |                  |
| Stock exchange                    | 4,450,196          | 3,919,023        | 2,611,520        |
| Interbank bond market             | 7,466,097          | 5,238,910        | 6,129,163        |
|                                   | <u>11,916,293</u>  | <u>9,157,933</u> | <u>8,740,683</u> |

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### 47. CONTRACT LIABILITIES

#### The Group

|                             | As at December 31, |               |               |
|-----------------------------|--------------------|---------------|---------------|
|                             | 2023               | 2024          | 2025          |
|                             | RMB'000            | RMB'000       | RMB'000       |
| Investment banking services | 11,083             | 9,157         | 6,759         |
| Asset management services   | 1,627              | 2,943         | 4,729         |
| Brokerage services          | 880                | 2,794         | 7,879         |
| Others                      | 2,633              | 1,605         | 1,880         |
| Total                       | <u>16,223</u>      | <u>16,499</u> | <u>21,247</u> |

#### The Company

|                             | As at December 31, |               |               |
|-----------------------------|--------------------|---------------|---------------|
|                             | 2023               | 2024          | 2025          |
|                             | RMB'000            | RMB'000       | RMB'000       |
| Investment banking services | 11,082             | 9,157         | 6,759         |
| Asset management services   | 1,627              | 2,943         | 4,729         |
| Brokerage services          | 880                | 2,794         | 7,879         |
| Others                      | —                  | 47            | 298           |
| Total                       | <u>13,589</u>      | <u>14,941</u> | <u>19,665</u> |

### 48. SHARE CAPITAL

The Company’s numbers of shares and their nominal values are as follows:

|                                                    | As at December 31, |                  |                  |
|----------------------------------------------------|--------------------|------------------|------------------|
|                                                    | 2023               | 2024             | 2025             |
|                                                    | RMB'000            | RMB'000          | RMB'000          |
| Issued and fully paid ordinary shares of RMB1 each |                    |                  |                  |
| Domestic shares                                    | <u>2,733,334</u>   | <u>2,733,334</u> | <u>2,733,334</u> |
| Share capital                                      |                    |                  |                  |
| Domestic shares                                    | <u>2,733,334</u>   | <u>2,733,334</u> | <u>2,733,334</u> |

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### 49. RESERVES AND RETAINED PROFITS

The amounts of the Group’s reserves and retained profits and the movements therein for the Relevant Periods are presented in the statements of changes in equity of the Group.

#### (a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value.

#### (b) Investment revaluation reserve

The investment revaluation reserve comprises:

The cumulative net changes in the fair value of equity instruments designated at FVOCI, net of amounts reclassified to retained profits when those equity instruments at FVTOCI are disposed of; and

The cumulative net changes in the fair value of debt instruments at FVOCI, net of amounts reclassified to profit or loss when those debt instruments at FVTOCI are disposed of or are determined to be impaired.

#### (c) General reserves

General reserves comprise of the statutory surplus reserve, discretionary surplus reserve, reserve for general risk and transaction risk reserve.

Pursuant to the Company Law of the PRC, in accordance with the Company’s articles of association, 10% of the net profit of the Company, determined in accordance with the relevant accounting rules and financial regulations applicable to enterprises in the PRC (“PRC GAAP”), is required to be transferred to the statutory surplus reserve until such time when this reserve reaches 50% of the share capital of the Company. The reserve appropriated can be used for expansion of business scale and capitalization. If the statutory surplus reserve is capitalized into share capital, the remaining reserve is required to be no less than 25% of the Company’s registered capital before capitalization. The Company may also make appropriations from its net profit to the discretionary surplus reserve provided that the appropriation is approved by a resolution of the shareholders.

In accordance with the Financial Rules for Financial Enterprises (Order of the MOF No. 42) and the application guidance (Caijin [2007] No. 23) issued by the MOF, and the Guideline of Supervision of Annual Report of Securities Companies issued by the CSRC, the Company is required to appropriate an amount equivalent to 10% of the net profit to the general 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 December 18, 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Group appropriates an amount equivalent to 10% of the net profit to the trading risk reserve.

#### (d) Reserve movements of the Company

| Year ended December 31, 2023                          | Capital<br>reserve | Investment<br>revaluation<br>reserve | General<br>reserves | Other<br>reserves | Retained<br>profits | Total            |
|-------------------------------------------------------|--------------------|--------------------------------------|---------------------|-------------------|---------------------|------------------|
|                                                       | RMB'000            | RMB'000                              | RMB'000             | RMB'000           | RMB'000             | RMB'000          |
| At January 1, 2023                                    | 6,787,164          | (32,751)                             | 1,350,107           | 365               | 1,139,205           | 9,244,090        |
| Profit and total comprehensive<br>income for the year | —                  | 56,128                               | —                   | 78                | 714,997             | 771,203          |
| Transfer from retained profits                        | —                  | —                                    | 214,499             | —                 | (214,499)           | —                |
| Dividends recognized as distribution                  | —                  | —                                    | —                   | —                 | (505,667)           | (505,667)        |
| At December 31, 2023                                  | <u>6,787,164</u>   | <u>23,377</u>                        | <u>1,564,606</u>    | <u>443</u>        | <u>1,134,036</u>    | <u>9,509,626</u> |

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| Year ended December 31, 2024                                                    | Capital<br>reserve | Investment<br>revaluation<br>reserve | General<br>reserves | Other<br>reserves | Retained<br>profits | Total             |
|---------------------------------------------------------------------------------|--------------------|--------------------------------------|---------------------|-------------------|---------------------|-------------------|
|                                                                                 | RMB'000            | RMB'000                              | RMB'000             | RMB'000           | RMB'000             | RMB'000           |
| At January 1, 2024                                                              | 6,787,164          | 23,377                               | 1,564,606           | 443               | 1,134,036           | 9,509,626         |
| Profit and total comprehensive<br>income for the year                           | —                  | 320,356                              | —                   | 447               | 1,059,012           | 1,379,815         |
| Transfer from retained profits                                                  | —                  | —                                    | 317,704             | —                 | (317,704)           | —                 |
| Dividends recognized as<br>distribution                                         | —                  | —                                    | —                   | —                 | (423,667)           | (423,667)         |
| Other                                                                           | 365                | —                                    | —                   | —                 | —                   | 365               |
| At December 31, 2024                                                            | <u>6,787,529</u>   | <u>343,733</u>                       | <u>1,882,310</u>    | <u>890</u>        | <u>1,451,677</u>    | <u>10,466,139</u> |
| Year ended December 31, 2025                                                    | Capital<br>reserve | Investment<br>revaluation<br>reserve | General<br>reserves | Other<br>reserves | Retained<br>profits | Total             |
|                                                                                 | RMB'000            | RMB'000                              | RMB'000             | RMB'000           | RMB'000             | RMB'000           |
| At January 1, 2025                                                              | 6,787,529          | 343,733                              | 1,882,310           | 890               | 1,451,677           | 10,466,139        |
| Profit and total comprehensive<br>income for the year                           | —                  | 3,081                                | —                   | (93)              | 1,088,252           | 1,091,240         |
| Transfer from retained profits                                                  | —                  | —                                    | 326,475             | —                 | (326,475)           | —                 |
| Dividends recognized as<br>distribution                                         | —                  | —                                    | —                   | —                 | (533,000)           | (533,000)         |
| Other comprehensive income that<br>has been reclassified to retained<br>profits | —                  | 44,823                               | —                   | —                 | (44,823)            | —                 |
| At December 31, 2025                                                            | <u>6,787,529</u>   | <u>391,637</u>                       | <u>2,208,785</u>    | <u>797</u>        | <u>1,635,631</u>    | <u>11,024,379</u> |

### (e) Dividends

Dividends for ordinary shareholders of the Company declared during the Relevant Periods:

|                                                   | Year ended December 31, |              |              |
|---------------------------------------------------|-------------------------|--------------|--------------|
|                                                   | 2023                    | 2024         | 2025         |
| Dividends declared (RMB1 cent per ordinary share) | <u>0.185</u>            | <u>0.155</u> | <u>0.195</u> |

## 50. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

For the years ended December 31, 2023, 2024 and 2025, the Group had non-cash additions to the right-of-use assets and lease liabilities of RMB34 million, RMB58 million and RMB11 million, in respect of lease arrangements.

The Group had non-cash additions to the investment properties of RMB18 million for the year ended December 31, 2023 in respect of repossessed assets.

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### (b) Changes in 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.

|                      | <b>Bonds payable</b> | <b>Short-term financing payables</b> | <b>Lease liabilities</b> | <b>Dividends payable</b> |
|----------------------|----------------------|--------------------------------------|--------------------------|--------------------------|
|                      | <i>RMB'000</i>       | <i>RMB'000</i>                       | <i>RMB'000</i>           | <i>RMB'000</i>           |
| At January 1, 2023   | 7,347,553            | 593,554                              | 407,640                  | —                        |
| Financing cash flows | 1,413,897            | 1,092,961                            | (82,113)                 | (505,667)                |
| Non-cash changes:    |                      |                                      |                          |                          |
| Interest expenses    | 286,458              | 46,604                               | 17,531                   | —                        |
| New leases           | —                    | —                                    | 33,638                   | —                        |
| Dividends declared   | —                    | —                                    | —                        | 505,667                  |
| At December 31, 2023 | <u>9,047,908</u>     | <u>1,733,119</u>                     | <u>376,696</u>           | <u>—</u>                 |
|                      |                      |                                      |                          |                          |
|                      | <b>Bonds payable</b> | <b>Short-term financing payables</b> | <b>Lease liabilities</b> | <b>Dividends payable</b> |
|                      | <i>RMB'000</i>       | <i>RMB'000</i>                       | <i>RMB'000</i>           | <i>RMB'000</i>           |
| At January 1, 2024   | 9,047,908            | 1,733,119                            | 376,696                  | —                        |
| Financing cash flows | 1,117,912            | 177,344                              | (71,021)                 | (423,667)                |
| Non-cash changes:    |                      |                                      |                          |                          |
| Interest expenses    | 293,295              | 80,346                               | 16,653                   | —                        |
| New leases           | —                    | —                                    | 58,406                   | —                        |
| Dividends declared   | —                    | —                                    | —                        | 423,667                  |
| At December 31, 2024 | <u>10,459,115</u>    | <u>1,990,809</u>                     | <u>380,734</u>           | <u>—</u>                 |
|                      |                      |                                      |                          |                          |
|                      | <b>Bonds payable</b> | <b>Short-term financing payables</b> | <b>Lease liabilities</b> | <b>Dividends payable</b> |
|                      | <i>RMB'000</i>       | <i>RMB'000</i>                       | <i>RMB'000</i>           | <i>RMB'000</i>           |
| At January 1, 2025   | 10,459,115           | 1,990,809                            | 380,734                  | —                        |
| Financing cash flows | 4,115,605            | (786,920)                            | (90,321)                 | (533,000)                |
| Non-cash changes:    |                      |                                      |                          |                          |
| Interest expenses    | 246,061              | 136,377                              | 14,854                   | —                        |
| New leases           | —                    | —                                    | 10,892                   | —                        |
| Dividends declared   | —                    | —                                    | —                        | 533,000                  |
| At December 31, 2025 | <u>14,820,781</u>    | <u>1,340,266</u>                     | <u>316,159</u>           | <u>—</u>                 |

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### (c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows are as follows:

|                             | Year ended December 31, |                 |                 |
|-----------------------------|-------------------------|-----------------|-----------------|
|                             | 2023                    | 2024            | 2025            |
|                             | RMB'000                 | RMB'000         | RMB'000         |
| Within operating activities | (6,199)                 | (1,469)         | (971)           |
| Within financing activities | (89,815)                | (71,564)        | (93,233)        |
| Total                       | <u>(96,014)</u>         | <u>(73,033)</u> | <u>(94,204)</u> |

### 51. INTERESTS IN STRUCTURED ENTITIES

#### (a) Interests in structured entities consolidated by the Group

The Group had consolidated certain structured entities, mainly asset management schemes. These special vehicles issue units to investors, including the Group, to finance their operations, which are primarily investments in various debts. For those structured entities where the Group is involved as manager or as investor, the Group assesses the controlling power according to accounting policies stated in note 3.

Interests in structured entities consolidated by the Group at the end of each Relevant Periods are listed below:

|                                                                                                | As at December 31, |         |           |
|------------------------------------------------------------------------------------------------|--------------------|---------|-----------|
|                                                                                                | 2023               | 2024    | 2025      |
|                                                                                                | RMB'000            | RMB'000 | RMB'000   |
| Total assets of the consolidated structured entities                                           | 545,593            | 918,606 | 5,383,937 |
| Total net assets of the consolidated structured entities                                       | 471,636            | 786,704 | 5,295,511 |
| The carrying amount of third-party interests in the consolidated structured entities (note 45) | 321,061            | 608,490 | 232,991   |

Interests held by other investors in these consolidated structured entities were classified as investment income and gains in the consolidated statements of profit or loss, and financial liabilities at fair value through profit or loss in the consolidated statements of financial position.

At the end of the Relevant Periods, the Group reassessed the control of structured entities and decided whether the Group was still a principal.

#### (b) Structured entities sponsored by third party institutions or the Group which the Group does not consolidate but holds interests in

The types of structured entities that the Group does not consolidate but in which it holds interests include funds, asset management schemes, trust schemes and wealth management products issued by banks or 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 issue of units to investors.

The Group also has interests in unconsolidated collective asset management schemes managed by the Group where the remuneration of the Group is commensurate with the services provided and the variable returns the Group exposed to are not considered to be significant. The Group therefore considers it makes decision by acting as an agent for the investors and hence did not consolidate these structured entities.

The amounts of unconsolidated structured entities managed by the Group were RMB124,845 million, RMB137,496 million and RMB164,863 million as at the end of December 31, 2023, 2024 and 2025.

For the years ended December 31, 2023, 2024 and 2025, the management fee income and investment gains from the unconsolidated asset management schemes managed by the Group amounted to RMB813 million, RMB1,346 million and RMB760 million separately.

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For the Relevant Periods, the Group did not provide significant financial support to these unconsolidated structured entities.

The carrying amounts of the related accounts in the consolidated statements of financial position, which are equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities as at the end of each of the Relevant Periods are listed below:

|                                                                     | As at December 31 |           |           |
|---------------------------------------------------------------------|-------------------|-----------|-----------|
|                                                                     | 2023              | 2024      | 2025      |
|                                                                     | RMB'000           | RMB'000   | RMB'000   |
| Carrying amounts of interests held by the Group                     |                   |           |           |
| Financial assets at fair value through profit or loss               |                   |           |           |
| — Funds                                                             | 1,691,948         | 1,785,712 | 2,763,380 |
| — Trust schemes and wealth management products                      | 69,348            | 378,082   | 356,753   |
| — Asset management plan                                             | 3,773,237         | 3,890,787 | 2,034,254 |
| Subtotal                                                            | 5,534,533         | 6,054,581 | 5,154,387 |
| Equity instruments at fair value through other comprehensive income |                   |           |           |
| — REITs                                                             | —                 | 134,762   | 342,041   |
| Total                                                               | 5,534,533         | 6,189,343 | 5,496,428 |

### 52. CONTINGENT LIABILITIES

As at the end of each Relevant Periods, the Group was not involved in any legal proceedings or arbitrations for which an unfavorable judgment, ruling, or decision, if rendered, would reasonably be expected to result in a material adverse effect on the Group’s financial position or operating results.

### 53. PLEDGE OF ASSETS

Details of the Group’s assets pledged for the Group’s repurchase agreements, securities lending arrangements and other arrangements are included in notes 45 and 46 to the Historical Financial Information.

### 54. TRANSFERS OF FINANCIAL ASSETS

In the normal course of business, the Group enters into certain transactions in which they transfer recognized financial assets to third parties or customers. If these transfers qualify for derecognition, the Group derecognizes all or part of the financial assets where appropriate. If the Group has retained substantially all the risks and rewards on these assets, the Group continues to recognize these assets.

#### *Securities lending arrangements*

The Group entered into securities lending agreements with clients to lend out its own securities classified as financial assets at fair value through profit or loss and equity instruments designated at fair value through other comprehensive income, using the client’s securities or cash as collateral, and as the Group still retains all the risks of the relevant securities, it has not derecognized such securities in the consolidated statements of financial position.

The following table analyzes the carrying amount of the above-mentioned financial assets transferred to third parties or customers that did not qualify for derecognition:

|                    | As at December 31, |         |         |
|--------------------|--------------------|---------|---------|
|                    | 2023               | 2024    | 2025    |
|                    | RMB'000            | RMB'000 | RMB'000 |
| Securities lending | 5,255              | 3,728   | 2,166   |

### 55. COMMITMENTS

#### (1) Underwriting commitments

As of December 31, 2023, 2024 and 2025, our outstanding securities underwriting commitments were nil, nil, RMB1,825 million, respectively.

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### (2) Capital commitments

Capital commitments outstanding at the end of Relevant Periods not provided for in the Historical Information were as follows:

|                                  | As at December 31, |         |         |
|----------------------------------|--------------------|---------|---------|
|                                  | 2023               | 2024    | 2025    |
|                                  | RMB'000            | RMB'000 | RMB'000 |
| Contracted, but not provided for | 2,963              | 7,218   | 22,814  |

The aforementioned capital commitments mainly represent capital contributions subscribed to funds, construction of properties and purchase of equipment of the Group.

### (3) Lease commitments as lessee

|                           | As at December 31, |         |         |
|---------------------------|--------------------|---------|---------|
|                           | 2023               | 2024    | 2025    |
|                           | RMB'000            | RMB'000 | RMB'000 |
| Within 1 year (inclusive) | 3,269              | —       | 837     |
| 1 to 2 years (inclusive)  | 3,269              | —       | 864     |
| 2 to 3 years (inclusive)  | 3,127              | —       | 692     |
| After 3 years             | —                  | —       | 1,234   |
| Total                     | 9,665              | —       | 3,627   |

## 56. RELATED PARTY TRANSACTIONS

### (a) Transactions and balances with the immediate holding company and fellow subsidiaries

The Company was established with the approval of the China Securities Regulatory Commission on February 3, 2000. The shareholders of the Company are Beijing Capital Group Co., Ltd. with a 56.77% equity interest, BII Co., Ltd. with a 17.31% equity interest and Beijing Energy Holding Co., Ltd. with a 8.31% equity interest.

Beijing Capital Group Co., Ltd. is the Company’s parent company, which is ultimately controlled by State-owned Assets Supervision and Administration Commission of Beijing Municipal People’s Government (Beijing SASAC). Beijing Capital Group Co., Ltd. is registered in Beijing with a registered capital of RMB3 billion. Its main business includes the operation and management of state-owned assets within the authorized scope.

The Group’s daily business transactions with immediate holding company and its fellow subsidiaries are conducted on normal commercial terms.

The Group’s material transactions with the immediate holding company and fellow subsidiaries

|                                   | Year ended December 31, |         |         |
|-----------------------------------|-------------------------|---------|---------|
|                                   | 2023                    | 2024    | 2025    |
|                                   | RMB'000                 | RMB'000 | RMB'000 |
| Commission and fee income         | 20,747                  | 8,043   | 9,258   |
| Investment income and gains       | 2,107                   | 4,775   | 1,185   |
| Interest expenses                 | 48                      | 39      | 8       |
| Other operating expenses          | 6,840                   | 1,943   | 623     |
| Investment properties (1)         | —                       | 19,721  | —       |
| Property, plant and equipment (2) | —                       | —       | 95,222  |

- (1) As at December 26, 2024, the Company acquired a property owned by Beijing Beiqing Outdoor Advertising Co., Ltd. through bidding at China Beijing Equity Exchange and completed the house ownership transfer registration on December 30, 2024. Beijing Beiqing Outdoor Advertising Co., Ltd. is ultimate controlled by the Company’s parent company.

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- (2) As at April 30, 2025, the Company signed the contract of preselling commercial house with Shanghai Shouyang Investment Co., Ltd, the subsidiary of the immediate holding company. The transaction price of the property was RMB104 million, including VAT of RMB 9 million. As at 12 May 2025, RMB80 million was prepaid for the property. As at 17 September 2025, the title transfer formalities of the project were completed, and the real estate title certificate was obtained. The remaining balance of the period has been paid in full.

The Group’s material balances with the immediate holding company and fellow subsidiaries

|                                       | As at December 31 |         |         |
|---------------------------------------|-------------------|---------|---------|
|                                       | 2023              | 2024    | 2025    |
|                                       | RMB’000           | RMB’000 | RMB’000 |
| Debt instruments at FVTOCI            | 168,785           | 8,179   | —       |
| Financial assets at FVTPL             | 106,935           | 25,995  | 24,056  |
| Accounts payable to brokerage clients | 16,961            | 17,160  | 1       |
| Contract liabilities                  | 217               | 94      | 83      |
| Other payables and accruals           | 4,800             | 300     | 300     |

The balances with the immediate holding company and fellow subsidiaries are trade in nature.

Guarantees provided by the holding company and its subsidiaries to the Group

| Guarantor                       | Guaranteed amount | Guarantee         |                       | Status of guarantee |
|---------------------------------|-------------------|-------------------|-----------------------|---------------------|
|                                 |                   | commencement date | Guarantee expiry date |                     |
|                                 | RMB’000           |                   |                       |                     |
| Beijing Capital Group Co., Ltd. | 500,000           | 2020-5-22         | 2023-5-22             | Fulfilled           |
| Beijing Capital Group Co., Ltd. | 1,000,000         | 2021-4-12         | 2024-4-12             | Fulfilled           |

The Company’s parent company, Beijing Capital Group Co., Ltd. provided guarantees for some of the bonds issued by the Company at a rate of 0.6%.

### (b) Transactions and balances with other shareholders holding 5% or above shares of the Company

Other shareholders holding 5% or above shares of the Company who had related party transactions with the Group during the Relevant Periods are as follows:

| Name                                                       | Relationship                                           |
|------------------------------------------------------------|--------------------------------------------------------|
| BII Co., Ltd.                                              | 17.31% of Capital Securities Corporation Limited       |
| Beijing Energy Holding Co., Ltd.                           | 8.31% of Capital Securities Corporation Limited        |
| Beijing State-owned Capital Operation Management Co., Ltd. | The parent company of Beijing Energy Holding Co., Ltd. |
| Beijing Jingneng Tongxin Investment Management Co., Ltd.   | 100% controlled by Beijing Energy Holding Co., Ltd.    |

BII Co., Ltd. is a wholly state-owned company invested and established by Beijing SASAC.

Beijing Energy Holding Co., Ltd. is a wholly state-owned enterprise by Beijing SASAC.

The Group’s material transactions with other shareholders holding 5% or more shares of the Company

|                             | Year ended December 31 |         |         |
|-----------------------------|------------------------|---------|---------|
|                             | 2023                   | 2024    | 2025    |
|                             | RMB’000                | RMB’000 | RMB’000 |
| Commission and fee income   | —                      | 6,102   | 2,873   |
| Investment income and gains | 3,020                  | 441     | 202     |

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The Group’s material balances with other shareholders holding 5% or more shares of the Company

|                           | As at December 31 |         |         |
|---------------------------|-------------------|---------|---------|
|                           | 2023              | 2024    | 2025    |
|                           | RMB’000           | RMB’000 | RMB’000 |
| Financial assets at FVTPL | 107,905           | 106,499 | 78,854  |

### (c) Transactions and balances with the Group’s associate and joint venture

Details of the Group’s associate at the end of the year are disclosed in note 25 to the Historical Financial Information.

The Group’s material transactions with the associate and joint venture

|                             | Year ended December 31, |         |         |
|-----------------------------|-------------------------|---------|---------|
|                             | 2023                    | 2024    | 2025    |
|                             | RMB’000                 | RMB’000 | RMB’000 |
| Commission and fee income   | 14,309                  | 2,487   | 5,163   |
| Investment income and gains | 244                     | 1,747   | 44      |
| Interest expenses           | 11                      | 2       | —       |

The Group’s material balances with the associate and joint venture

|                                       | As at December 31, |         |         |
|---------------------------------------|--------------------|---------|---------|
|                                       | 2023               | 2024    | 2025    |
|                                       | RMB’000            | RMB’000 | RMB’000 |
| Financial assets at FVTPL             | 111,604            | 49,975  | 32,289  |
| Accounts receivable                   | 5,459              | 412     | 655     |
| Accounts payable to brokerage clients | 65                 | 171     | 41      |
| Contract liabilities                  | 87                 | —       | —       |

The balances with the associate and joint venture are trade in nature.

### (d) Key management personnel compensation

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly, including directors, supervisors and other members of senior management.

The key management compensation for the Relevant Periods comprises:

|                                                                               | Year ended December 31, |         |         |
|-------------------------------------------------------------------------------|-------------------------|---------|---------|
|                                                                               | 2023                    | 2024    | 2025    |
|                                                                               | RMB’000                 | RMB’000 | RMB’000 |
| Salaries, allowances, bonuses, social welfare and annuity scheme contribution | 33,919                  | 14,387  | 12,781  |

The remuneration of 2024 and 2025 is the total amount of compensation attributable and received during the year.

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### 57. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

|                                                                                | As at December 31, |                   |                   |
|--------------------------------------------------------------------------------|--------------------|-------------------|-------------------|
|                                                                                | 2023               | 2024              | 2025              |
|                                                                                | RMB'000            | RMB'000           | RMB'000           |
| <b>Financial assets</b>                                                        |                    |                   |                   |
| Financial assets at amortized cost                                             |                    |                   |                   |
| — Financial assets held under resale agreements                                | 353,931            | 93,364            | 66,319            |
| — Deposits with exchanges and non-bank financial institutions                  | 699,348            | 776,422           | 1,770,836         |
| — Bank balances                                                                | 6,538,719          | 7,425,351         | 8,496,876         |
| — Advances to customers                                                        | 2,263,839          | 3,040,258         | 3,941,496         |
| — Accounts receivable                                                          | 744,552            | 597,284           | 596,274           |
| — Other financial assets                                                       | 87,370             | 60,607            | 45,398            |
| — Clearing settlement funds                                                    | 1,388,102          | 2,511,384         | 1,871,633         |
| Debt instruments at fair value through other comprehensive income              | 11,264,617         | 9,191,245         | 8,750,103         |
| Equity instruments designated at fair value through other comprehensive income | 1,400              | 2,334,308         | 6,193,615         |
| Financial assets at fair value through profit or loss                          | 18,010,748         | 19,049,778        | 18,668,461        |
| Derivative financial assets                                                    | 11,287             | 7,945             | 60,152            |
| Subtotal                                                                       | <u>41,363,913</u>  | <u>45,087,946</u> | <u>50,461,163</u> |
| <b>Financial liabilities</b>                                                   |                    |                   |                   |
| Financial liabilities at amortized cost                                        |                    |                   |                   |
| — Bonds payable                                                                | 9,047,908          | 10,459,115        | 14,820,782        |
| — Short-term financing payables                                                | 1,733,119          | 1,990,809         | 1,340,266         |
| — Other financial liabilities                                                  | 307,688            | 651,687           | 749,742           |
| — Accounts payable to brokerage clients                                        | 5,531,837          | 7,678,582         | 8,393,388         |
| — Due to banks and other financial institutions                                | 914,706            | 1,536,753         | 2,940,154         |
| — Financial assets sold under repurchase agreements                            | 11,988,563         | 9,287,839         | 8,804,968         |
| Financial liabilities designated as at fair value through profit or loss       | 321,061            | 608,490           | 232,991           |
| Financial liabilities at fair value through profit or loss                     | 363,929            | 644,609           | 589,589           |
| Derivative financial liabilities                                               | —                  | 7,796             | 4,172             |
| Subtotal                                                                       | <u>30,208,811</u>  | <u>32,865,680</u> | <u>37,876,052</u> |

### 58. FINANCIAL RISK MANAGEMENT

#### Overview

The Company attaches great importance to risk management work. In order to ensure the continuous and stable operation of the Company, improve risk management capabilities and core competitiveness, the Company has established a comprehensive risk management system that meets regulatory requirements and is multi-level, interconnected and effectively balanced, including a comprehensive and operable management system, a sound and effective organizational structure, a strong and professional risk management talent team, a scientifically reasonable quantitative risk indicator system, a reliable information technology system, and an effective risk response and handling mechanism. During the Relevant Periods, the Company adhered to a prudent and pragmatic risk management philosophy, continuously improved its comprehensive risk management system, and continuously strengthened its risk control capabilities, resulting in overall controllable risks.

The Company has established a risk management system based on the “Comprehensive Risk Management System” supported by various professional risk management methods such as the “Credit Risk Management Measures”, “Market Risk Management Measures”, “Liquidity Risk Management Measures”, “Operational Risk Management Measures”. During the reporting period, the Company revised its hierarchical risk management system, including the Comprehensive Risk Management System, Market Risk Management Measures, and Subsidiary Risk Management Implementation Rules, based on changes in regulatory policies and internal management needs. Multiple business level risk management systems were reviewed, further improving the Company’s comprehensive risk management system and providing institutional guarantees for various risk management work.

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### **Risk management organizational structure**

The Company has currently established a four-level risk management organizational structure consisting of Board of Directors—Management, General Manager’s Executive Committee—Risk Management Functional Departments—Various Business Departments, Branches, and Subsidiaries, ensuring coverage of all business operations and fulfilling comprehensive risk management responsibilities.

The Board of Directors is the highest decision-making body for the Company’s risk management, and bears ultimate responsibility for the effectiveness of the Company’s comprehensive risk management work. It mainly performs important duties such as building the Company’s risk culture, reviewing the basic system of comprehensive risk management, reviewing the Company’s annual risk appetite and risk tolerance. The Board of Directors may authorize its risk control committee to perform some of its responsibilities for comprehensive risk management.

The management of the Company bears the main responsibility for comprehensive risk management, making decisions on avoidance, control and mitigation risks, or acceptance the risk in business management. The General Manager’s Executive Committee has established a Risk Management Committee, responsible for formulating the Company’s risk appetite, risk tolerance, major risk limits, and risk control standards, developing risk management systems and a comprehensive performance evaluation system covering the effectiveness of risk management, reviewing information technology systems and data quality control mechanisms, reviewing new business and products, and approving the Company’s risk reports.

The Company has a Chief Risk Officer responsible for comprehensive risk management work, organizing the formulation of risk management related systems, improving the Company’s comprehensive risk management system, and organizing the identification, assessment, monitoring, reporting, and disposal of various risks.

The risk management functional departments of the Company include the Risk Management Department, Compliance Department, Quality Control Department, Credit Business Department, Fund Operations Management Department, Planning and Finance Department, Operations Management Center, Information Technology Department, Supervision Office, etc.

Under the leadership of the Chief Risk Officer, the Risk Management Department is responsible for promoting the comprehensive risk management work of the Company, monitoring, evaluating, and reporting the overall risk level of the Company, providing risk management recommendations for business decisions, and assisting, guiding, and inspecting the risk management work of various departments, branches and subsidiaries.

The Compliance Department assists the Compliance Director and is responsible for the Company’s compliance risk management work, as well as anti-money laundering related matters.

The Quality Control Department and the Credit Business Department respectively implement and enforce the Company’s risk management requirements in two specific business segments: investment banking and credit-based business.

The Fund Operations Management Department is mainly responsible for the Company’s liquidity risk management work. The Planning and Finance Department is mainly responsible for the daily financial accounting of the Company, and is responsible for preparing the Company’s regular financial statements and risk management supervision reports. The Operations Management Center is responsible for the Company’s transaction security, product management and comprehensive data services. The Information Technology Department is responsible for the procurement, operation, and maintenance of the Company’s information technology systems, ensuring the normal operation of various trading, brokerage, offices, and other systems. The above four departments all undertake risk management responsibilities, focusing on reducing operational and procedural risks within the Company and improving overall operational efficiency.

At the level of business departments, branches, and subsidiaries, they are able to implement the Company’s various rules and regulations within their scope of responsibilities, implement risk control measures, and act as the direct party responsible for risk management in their unit, timely identifying, evaluating, responding to, and reporting relevant risks on a timely bases. During the Relevant Periods, business departments of the Company and the back-end departments involved in specific risk types were equipped with at least one risk controller. The risk controller is responsible for assisting the department head in carrying out risk management work and cooperating with the Company’s risk management department to promote various risk management work. The assessment of risk control personnel is jointly implemented by their department and the Company’s risk management department.

The Company is led by the Risk Management Department to carry out comprehensive risk management work. After years of operation and training, the Company has built a professional team of risk management talents, whose quality and quantity meet the requirements of the “Comprehensive Risk Management Standards for Securities Companies”. The high quality of the Company’s risk management personnel provides strong support for the comprehensive risk management work of the Company.

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As of the end of the Relevant Periods, the Company established multiple risk management information systems for market risk, credit risk, liquidity risk, reputation risk, operational risk, etc., and continuously iterated and optimized each system, comprehensively improving the informationisation, automation, intelligence, and specialization level of risk management work, providing strong support for various risk measurement, risk monitoring, early warning risks and other risk management work.

### 58.1 Credit risk

Credit risk is the risk of loss due to failures or inability to fulfill obligations by counterparties, or the downgrade of credit rating of them. During each of the Relevant Periods, the credit risks faced by the Group were mainly concentrated in margin trading, financial assets held under resale agreements, fixed income investment and trading. Taking no account of collateral or other credit enhancements, the maximum credit exposure of financial assets to the extent exposed to credit risk approximated to their carrying amount at the end of each of the Relevant Periods.

In order to control the credit risk of the fixed income investment and trading business, the company’s fixed income investment and trading business mainly invests in treasury bond, policy financial bonds, urban investment bonds, state-owned enterprise industrial bonds, and the Company has developed a complete risk limit management, bond pool, counterparty library and internal credit rating system. During the reporting period, the main investment targets of the Company’s fixed income investment and trading business were high credit rating products, and the issuers were mostly central or local key state-owned enterprises. The Company closely tracks the operating conditions and credit rating changes of bond issuers, reduces concentration risk through diversified investment, and controls the credit risk level of bond investment portfolios. The main management methods for counterparty credit risk include but are not limited to: counterparty whitelist, tiered management, limit management, and the encouragement of the use of DVP settlement.

In order to control the credit risk of margin trading, stock pledge style repurchase transactions, and other businesses, the Company has established a business scale monitoring and adjustment mechanism with net capital as the core. It has developed a comprehensive risk prevention, monitoring, and response mechanism, including customer suitability management, credit review, collateral management, target securities management, risk limit management, daily market monitoring, early warning, and closing positions. At the same time, it has improved the business isolation system to ensure that margin trading, stock pledge style repurchase transactions, asset management, securities self operation, investment banking, and other businesses are separated from each other in terms of institutions, personnel, information, and accounts.

Other than those financial assets whose carrying amounts represent maximum exposure to credit risks, the Group is also exposed to credit risks arising from security lending and borrowing activities as clients may default on securities borrowed. Securities lent to clients may include securities collateral received from other clients under similar lending and borrowing arrangements. Therefore, these securities may not be recognized in the consolidated statement of financial position of the Group.

The concentration of credit risk is limited due to the counterparty base and customer base being large and diversified.

#### The maximum credit risk exposure

Taking no account of collateral or other credit enhancements, the maximum credit exposure is the carrying amount of financial assets, which is net of impairment allowance. The maximum credit risk exposures of the Group are as follows:

| The maximum credit risk exposure                                  | As at December 31, |                   |                   |
|-------------------------------------------------------------------|--------------------|-------------------|-------------------|
|                                                                   | 2023               | 2024              | 2025              |
|                                                                   | <i>RMB’000</i>     | <i>RMB’000</i>    | <i>RMB’000</i>    |
| Debt instruments at fair value through other comprehensive income | 11,264,617         | 9,191,245         | 8,750,103         |
| Financial assets held under resale agreements                     | 353,931            | 93,364            | 66,319            |
| Financial assets at fair value through profit or loss             | 11,515,898         | 12,235,311        | 12,162,767        |
| Deposits with exchanges and non-bank financial institutions       | 699,348            | 776,422           | 1,770,836         |
| Advances to customers                                             | 2,263,839          | 3,040,258         | 3,941,496         |
| Accounts receivable                                               | 744,552            | 597,284           | 596,274           |
| Derivative financial assets                                       | 11,287             | 7,945             | 60,152            |
| Bank balances                                                     | 6,538,719          | 7,425,351         | 8,496,876         |
| Clearing settlement funds                                         | 1,388,102          | 2,511,384         | 1,871,633         |
| Other assets                                                      | 87,370             | 60,607            | 45,398            |
|                                                                   | <u>34,867,663</u>  | <u>35,939,171</u> | <u>37,761,854</u> |

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### Impairment under the ECL model

The Group recognized a loss allowance for ECLs on financial assets which are subject to impairment under IFRS 9 using the ECL models, including debt instruments at FVTOCI, advances to customers, accounts receivable, other receivables, financial assets held under resale agreements, deposits with exchanges and non-bank financial institutions, clearing settlement funds and bank balances. The amount of ECLs was updated at the end of each Relevant Periods to reflect changes in credit risk since initial recognition.

ECLs are measured based on (i) the “probability of default” approach for which the key inputs are PD, LGD and exposure at default (“EAD”); or, (ii) the loss rate approach for which the key input is the loss rate. These inputs are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

#### *Significant increase in credit risk*

Except for accounts receivable without significant financing component which are always measured on the Lifetime ECL basis, the Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime ECLs rather than 12-month ECLs.

To determine whether the credit risk of a financial instrument has significantly increased, it is necessary to compare the default probability of the instrument during its expected existence period determined at initial recognition with the default probability of the instrument during its expected existence period determined at the end of each Relevant Periods.

When assessing whether credit risk has significantly increased, consider the following factors, including but not limited to:

- Whether reasonable and evidence-based information can be obtained regarding past events, current conditions, and future economic forecasts;
- Information on macroeconomic conditions, debtor operations and financial conditions, internal actual and expected default rates, external and internal credit ratings, overdue situations, external market pricing, etc;
- The relative change in default risk during the expected lifespan of financial instruments, rather than the absolute value of the change in default risk.

#### *Basis for credit impairment that has occurred*

Based on the characteristics of financial assets, the Company defines situations where there is evidence of credit impairment for financial assets with similar risk characteristics. Evidence of credit impairment of financial assets includes the following observable situations:

- The issuer or debtor experiences significant financial difficulties;
- The debtor violates the contract, such as defaulting or delaying the payment of interest or principal;
- Creditors, due to economic or contractual considerations related to the debtor’s financial difficulties, make concessions that the debtor would not make under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of the active market for the financial asset;
- A financial asset purchased or generated at a significant discount that reflects the fact of credit loss; and
- Other situations indicating credit impairment of financial assets.

Credit impairment of financial assets may be caused by the combined effect of multiple events, and may not necessarily be caused by individually identifiable events.

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### *Incorporation of forward-looking information*

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase in credit risk as well as in its measurement of ECLs. The Group generates a base case scenario of future forecast of relevant economic variables, along with representative ranges of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

### *Measurement of ECLs*

The measurement of ECLs is a function of the PD, LGD and EAD based on the probability of default approach. The assessment of the PD and LGD is based on historical data adjusted by forward-looking information.

Generally, the ECL 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 effective interest rate determined at initial recognition.

The Group measures ECLs considering the risk of default over the maximum contractual period over which the entity is exposed to credit risk.

The measurement of ECLs is based on the probability weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis (although measurement on a collective basis is more practical for large portfolios of items). In relation to the assessment of whether there has been a significant increase in credit risk, it can be necessary to perform the assessment on a collective basis.

Regarding the loss rate of financing-related financial assets, the Group’s relevant business departments classify impairment stages on a contract-by-contract or portfolio basis to effectively monitor credit risk exposure and regularly reassess and adjust these classifications. The classification of credit risk exposure is determined by assessing whether the credit risk has significantly increased since initial recognition or whether credit impairment has already occurred:

Stage One: Contracts where credit risk has not significantly increased since initial recognition. A contract may be classified in Stage One if the counterparty maintains a margin maintenance ratio or transaction performance guarantee ratio above the warning threshold, and there are no material events that could negatively impact its ability to perform.

Stage Two: Contracts where credit risk has significantly increased since initial recognition, but credit impairment has not yet occurred. A contract may be considered to have significantly increased credit risk upon occurrence of any of the following circumstances:

- The counterparty’s margin maintenance ratio or transaction performance guarantee ratio falls to or below the warning threshold but remains above the liquidation threshold;
- The counterparty defaults by failing to repay principal or interest within 30 days (inclusive) of the due date, in breach of the contract agreement;
- The counterparty breaches the contract agreement by misusing the funds;
- The counterparty is listed as a dishonest party which listed in the public record of enforcement, has been criminally prosecuted, received administrative penalties, is subject to regulatory measures, or is suspected of illegal or criminal conduct.

Stage Three: Contracts where credit impairment has occurred since initial recognition. A contract shall be deemed to have objective evidence of credit impairment upon occurrence of any of the following circumstances:

- The counterparty’s margin maintenance ratio or transaction performance guarantee ratio falls to or below the liquidation threshold;
- The counterparty fails to repay principal or interest within 90 days (inclusive) of the due date, in breach of the contract agreement.

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### Movement in impairment loss allowance

The following tables show the reconciliation of loss allowances that have been recognized:

*(1) Loss allowances for financial assets held under resale agreements*

|                                                                  | 12-month<br>ECLs | Lifetime ECLs<br>(not credit-<br>impaired) | Lifetime ECLs<br>(credit-impaired) | Total          |
|------------------------------------------------------------------|------------------|--------------------------------------------|------------------------------------|----------------|
|                                                                  | RMB'000          | RMB'000                                    | RMB'000                            | RMB'000        |
| As at January 1, 2023                                            | 1,516            | —                                          | 36,902                             | 38,418         |
| Changes due to financial instruments recognized as at January 1: |                  |                                            |                                    |                |
| — Impairment losses recognized                                   | 465              | —                                          | 42,336                             | 42,801         |
| — Impairment losses reversed                                     | (654)            | —                                          | (5,000)                            | (5,654)        |
| New financial assets purchased                                   | 577              | —                                          | —                                  | 577            |
| Impairment loss allowance as at 31 December 2023                 | <u>1,904</u>     | <u>—</u>                                   | <u>74,238</u>                      | <u>76,142</u>  |
| Gross carrying amount as at 31 December 2023                     | <u>346,981</u>   | <u>—</u>                                   | <u>83,092</u>                      | <u>430,073</u> |
| ECL rate                                                         | <u>0.55%</u>     | <u>—</u>                                   | <u>89.34%</u>                      | <u>17.70%</u>  |
| As at January 1, 2024                                            | 1,904            | —                                          | 74,238                             | 76,142         |
| Changes due to financial instruments recognized as at January 1: |                  |                                            |                                    |                |
| — Impairment losses recognized                                   | 340              | —                                          | 8,854                              | 9,194          |
| — Impairment losses reversed                                     | (1,492)          | —                                          | (10,958)                           | (12,450)       |
| Impairment loss allowance as at December 31, 2024                | <u>752</u>       | <u>—</u>                                   | <u>72,134</u>                      | <u>72,886</u>  |
| Gross carrying amount as at December 31, 2024                    | <u>94,116</u>    | <u>—</u>                                   | <u>72,134</u>                      | <u>166,250</u> |
| ECL rate                                                         | <u>0.80%</u>     | <u>—</u>                                   | <u>100.00%</u>                     | <u>43.84%</u>  |
| As at January 1, 2025                                            | 752              | —                                          | 72,134                             | 72,886         |
| Changes due to financial instruments recognized as at January 1: |                  |                                            |                                    |                |
| — Impairment losses recognized                                   | —                | —                                          | —                                  | —              |
| — Impairment losses reversed                                     | (752)            | —                                          | (51,949)                           | (52,701)       |
| Impairment loss allowance as at December 31, 2025                | <u>—</u>         | <u>—</u>                                   | <u>20,185</u>                      | <u>20,185</u>  |
| Gross carrying amount as at December 31, 2025                    | <u>66,319</u>    | <u>—</u>                                   | <u>20,185</u>                      | <u>86,504</u>  |
| ECL rate                                                         | <u>0.00%</u>     | <u>—</u>                                   | <u>100.00%</u>                     | <u>23.33%</u>  |

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(2) Loss allowances for debt instruments fair value through other comprehensive income

|                                                                  | 12-month<br>ECLs  | Lifetime ECLs<br>(not credit-<br>impaired) | Lifetime ECLs<br>(credit-impaired) | Total             |
|------------------------------------------------------------------|-------------------|--------------------------------------------|------------------------------------|-------------------|
|                                                                  | <u>RMB’000</u>    | <u>RMB’000</u>                             | <u>RMB’000</u>                     | <u>RMB’000</u>    |
| As at January 1, 2023                                            | 5,176             | 2,465                                      | —                                  | 7,641             |
| Changes due to financial instruments recognized as at January 1: |                   |                                            |                                    |                   |
| — Impairment losses reversed                                     | (128)             | —                                          | —                                  | (128)             |
| New financial assets purchased                                   | 2,908             | —                                          | —                                  | 2,908             |
| Financial assets derecognized                                    | (1,612)           | (2,465)                                    | —                                  | (4,077)           |
| Impairment loss allowance as at December 31, 2023                | <u>6,344</u>      | <u>—</u>                                   | <u>—</u>                           | <u>6,344</u>      |
| Gross carrying amount as at December 31, 2023                    | <u>11,264,617</u> | <u>—</u>                                   | <u>—</u>                           | <u>11,264,617</u> |
| As at January 1, 2024                                            | 6,344             | —                                          | —                                  | 6,344             |
| Changes due to financial instruments recognized as at January 1: |                   |                                            |                                    |                   |
| — Impairment losses recognized                                   | 1,952             | —                                          | —                                  | 1,952             |
| New financial assets purchased                                   | 1,817             | —                                          | —                                  | 1,817             |
| Financial assets derecognized                                    | (4,897)           | —                                          | —                                  | (4,897)           |
| Impairment loss allowance as at December 31, 2024                | <u>5,216</u>      | <u>—</u>                                   | <u>—</u>                           | <u>5,216</u>      |
| Gross carrying amount as at December 31, 2024                    | <u>9,191,245</u>  | <u>—</u>                                   | <u>—</u>                           | <u>9,191,245</u>  |
| As at January 1, 2025                                            | 5,216             | —                                          | —                                  | 5,216             |
| Changes due to financial instruments recognized as at January 1: |                   |                                            |                                    |                   |
| — Impairment losses recognized                                   | 5,802             | —                                          | —                                  | 5,802             |
| New financial assets purchased                                   | 743               | —                                          | —                                  | 743               |
| Financial assets derecognized                                    | (5,744)           | —                                          | —                                  | (5,744)           |
| Impairment loss allowance as at December 31, 2025                | <u>6,017</u>      | <u>—</u>                                   | <u>—</u>                           | <u>6,017</u>      |
| Gross carrying amount as at December 31, 2025                    | <u>8,750,103</u>  | <u>—</u>                                   | <u>—</u>                           | <u>8,750,103</u>  |

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(3) Loss allowances for advances to customers

|                                                                  | 12-month<br>ECLs | Lifetime ECLs<br>(not credit-<br>impaired) | Lifetime ECLs<br>(credit-impaired) | Total            |
|------------------------------------------------------------------|------------------|--------------------------------------------|------------------------------------|------------------|
|                                                                  | RMB'000          | RMB'000                                    | RMB'000                            | RMB'000          |
| As at January 1, 2023                                            | 15               | 1                                          | 627                                | 643              |
| Changes due to financial instruments recognized as at January 1: |                  |                                            |                                    |                  |
| — Impairment losses recognized                                   | —                | —                                          | 136                                | 136              |
| — Impairment losses reversed                                     | (9)              | —                                          | —                                  | (9)              |
| New financial assets purchased                                   | 10               | —                                          | —                                  | 10               |
| Impairment loss allowance as at December 31, 2023                | <u>16</u>        | <u>1</u>                                   | <u>763</u>                         | <u>780</u>       |
| Gross carrying amount as at December 31, 2023                    | <u>2,194,768</u> | <u>69,088</u>                              | <u>763</u>                         | <u>2,264,619</u> |
| ECL rate                                                         | <u>—</u>         | <u>—</u>                                   | <u>100.00%</u>                     | <u>0.03%</u>     |
| As at January 1, 2024                                            | 16               | 1                                          | 763                                | 780              |
| Changes due to financial instruments recognized as at January 1: |                  |                                            |                                    |                  |
| — Impairment losses recognized                                   | 340              | 3                                          | 3                                  | 346              |
| — Impairment losses reversed                                     | (11)             | —                                          | (46)                               | (57)             |
| New financial assets purchased                                   | 1,390            | 141                                        | 356                                | 1,887            |
| Impairment loss allowance as at December 31, 2024                | <u>1,735</u>     | <u>145</u>                                 | <u>1,076</u>                       | <u>2,956</u>     |
| Gross carrying amount as at December 31, 2024                    | <u>3,023,347</u> | <u>14,794</u>                              | <u>5,073</u>                       | <u>3,043,214</u> |
| ECL rate                                                         | <u>0.06%</u>     | <u>0.98%</u>                               | <u>21.21%</u>                      | <u>0.10%</u>     |
| As at January 1, 2025                                            | 1,735            | 145                                        | 1,076                              | 2,956            |
| Changes due to financial instruments recognized as at January 1: |                  |                                            |                                    |                  |
| — Transfer in                                                    | 39               | 2                                          | —                                  | 41               |
| — Transfer out                                                   | (2)              | (36)                                       | (3)                                | (41)             |
| — Impairment losses recognised                                   | 1                | 5                                          | 54                                 | 60               |
| — Impairment losses reversed                                     | (1,558)          | (109)                                      | (355)                              | (2,022)          |
| New financial assets purchased                                   | 1,525            | 17                                         | 8                                  | 1,550            |
| Impairment loss allowance as at December 31, 2025                | <u>1,740</u>     | <u>24</u>                                  | <u>780</u>                         | <u>2,544</u>     |
| Gross carrying amount as at December 31, 2025                    | <u>3,934,472</u> | <u>8,297</u>                               | <u>1,271</u>                       | <u>3,944,040</u> |
| ECL rate                                                         | <u>0.04%</u>     | <u>0.29%</u>                               | <u>61.37%</u>                      | <u>0.06%</u>     |

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(4) Loss allowances for other financial assets measured at amortized cost

|                                                                     | 12-month<br>ECLs | Lifetime ECLs<br>(not credit-<br>impaired) | Lifetime ECLs<br>(credit-impaired) | Lifetime ECLs<br>(simplified<br>approach) | Total          |
|---------------------------------------------------------------------|------------------|--------------------------------------------|------------------------------------|-------------------------------------------|----------------|
|                                                                     | RMB'000          | RMB'000                                    | RMB'000                            | RMB'000                                   | RMB'000        |
| As at January 1, 2023                                               | 1,201            | —                                          | 6,306                              | 6,549                                     | 14,056         |
| Changes due to financial instruments<br>recognized as at January 1: |                  |                                            |                                    |                                           |                |
| — Impairment losses recognized                                      | 114              | —                                          | 697                                | 372                                       | 1,183          |
| — Impairment losses reversed                                        | —                | —                                          | —                                  | —                                         | —              |
| New financial assets purchased                                      | 1                | —                                          | —                                  | 79                                        | 80             |
| Write-off                                                           | —                | —                                          | (993)                              | —                                         | (993)          |
| Impairment loss allowance as at<br>December 31, 2023                | <u>1,316</u>     | <u>—</u>                                   | <u>6,010</u>                       | <u>7,000</u>                              | <u>14,326</u>  |
| Gross carrying amount as at<br>December 31, 2023                    | <u>36,790</u>    | <u>—</u>                                   | <u>57,906</u>                      | <u>751,552</u>                            | <u>846,248</u> |
| ECL rate                                                            | <u>3.58%</u>     | <u>—</u>                                   | <u>10.38%</u>                      | <u>0.93%</u>                              | <u>1.69%</u>   |
| As at January 1, 2024                                               | 1,316            | —                                          | 6,010                              | 7,000                                     | 14,326         |
| Changes due to financial instruments<br>recognised as at January 1: |                  |                                            |                                    |                                           |                |
| — Impairment losses recognised                                      | 143              | —                                          | 18,204                             | 5,676                                     | 24,023         |
| — Impairment losses reversed                                        | (1,607)          | —                                          | —                                  | (954)                                     | (2,561)        |
| New financial assets purchased                                      | 9                | —                                          | —                                  | —                                         | 9              |
| Recovery of other financial assets<br>written off in previous years | 853              | —                                          | —                                  | —                                         | 853            |
| Write-off                                                           | —                | —                                          | —                                  | (3,000)                                   | (3,000)        |
| Impairment loss allowance as at<br>December 31, 2024                | <u>714</u>       | <u>—</u>                                   | <u>24,214</u>                      | <u>8,722</u>                              | <u>33,650</u>  |
| Gross carrying amount as at<br>December 31, 2024                    | <u>27,723</u>    | <u>—</u>                                   | <u>57,812</u>                      | <u>606,006</u>                            | <u>691,541</u> |
| ECL rate                                                            | <u>2.58%</u>     | <u>—</u>                                   | <u>41.88%</u>                      | <u>1.44%</u>                              | <u>4.87%</u>   |
| As at January 1, 2025                                               | 714              | —                                          | 24,214                             | 8,722                                     | 33,650         |
| Changes due to financial instruments<br>recognized as at January 1: |                  |                                            |                                    |                                           |                |
| — Impairment losses recognized                                      | 344              | —                                          | 13,755                             | 914                                       | 15,013         |
| — Impairment losses reversed                                        | (18)             | —                                          | (872)                              | (638)                                     | (1,528)        |
| New financial assets purchased                                      | 17               | —                                          | —                                  | 315                                       | 332            |
| Write-off                                                           | —                | —                                          | (2,194)                            | (2,499)                                   | (4,693)        |
| Impairment loss allowance as at<br>December 31, 2025                | <u>1,057</u>     | <u>—</u>                                   | <u>34,903</u>                      | <u>6,814</u>                              | <u>42,774</u>  |
| Gross carrying amount as at<br>December 31, 2025                    | <u>32,012</u>    | <u>—</u>                                   | <u>49,346</u>                      | <u>603,088</u>                            | <u>684,446</u> |
| ECL rate                                                            | <u>3.30%</u>     | <u>—</u>                                   | <u>70.73%</u>                      | <u>1.13%</u>                              | <u>6.25%</u>   |

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The tables below summarize the Group’s investments in bonds by external credit rating:

| External credit rating    | As at December 31 |            |            |
|---------------------------|-------------------|------------|------------|
|                           | 2023              | 2024       | 2025       |
|                           | RMB’000           | RMB’000    | RMB’000    |
| Domestic bonds            |                   |            |            |
| China’s Sovereign Credit* | 1,730,252         | 3,132,107  | 3,844,997  |
| AAA                       | 13,713,594        | 11,906,135 | 9,308,699  |
| AA+ to AA                 | 4,787,536         | 4,321,610  | 4,756,455  |
| Under AA                  | 164,578           | 177,848    | 55,328     |
| Not rated                 | 2,384,555         | 1,888,856  | 218,695    |
| Subtotal                  | 22,780,515        | 21,426,556 | 18,184,174 |
| Offshore bonds            |                   |            |            |
| A                         | —                 | —          | —          |
| Not rated**               | —                 | —          | 2,728,696  |
| Subtotal                  | —                 | —          | 2,728,696  |
| Total                     | 22,780,515        | 21,426,556 | 20,912,870 |

Note:

\* China’s Sovereign Credit represents the credit rating of Chinese government bonds.

\*\* The credit ratings of offshore bonds use the lowest ratings of the ones given by Moody’s, Standard & Poor’s and Fitch, if available; or otherwise shown as “not rated”.

### 58.2 Market risk

Market risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market prices. The market risk faced by the Company includes price risk of equity securities, interest rate risk, and currency risk.

#### Price risk of equity securities

The Company mainly implements diversified investment strategies, appropriately controls equity securities positions, achieves a balance between returns and risks, uses stock index futures hedging to hedge systemic risks, and appropriately controls market risks. The Company has established a comprehensive market risk management system, built a market risk management information system, and established a full process risk control process covering pre-investment, in-investment, and post-investment. It has fully implemented risk limit management, including scale limits, concentration limits, stop loss limits, and sensitivity limits. Differentiated risk limits will be set for different business types and investment strategies to achieve refined management, accurately empower business development, and regularly carry out risk limit backtesting and effectiveness evaluation related work. A dynamic adjustment mechanism for risk limits is established.

In order to monitor the impact of market risk on the value of equity securities, the Company uses Value at Risk (VaR) as a tool to measure the market risk of its securities and derivative investment portfolio. The Company regularly tracks the changes in VaR of its equity securities holdings and adopts a one-day holding period and a 95% confidence level in specific parameter settings. The VaR model mainly relies on historical data related information and has certain limitations, especially in reflecting tail risks in extreme situations. As a supplement, the Company also implements daily and special stress tests to evaluate the impact of extreme adverse changes in risk factors on risk control indicators such as net capital, self operated portfolio profits and losses, and overall company profits and losses. Based on the evaluation results, relevant suggestions and measures are proposed, and emergency plans are formulated to ensure that the overall risk status of the Company is within a controllable and acceptable range.

The analysis of the Company’s proprietary equity investment portfolio (confidence level of 95% and a holding period of one trading day) is as follows:

|                     | As at December 31, |         |         |
|---------------------|--------------------|---------|---------|
|                     | 2023               | 2024    | 2025    |
|                     | RMB’000            | RMB’000 | RMB’000 |
| VaR of equity price | 3,435              | 4,664   | 14,005  |

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### Interest rate risk

Interest rate risk refers to the risk caused by changes in market interest rates, and the portion of company assets related to interest rate risk mainly include monetary deposits, bond investments, advance to customers and financial assets held under resale agreements. The Company controls interest rate risk by closely monitoring a series of macroeconomic data such as PPI, PMI, CPI, and industrial value added, in order to predict monetary policy and interest rate trends in advance. In terms of investment strategy, the Company mainly adopt methods such as scale control and investment portfolio, allocate assets reasonably, and measure interest rate risk by framing various business scales, and regularly measuring investment portfolio duration, DV01, VaR value and other indicators.

The tables below summarize the Group’s financial assets and liabilities by remaining date to repricing or contractual maturity date, whichever is earlier.

As at December 31, 2023

|                                                                         | Less than<br>3 months | More than<br>3 months<br>but less than<br>1 year | More than 1<br>but less than<br>5 years | More than<br>5 years | Non-<br>interest-<br>bearing | Total               |
|-------------------------------------------------------------------------|-----------------------|--------------------------------------------------|-----------------------------------------|----------------------|------------------------------|---------------------|
|                                                                         | RMB'000               | RMB'000                                          | RMB'000                                 | RMB'000              | RMB'000                      | RMB'000             |
| <b>Financial assets</b>                                                 |                       |                                                  |                                         |                      |                              |                     |
| Advances to customers                                                   | 794,124               | 1,297,492                                        | —                                       | —                    | 172,223                      | 2,263,839           |
| Debt instruments at fair value<br>through other comprehensive<br>income | —                     | 146,300                                          | 5,895,190                               | 5,033,395            | 189,732                      | 11,264,617          |
| Financial assets held under resale<br>agreements                        | 202,538               | 149,758                                          | —                                       | —                    | 1,635                        | 353,931             |
| Financial assets at fair value through<br>profit or loss                | 744,004               | 1,830,617                                        | 6,188,875                               | 2,523,176            | 6,724,076                    | 18,010,748          |
| Deposits with exchanges and<br>non-bank financial institutions          | 699,348               | —                                                | —                                       | —                    | —                            | 699,348             |
| Clearing settlement funds                                               | 1,388,101             | —                                                | —                                       | —                    | 1                            | 1,388,102           |
| Derivative financial assets                                             | —                     | —                                                | —                                       | —                    | 11,287                       | 11,287              |
| Bank balances                                                           | 6,538,717             | —                                                | —                                       | —                    | 2                            | 6,538,719           |
| Accounts receivable                                                     | —                     | —                                                | —                                       | —                    | 744,552                      | 744,552             |
| Other financial assets                                                  | —                     | —                                                | —                                       | —                    | 87,370                       | 87,370              |
| <b>Subtotal</b>                                                         | <b>10,366,832</b>     | <b>3,424,167</b>                                 | <b>12,084,065</b>                       | <b>7,556,571</b>     | <b>7,930,878</b>             | <b>41,362,513</b>   |
| <b>Financial liabilities</b>                                            |                       |                                                  |                                         |                      |                              |                     |
| Bonds payable                                                           | (1,053,930)           | (2,312,570)                                      | (5,509,810)                             | —                    | (171,598)                    | (9,047,908)         |
| Due to banks and other financial<br>institutions                        | (560,000)             | (350,000)                                        | —                                       | —                    | (4,706)                      | (914,706)           |
| Short-term financing payables                                           | (768,280)             | (948,780)                                        | —                                       | —                    | (16,059)                     | (1,733,119)         |
| Accounts payable to brokerage<br>clients                                | (5,531,837)           | —                                                | —                                       | —                    | —                            | (5,531,837)         |
| Financial assets sold under<br>repurchase agreements                    | (11,978,763)          | —                                                | —                                       | —                    | (9,800)                      | (11,988,563)        |
| Financial liabilities at fair value<br>through profit or loss           | (363,929)             | —                                                | —                                       | —                    | (321,061)                    | (684,990)           |
| Other financial liabilities                                             | —                     | —                                                | —                                       | —                    | (307,688)                    | (307,688)           |
| <b>Subtotal</b>                                                         | <b>(20,256,739)</b>   | <b>(3,611,350)</b>                               | <b>(5,509,810)</b>                      | <b>—</b>             | <b>(830,912)</b>             | <b>(30,208,811)</b> |
| <b>Net interest-bearing position</b>                                    | <b>(9,889,907)</b>    | <b>(187,183)</b>                                 | <b>6,574,255</b>                        | <b>7,556,571</b>     | <b>7,099,966</b>             | <b>11,153,702</b>   |

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## ACCOUNTANTS’ REPORT

As at December 31, 2024

|                                                                         | Less than<br>3 months | More than<br>3 months<br>but less than<br>1 year | More than 1<br>but less than<br>5 years | More than<br>5 years | Non-<br>interest-<br>bearing | Total               |
|-------------------------------------------------------------------------|-----------------------|--------------------------------------------------|-----------------------------------------|----------------------|------------------------------|---------------------|
|                                                                         | RMB'000               | RMB'000                                          | RMB'000                                 | RMB'000              | RMB'000                      | RMB'000             |
| <b>Financial assets</b>                                                 |                       |                                                  |                                         |                      |                              |                     |
| Advances to customers                                                   | 417,959               | 2,465,310                                        | —                                       | —                    | 156,989                      | 3,040,258           |
| Debt instruments at fair value<br>through other comprehensive<br>income | 48,075                | 146,383                                          | 4,458,693                               | 4,411,829            | 126,265                      | 9,191,245           |
| Financial assets held under resale<br>agreements                        | 93,250                | —                                                | —                                       | —                    | 114                          | 93,364              |
| Financial assets at fair value<br>through profit or loss                | 544,223               | 1,249,173                                        | 5,507,348                               | 4,731,701            | 7,017,333                    | 19,049,778          |
| Deposits with exchanges and<br>non-bank financial institutions          | 776,419               | —                                                | —                                       | —                    | 3                            | 776,422             |
| Clearing settlement funds                                               | 2,511,383             | —                                                | —                                       | —                    | 1                            | 2,511,384           |
| Derivative financial assets                                             | —                     | —                                                | —                                       | —                    | 7,945                        | 7,945               |
| Bank balances                                                           | 7,423,739             | —                                                | —                                       | —                    | 1,612                        | 7,425,351           |
| Accounts receivable                                                     | —                     | —                                                | —                                       | —                    | 597,284                      | 597,284             |
| Other financial assets                                                  | —                     | —                                                | —                                       | —                    | 60,607                       | 60,607              |
| <b>Subtotal</b>                                                         | <b>11,815,048</b>     | <b>3,860,866</b>                                 | <b>9,966,041</b>                        | <b>9,143,530</b>     | <b>7,968,153</b>             | <b>42,753,638</b>   |
| <b>Financial liabilities</b>                                            |                       |                                                  |                                         |                      |                              |                     |
| Bonds payable                                                           | (1,703,500)           | (2,579,050)                                      | (5,983,110)                             | —                    | (193,455)                    | (10,459,115)        |
| Due to banks and other financial<br>institutions                        | (660,000)             | (870,000)                                        | —                                       | —                    | (6,753)                      | (1,536,753)         |
| Short-term financing payables                                           | (74,030)              | (1,908,850)                                      | —                                       | —                    | (7,929)                      | (1,990,809)         |
| Accounts payable to brokerage<br>clients                                | (7,678,582)           | —                                                | —                                       | —                    | —                            | (7,678,582)         |
| Financial assets sold under<br>repurchase agreements                    | (9,285,175)           | —                                                | —                                       | —                    | (2,664)                      | (9,287,839)         |
| Financial liabilities at fair value<br>through profit or loss           | (644,609)             | —                                                | —                                       | —                    | (608,490)                    | (1,253,099)         |
| Derivative financial liabilities                                        | —                     | —                                                | —                                       | —                    | (7,796)                      | (7,796)             |
| Other financial liabilities                                             | —                     | —                                                | —                                       | —                    | (651,687)                    | (651,687)           |
| <b>Subtotal</b>                                                         | <b>(20,045,896)</b>   | <b>(5,357,900)</b>                               | <b>(5,983,110)</b>                      | <b>—</b>             | <b>(1,478,774)</b>           | <b>(32,865,680)</b> |
| <b>Net interest-bearing position</b>                                    | <b>(8,230,848)</b>    | <b>(1,497,034)</b>                               | <b>3,982,931</b>                        | <b>9,143,530</b>     | <b>6,489,379</b>             | <b>9,887,958</b>    |

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## ACCOUNTANTS’ REPORT

As at December 31, 2025

|                                                                         | Less than<br>3 months | More than<br>3 months<br>but less than<br>1 year | More than 1<br>but less than<br>5 years | More than<br>5 years | Non-<br>interest-<br>bearing | Total            |
|-------------------------------------------------------------------------|-----------------------|--------------------------------------------------|-----------------------------------------|----------------------|------------------------------|------------------|
|                                                                         | RMB'000               | RMB'000                                          | RMB'000                                 | RMB'000              | RMB'000                      | RMB'000          |
| Financial assets                                                        |                       |                                                  |                                         |                      |                              |                  |
| Advances to customers                                                   | 985,569               | 2,792,458                                        | —                                       | —                    | 163,469                      | 3,941,496        |
| Debt instruments at fair value<br>through other comprehensive<br>income | —                     | 113,216                                          | 4,306,074                               | 4,240,415            | 90,398                       | 8,750,103        |
| Financial assets held under resale<br>agreements                        | 66,316                | —                                                | —                                       | —                    | 3                            | 66,319           |
| Financial assets at fair value<br>through profit or loss                | 278,767               | 1,095,036                                        | 6,529,126                               | 4,093,774            | 6,671,758                    | 18,668,461       |
| Deposits with exchanges and<br>non-bank financial institutions          | 1,770,836             | —                                                | —                                       | —                    | —                            | 1,770,836        |
| Clearing settlement funds                                               | 1,871,632             | —                                                | —                                       | —                    | 1                            | 1,871,633        |
| Derivative financial assets                                             | —                     | —                                                | —                                       | —                    | 60,152                       | 60,152           |
| Bank balances                                                           | 8,494,716             | —                                                | —                                       | —                    | 2,160                        | 8,496,876        |
| Accounts receivable                                                     | —                     | —                                                | —                                       | —                    | 596,274                      | 596,274          |
| Other financial assets                                                  | —                     | —                                                | —                                       | —                    | 45,398                       | 45,398           |
| Subtotal                                                                | 13,467,836            | 4,000,710                                        | 10,835,200                              | 8,334,189            | 7,629,613                    | 44,267,548       |
| Financial liabilities                                                   |                       |                                                  |                                         |                      |                              |                  |
| Bonds payable                                                           | (79,060)              | (3,149,050)                                      | (11,405,000)                            | —                    | (187,672)                    | (14,820,782)     |
| Due to banks and other financial<br>institutions                        | (1,760,000)           | (1,170,000)                                      | —                                       | —                    | (10,154)                     | (2,940,154)      |
| Short-term financing payables                                           | (20,540)              | (1,306,680)                                      | —                                       | —                    | (13,046)                     | (1,340,266)      |
| Accounts payable to brokerage<br>clients                                | (8,393,388)           | —                                                | —                                       | —                    | —                            | (8,393,388)      |
| Financial assets sold under<br>repurchase agreements                    | (8,803,419)           | —                                                | —                                       | —                    | (1,549)                      | (8,804,968)      |
| Financial liabilities at fair value<br>through profit or loss           | (589,589)             | —                                                | —                                       | —                    | (232,991)                    | (822,580)        |
| Derivative financial liabilities                                        | —                     | —                                                | —                                       | —                    | (4,172)                      | (4,172)          |
| Other financial liabilities                                             | —                     | —                                                | —                                       | —                    | (749,742)                    | (749,742)        |
| Subtotal                                                                | (19,645,996)          | (5,625,730)                                      | (11,405,000)                            | —                    | (1,199,326)                  | (37,876,052)     |
| Net interest-bearing position                                           | <u>(6,178,160)</u>    | <u>(1,625,020)</u>                               | <u>(569,800)</u>                        | <u>8,334,189</u>     | <u>6,430,287</u>             | <u>6,391,496</u> |

### Sensitivity analysis

The Group uses the following sensitivity analysis as the main tool to monitor interest rate risk, and measures the impact on the Group’s total profit and other comprehensive income without considering the impact of corporate income tax, when the interest rate changes reasonably and possibly under the assumption that other variables remain unchanged:

|                                       | Year ended December 31, |                |                |
|---------------------------------------|-------------------------|----------------|----------------|
|                                       | 2023                    | 2024           | 2025           |
|                                       | RMB'000                 | RMB'000        | RMB'000        |
| Profit before income tax for the year |                         |                |                |
| Increase by 100 basis points          | (535,025)               | (748,010)      | (658,777)      |
| Decrease by 100 basis points          | <u>584,643</u>          | <u>832,020</u> | <u>731,729</u> |

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## ACCOUNTANTS’ REPORT

|                                              | Year ended December 31, |           |           |
|----------------------------------------------|-------------------------|-----------|-----------|
|                                              | 2023                    | 2024      | 2025      |
|                                              | RMB'000                 | RMB'000   | RMB'000   |
| Other comprehensive income before income tax |                         |           |           |
| Increase by 100 basis points                 | (818,546)               | (984,200) | (907,700) |
| Decrease by 100 basis points                 | 896,197                 | 1,095,858 | 1,014,550 |

The influence on the total profit refers to the influence of certain changes in the interest rate in the middle of the next year on the net interest-generating position interest income and the changes in the fair value after the revaluation of the trading financial assets and trading financial liabilities held at the end of the year.

The influence on other comprehensive income refers to the influence of the changes in the fair value of other debt investments held at the end of the year based on the revaluation when certain interest rate changes.

The above sensitivity analysis assumes that the rates of return on assets and liabilities of each maturity swift in parallel, and it does not reflect the possible impact for the scenario when only interest rate changes while the remaining interest rate remains unchanged. The forecast is also based on other simplified assumptions, including all positions being held to maturity.

This assumption does not represent the Group’s policy on the use of funds and the management of interest rate risk, and the effects above may differ from the actual situation.

Moreover, the above analysis of the impact of interest rate changes only show the estimated changes in total profit and other comprehensive income under various projected income scenarios and the current interest rate risk profile of the Group. However, this effect does not take into account the risk management activities that management may take to manage interest rate risk.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Group’s currency risk primarily relates to the Group’s operating activities whose settlements and payments are denominated in foreign currencies which are different from the respective Group entities’ functional currencies.

The foreign currency assets and liabilities held by the Group are not material compared to the total assets and liabilities. In terms of the Group’s revenue structure, the majority of the business transactions are denominated in RMB, and the proportion of foreign currency transactions is not significant to the Group. The Group considers that the currency risk of the Group’s operations is immaterial due to the relatively low proportion of the Group’s foreign currency denominated assets, liabilities, income and expense, as compared to the Group’s total assets, liabilities, income and expenses.

### 58.3 Liquidity risk

The liquidity risk of the Group mainly refers to the risk of insufficient liquidity caused by the mismatch of the Group’s asset liability structure or the influence of macro policies, market changes, operating conditions, credit levels, and other factors during the operation process.

The Group’s liquidity risk management focuses on the overall financial condition, self-owned fund balance, long-term fund occupation and liquidity situation. The Group attaches great importance to the construction of financing system, continuously enriches financing channels and methods, strengthens cooperation with major commercial banks, improves the management of debt maturity and investment transaction concentration and effectively prevents liquidity risks caused by excessive concentration of counterparties, financing varieties, debt maturity, or investment positions. The Group has established a liquidity risk monitoring index system with liquidity coverage ratio and net stable capital ratio as the core indicators, set risk limits, implemented daily monitoring, maintained sufficient liquidity asset reserves, and implemented special monitoring for businesses that had a significant impact on liquidity indicators. The Group regularly and irregularly conducts special liquidity risk stress tests, establishes high-quality liquidity asset reserves, and ensures timely satisfaction of liquidity needs under stress scenarios. The Group attaches great importance to emergency management of liquidity risk and has formulated an emergency plan for liquidity risk management to ensure the rapid and effective handling of liquidity risk events, prevent and reduce the harm and losses caused by liquidity risk events to the Group to the greatest extent possible, and ensure the stable development of the Group. During the Relevant Periods, all liquidity indicators of the Group met regulatory standards and no liquidity risk events occurred.

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The contractual undiscounted cash flows (including the principal and interests) of the Group’s financial liabilities at the end of each of the Relevant Periods are analyzed according to the maturity dates as follows:

*As at December 31, 2023*

|                                                            | <b>Undated/<br/>repayable<br/>on demand</b> | <b>Less than<br/>1 year</b> | <b>More than 1<br/>but less than<br/>5 years</b> | <b>More than<br/>5 years</b> | <b>Total</b>      |
|------------------------------------------------------------|---------------------------------------------|-----------------------------|--------------------------------------------------|------------------------------|-------------------|
|                                                            | <i>RMB’000</i>                              | <i>RMB’000</i>              | <i>RMB’000</i>                                   | <i>RMB’000</i>               | <i>RMB’000</i>    |
| <b>Financial liabilities</b>                               |                                             |                             |                                                  |                              |                   |
| Bonds payable                                              | —                                           | 3,706,065                   | 5,814,123                                        | —                            | 9,520,188         |
| Due to banks and other financial institutions              | —                                           | 920,258                     | —                                                | —                            | 920,258           |
| Short-term financing payables                              | —                                           | 1,756,735                   | —                                                | —                            | 1,756,735         |
| Accounts payable to brokerage clients                      | 5,531,837                                   | —                           | —                                                | —                            | 5,531,837         |
| Financial assets sold under repurchase agreements          | —                                           | 11,991,335                  | —                                                | —                            | 11,991,335        |
| Financial liabilities at fair value through profit or loss | 321,061                                     | 364,129                     | —                                                | —                            | 685,190           |
| Other financial liabilities                                | 137,705                                     | 169,760                     | —                                                | 223                          | 307,688           |
| <b>Total</b>                                               | <b>5,990,603</b>                            | <b>18,908,282</b>           | <b>5,814,123</b>                                 | <b>223</b>                   | <b>30,713,231</b> |

*As at December 31, 2024*

|                                                            | <b>Undated/<br/>repayable<br/>on demand</b> | <b>Less than<br/>1 year</b> | <b>More than 1<br/>but less than<br/>5 years</b> | <b>More than<br/>5 years</b> | <b>Total</b>      |
|------------------------------------------------------------|---------------------------------------------|-----------------------------|--------------------------------------------------|------------------------------|-------------------|
|                                                            | <i>RMB’000</i>                              | <i>RMB’000</i>              | <i>RMB’000</i>                                   | <i>RMB’000</i>               | <i>RMB’000</i>    |
| <b>Financial liabilities</b>                               |                                             |                             |                                                  |                              |                   |
| Bonds payable                                              | —                                           | 4,610,290                   | 6,259,958                                        | —                            | 10,870,248        |
| Due to banks and other financial institutions              | —                                           | 1,545,958                   | —                                                | —                            | 1,545,958         |
| Short-term financing payables                              | —                                           | 2,020,196                   | —                                                | —                            | 2,020,196         |
| Accounts payable to brokerage clients                      | 7,678,582                                   | —                           | —                                                | —                            | 7,678,582         |
| Financial assets sold under repurchase agreements          | —                                           | 9,290,889                   | —                                                | —                            | 9,290,889         |
| Derivative financial liabilities                           | —                                           | 7,796                       | —                                                | —                            | 7,796             |
| Financial liabilities at fair value through profit or loss | 608,490                                     | 644,758                     | —                                                | —                            | 1,253,248         |
| Other financial liabilities                                | 484,521                                     | 166,983                     | —                                                | 183                          | 651,687           |
| <b>Total</b>                                               | <b>8,771,593</b>                            | <b>18,286,870</b>           | <b>6,259,958</b>                                 | <b>183</b>                   | <b>33,318,604</b> |

*As at December 31, 2025*

|                                                            | <b>Undated/<br/>repayable<br/>on demand</b> | <b>Less than<br/>1 year</b> | <b>More than 1<br/>but less than<br/>5 years</b> | <b>More than<br/>5 years</b> | <b>Total</b>      |
|------------------------------------------------------------|---------------------------------------------|-----------------------------|--------------------------------------------------|------------------------------|-------------------|
|                                                            | <i>RMB’000</i>                              | <i>RMB’000</i>              | <i>RMB’000</i>                                   | <i>RMB’000</i>               | <i>RMB’000</i>    |
| <b>Financial liabilities</b>                               |                                             |                             |                                                  |                              |                   |
| Bonds payable                                              | —                                           | 3,559,774                   | 11,786,350                                       | —                            | 15,346,124        |
| Due to banks and other financial institutions              | —                                           | 2,952,155                   | —                                                | —                            | 2,952,155         |
| Short-term financing payables                              | —                                           | 1,349,620                   | —                                                | —                            | 1,349,620         |
| Accounts payable to brokerage clients                      | 8,393,388                                   | —                           | —                                                | —                            | 8,393,388         |
| Financial assets sold under repurchase agreements          | —                                           | 8,807,002                   | —                                                | —                            | 8,807,002         |
| Derivative financial liabilities                           | —                                           | 4,172                       | —                                                | —                            | 4,172             |
| Financial liabilities at fair value through profit or loss | 232,991                                     | 590,582                     | —                                                | —                            | 823,573           |
| Other financial liabilities                                | 569,746                                     | 179,805                     | —                                                | 191                          | 749,742           |
| <b>Total</b>                                               | <b>9,196,125</b>                            | <b>17,443,110</b>           | <b>11,786,350</b>                                | <b>191</b>                   | <b>38,425,776</b> |

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## ACCOUNTANTS’ REPORT

### 59. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

#### 59.1 Fair values of the Group’s financial assets and financial liabilities that are not measured at fair value

The carrying amounts of the Group’s financial assets and financial liabilities not measured at fair value approximated to their fair values as at the end of each of the Relevant Periods except for the non-current bonds payable, for which their carrying amounts including accrued interest and fair value as disclosed below:

|                  | As at December 31, |                  |                   |
|------------------|--------------------|------------------|-------------------|
|                  | 2023               | 2024             | 2025              |
|                  | RMB’000            | RMB’000          | RMB’000           |
| Carrying amounts | 5,613,986          | 6,072,551        | 11,523,672        |
| Fair value       | <u>5,670,851</u>   | <u>6,167,631</u> | <u>11,554,637</u> |

Fair values of these financial instruments are determined by contractual cash flows discounted by observable yield curves with the fair value hierarchy of level 2.

#### 59.2 Fair values of the Group’s financial assets and financial liabilities that are measured at fair value

Some of the Group’s financial assets and financial liabilities were measured at fair value at the end of each of the Relevant Periods. The Business Department, Risk Management Department and Planning and Finance Department shall negotiate and determine the specific valuation method, valuation model and valuation process according to the preliminary classification of financial instruments. The Planning and Finance Department is responsible for reviewing the valuation results of business departments and disclosing information. The Risk Management Department reviews the consistency of the financial instrument valuation method, valuation model and data selection at least once a year, and regularly tests and evaluates the effectiveness of the financial instrument valuation model. The Audit Department organizes the evaluation of the implementation effect of the Company’s valuation policies and procedures, and submits relevant evaluation reports to the Fair Value Valuation Committee. The Company has established a Fair Value Valuation Committee to review and supervise the valuation policies and methods adopted by the Company, and to review and approve valuation adjustment policies adopted due to significant changes in the market environment or other special circumstances.

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The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Level 1 to 3) based on the degree to which the inputs to the fair value measurements are observable and the significance.

| As at December 31, 2023                                                   | Level 1          | Level 2           | Level 3        | Total             |
|---------------------------------------------------------------------------|------------------|-------------------|----------------|-------------------|
|                                                                           | RMB'000          | RMB'000           | RMB'000        | RMB'000           |
| <b>Financial assets:</b>                                                  |                  |                   |                |                   |
| Debt instrument at FVTOCI:                                                |                  |                   |                |                   |
| — Debt securities                                                         | 4,015,942        | 7,248,675         | —              | 11,264,617        |
| Equity instruments designated at FVTOCI:                                  |                  |                   |                |                   |
| — Other investments                                                       | —                | —                 | 1,400          | 1,400             |
| Financial assets at FVTPL:                                                |                  |                   |                |                   |
| — Debt securities                                                         | 4,775,424        | 6,708,197         | 32,277         | 11,515,898        |
| — Equity securities                                                       | 367,273          | 19,210            | 299,955        | 686,438           |
| — Funds                                                                   | 136,581          | 1,282,987         | 272,380        | 1,691,948         |
| — Private equity                                                          | —                | —                 | 273,879        | 273,879           |
| — Asset management plan                                                   | —                | 3,773,016         | 221            | 3,773,237         |
| — Trust schemes                                                           | —                | 37,530            | 31,818         | 69,348            |
| Derivative financial assets                                               | 1,619            | 9,307             | 361            | 11,287            |
| Total                                                                     | <u>9,296,839</u> | <u>19,078,922</u> | <u>912,291</u> | <u>29,288,052</u> |
| <b>Financial liabilities:</b>                                             |                  |                   |                |                   |
| Financial liabilities held for trading:                                   |                  |                   |                |                   |
| — Debt securities                                                         | —                | 363,929           | —              | 363,929           |
| Financial liabilities designated as at fair value through profit or loss: |                  |                   |                |                   |
| — Third-party interests in the consolidated structured entities           | —                | 321,061           | —              | 321,061           |
| Total                                                                     | <u>—</u>         | <u>684,990</u>    | <u>—</u>       | <u>684,990</u>    |

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| As at December 31, 2024                                                   | Level 1        | Level 2        | Level 3        | Total        |
|---------------------------------------------------------------------------|----------------|----------------|----------------|--------------|
|                                                                           | RMB'000        | RMB'000        | RMB'000        | RMB'000      |
| <b>Financial assets:</b>                                                  |                |                |                |              |
| Debt instrument at FVTOCI:                                                |                |                |                |              |
| — Debt securities                                                         | 2,931,391      | 6,259,854      | —              | 9,191,245    |
| Equity instruments designated at FVTOCI:                                  |                |                |                |              |
| — REITs                                                                   | 134,762        | —              | —              | 134,762      |
| — Equity securities                                                       | 2,198,146      | —              | —              | 2,198,146    |
| — Other investments                                                       | —              | —              | 1,400          | 1,400        |
| Financial assets at FVTPL:                                                |                |                |                |              |
| — Debt securities                                                         | 4,577,995      | 7,625,769      | 31,547         | 12,235,311   |
| — Equity securities                                                       | 244,609        | 34,599         | 204,057        | 483,265      |
| — Funds                                                                   | 201,837        | 1,297,247      | 286,628        | 1,785,712    |
| — Private equity                                                          | —              | —              | 276,621        | 276,621      |
| — Asset management plan                                                   | —              | 3,890,566      | 221            | 3,890,787    |
| — Structured deposits and wealth management products                      | —              | 200,000        | 12,960         | 212,960      |
| — Trust schemes                                                           | —              | 52,385         | 112,737        | 165,122      |
| Derivative financial assets                                               | 4,855          | 2              | 3,088          | 7,945        |
| Total                                                                     | 10,293,595     | 19,360,422     | 929,259        | 30,583,276   |
| <b>Financial liabilities:</b>                                             |                |                |                |              |
| Financial liabilities held for trading:                                   |                |                |                |              |
| — Debt securities                                                         | —              | 644,609        | —              | 644,609      |
| Financial liabilities designated as at fair value through profit or loss: |                |                |                |              |
| — Third-party interests in the consolidated structured entities           | —              | 608,490        | —              | 608,490      |
| Derivative financial liabilities                                          | —              | 7,796          | —              | 7,796        |
| Total                                                                     | —              | 1,260,895      | —              | 1,260,895    |
| <b>As at December 31, 2025</b>                                            | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|                                                                           | RMB'000        | RMB'000        | RMB'000        | RMB'000      |
| <b>Financial assets:</b>                                                  |                |                |                |              |
| Debt instrument at FVTOCI:                                                |                |                |                |              |
| — Debt securities                                                         | 20,107         | 8,729,996      | —              | 8,750,103    |
| Equity instruments designated at FVTOCI:                                  |                |                |                |              |
| — REITs                                                                   | 342,041        | —              | —              | 342,041      |
| — Equity securities                                                       | 5,850,174      | —              | —              | 5,850,174    |
| — Other investments                                                       | —              | —              | 1,400          | 1,400        |
| Financial assets at FVTPL:                                                |                |                |                |              |
| — Debt securities                                                         | 1,570,638      | 10,585,974     | 6,155          | 12,162,767   |
| — Equity securities                                                       | 442,318        | 92,630         | 585,810        | 1,120,758    |
| — Funds                                                                   | 774,480        | 1,699,282      | 289,618        | 2,763,380    |
| — Private equity                                                          | —              | —              | 230,549        | 230,549      |
| — Asset management plan                                                   | —              | 2,033,905      | 349            | 2,034,254    |
| — Structured deposits and wealth management products                      | —              | 250,002        | 54,814         | 304,816      |
| — Trust schemes                                                           | —              | 51,703         | 234            | 51,937       |
| Derivative financial assets                                               | 4,787          | 54,635         | 730            | 60,152       |
| Total                                                                     | 9,004,545      | 23,498,127     | 1,169,659      | 33,672,331   |

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| As at December 31, 2025                                                   | Level 1 | Level 2 | Level 3 | Total   |
|---------------------------------------------------------------------------|---------|---------|---------|---------|
|                                                                           | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| <b>Financial liabilities:</b>                                             |         |         |         |         |
| Financial liabilities held for trading:                                   |         |         |         |         |
| — Debt securities                                                         | —       | 589,589 | —       | 589,589 |
| Financial liabilities designated as at fair value through profit or loss: |         |         |         |         |
| — Third-party interests in the consolidated structured entities           | —       | 232,991 | —       | 232,991 |
| Derivative financial liabilities                                          | 678     | 3,494   | —       | 4,172   |
| Total                                                                     | 678     | 826,074 | —       | 826,752 |

There were no significant transfers between Level 1 and 2 during the Relevant Periods.

### 59.2.1 Basis for recurring fair value measurement categorized within Level 1

For the measurement for Level 1, the Group adopts the closing price in active markets. Instruments included in Level 1 comprise primary debt securities, equity securities, funds and other investments traded on stock exchanges.

### 59.2.2 Valuation techniques used and the qualitative information of key parameters for recurring fair value measurement categorized within Level 2

For bonds in the inter-bank market at FVTPL and FVTOCI, as well as bonds lent at FVTPL, the fair value is determined by the quoted prices from valuation systems of the relevant bond registrars and clearing houses. Observable inputs reflecting market conditions are used by the relevant bond registrars and clearing houses in the quote formation process.

For unlisted funds (open-ended mutual funds), structured deposits, wealth management products, asset management plan, trust schemes and other investments at FVTPL, the fair value is calculated based on the fair value of the underlying investments which are money market instruments, debt securities and publicly traded equity investments listed in the PRC in each portfolio.

For equity securities at FVTPL traded on National Equities Exchange and Quotations, recent transaction prices and the latest quoted bid prices are adjusted based on the index of National Equities Exchange and Quotations are used.

For derivative financial instruments, the fair value is determined by different valuation techniques. For interest rate swaps, equity return swaps and currency forward, the fair value is measured by discounting the differences between the contract prices and market prices of the underlying financial instruments.

During the Relevant Periods, there were no significant changes of valuation techniques for Level 2.

### 59.2.3 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorized within Level 3

The fair value of the unlisted equity, private equity, illiquid equity, and unlisted funds held by the Company is determined by the management through the use of valuation techniques.

Valuation techniques include discounted cash flow method, market multiplier method, etc. The measurement of fair value of Level 3 financial instruments may have adopted unobservable parameters that have a significant impact on the valuation, therefore, the Group classifies these assets and liabilities into the Level 3. The unobservable parameters that may have an impact on valuation mainly include liquidity discounts and market multipliers.

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The quantitative information of fair value measurement for Level 3 is as follows:

|                                                                                | As at December 31, |         |         | Valuation technique(s)<br>and key input(s)                                                                                                                            | Significant<br>unobservable<br>input(s)                                            | Relationship of<br>unobservable input<br>to fair value |
|--------------------------------------------------------------------------------|--------------------|---------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------|
|                                                                                | 2023               | 2024    | 2025    |                                                                                                                                                                       |                                                                                    |                                                        |
|                                                                                | RMB'000            | RMB'000 | RMB'000 |                                                                                                                                                                       |                                                                                    |                                                        |
| Financial assets                                                               |                    |         |         |                                                                                                                                                                       |                                                                                    |                                                        |
| Financial assets at FVTPL:                                                     |                    |         |         |                                                                                                                                                                       |                                                                                    |                                                        |
| — Bonds                                                                        | 32,277             | 31,547  | 6,155   | Discounted cash flows with future cash flows that are estimated based on contract terms, discounted at a rate that reflects the credit risk of underlying investments | Discount rate determined by reference to the credit risk of underlying investments | The higher the discount rate, the lower the fair value |
| — Equity securities traded on National Equities Exchange and Quotations        | 244,105            | 197,674 | 318,947 | Use of comparable company approach, with an adjustment of discount for lack of marketability                                                                          | Discount for lack of marketability                                                 | The higher the discount rate, the lower the fair value |
| — Equity securities traded on stock exchanges with lock-up period              | 55,850             | 6,383   | 266,863 | Market quotes based on the option pricing model taking into account the liquidity discount adjustment                                                                 | Discount for lack of marketability                                                 | The higher the discount rate, the lower the fair value |
| — Trust schemes                                                                | 31,818             | 112,737 | 234     | Discounted cash flows with future cash flows that are estimated based on contract terms, discounted at a rate that reflects the credit risk of underlying investments | Discount rate determined by reference to the credit risk of underlying investments | The higher the discount rate, the lower the fair value |
| — Asset management plan and structured deposits and wealth management products | 221                | 13,181  | 55,163  | Discounted cash flow with future cash flows that are estimated based on contract terms, discounted at a rate that reflects the credit risk of underlying investments  | Discount rate determined by reference to the credit risk of underlying investments | The higher the discount rate, the lower the fair value |
| — Funds and private equities                                                   | 546,259            | 563,249 | 520,167 | Determined by reference to the quoted market prices or using comparable company approach, with an adjustment of discount for lack of marketability                    | Discount for lack of marketability                                                 | The higher the discount rate, the lower the fair value |
| Derivative financial instruments:                                              |                    |         |         |                                                                                                                                                                       |                                                                                    |                                                        |

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|                    | As at December 31, |                |                | Valuation technique(s)<br>and key input(s)                                                                                                                             | Significant<br>unobservable<br>input(s)                                             | Relationship of<br>unobservable input<br>to fair value                                       |
|--------------------|--------------------|----------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|                    | 2023               | 2024           | 2025           |                                                                                                                                                                        |                                                                                     |                                                                                              |
|                    | <i>RMB'000</i>     | <i>RMB'000</i> | <i>RMB'000</i> |                                                                                                                                                                        |                                                                                     |                                                                                              |
| — Options          | 361                | 3,088          | —              | Calculated based on the option pricing model                                                                                                                           | Volatility of the underlying investment                                             | The higher the volatility of the underlying investment, the greater impact on the fair value |
| — Forward contract | —                  | —              | 730            | Discounted cash flows with future cash flows that are estimated based on contract terms, discounted at a rate that reflects the credit risk of underlying investments. | Discount rate, determined by reference to the credit risk of underlying investments | The higher the discount rate, the lower the fair value                                       |
| Total              | 910,891            | 927,859        | 1,168,259      |                                                                                                                                                                        |                                                                                     |                                                                                              |

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### 59.2.4 Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025 are shown below:

|                                                                      | Valuation technique                                                                                   | Significant unobservable input     | Range                                                                | Sensitivity of fair value to the input (RMB’000)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity securities traded on National Equities Exchange and Quotation | Use of comparable company approach, with an adjustment of discount for lack of marketability          | Discount for lack of marketability | 2023 : 19.56%-87.70%<br>2024 : 16.13%-91.12%<br>2025 : 27.45%-94.62% | 2023 : 5% increase in the discount for lack of marketability would result in a decrease in fair value by 16,619; 5% decrease in the discount for lack of marketability would result in an increase in fair value by 19,418.<br><br>2024 : 5% increase in the discount for lack of marketability would result in a decrease in fair value by 19,670; 5% decrease in the discount for lack of marketability would result in an increase in fair value by 17,072.<br><br>2025 : 5% increase in the discount for lack of marketability would result in a decrease in fair value by 38,828; 5% decrease in the discount for lack of marketability would result in an increase in fair value by 61,053. |
| Equity securities traded on stock exchanges with lock-up period      | Market quotes based on the option pricing model taking into account the liquidity discount adjustment | Discount for lack of marketability | 2023 : 8.00%-12.00%<br>2024 : 46.00%-59.00%<br>2025 : 0.40%-15.74%   | 2023 : 5% increase in the discount for lack of marketability would result in a decrease in fair value by 317; 5% decrease in the discount for lack of marketability would result in an increase in fair value by 298.<br><br>2024 : 5% increase in the discount for lack of marketability would result in a decrease in fair value by 364; 5% decrease in the discount for lack of marketability would result in an increase in fair value by 363.<br><br>2025 : 5% increase in the discount for lack of marketability would result in a decrease in fair value by 1,050; 5% decrease in the discount for lack of marketability would result in an increase in fair value by 1,050.               |

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|                  | Valuation technique                                                                                                                                | Significant unobservable input     | Range                                                               | Sensitivity of fair value to the input (RMB’000)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Private equities | Determined by reference to the quoted market prices or using comparable company approach, with an adjustment of discount for lack of marketability | Discount for lack of marketability | 2023 : 20.00%-30.00%<br>2024 : 20.00%-30.00%<br>2025 : 4.50%-61.20% | <p>2023 : 5% increase in the discount for lack of marketability would result in an increase in fair value by 11,519; 5% decrease in the discount for lack of marketability would result in a decrease in fair value by 11,519.</p> <p>2024 : 5% increase in the discount for lack of marketability would result in an increase in fair value by 11,869; 5% decrease in the discount for lack of marketability would result in a decrease in fair value by 11,869.</p> <p>2025 : 5% increase in the discount for lack of marketability would result in an increase in fair value by 15,233; 5% decrease in the discount for lack of marketability would result in a decrease in fair value by 15,233.</p> |

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### 59.3 Reconciliation of Level 3 fair value measurements

|                                                           | Financial assets<br>at fair value<br>through profit or loss | Derivative financial<br>assets |
|-----------------------------------------------------------|-------------------------------------------------------------|--------------------------------|
|                                                           | <i>RMB'000</i>                                              | <i>RMB'000</i>                 |
| As at January 1, 2023                                     | 1,236,666                                                   | 311                            |
| Total gains or losses:                                    |                                                             |                                |
| — in profit or loss                                       | (111,203)                                                   | (344)                          |
| Purchases                                                 | 340,816                                                     | 4,217                          |
| Disposal                                                  | (547,967)                                                   | (3,823)                        |
| Transfers in                                              | 31,479                                                      | —                              |
| Transfers out                                             | (39,261)                                                    | —                              |
| As at December 31, 2023                                   | <u>910,530</u>                                              | <u>361</u>                     |
| Total gains/(losses) for assets held at December 31, 2023 |                                                             |                                |
| — Unrealized (losses)/gains recognized in profit or loss  | <u>(115,648)</u>                                            | <u>(344)</u>                   |
| As at January 1, 2024                                     | 910,530                                                     | 361                            |
| Total gains or losses:                                    |                                                             |                                |
| — in profit or loss                                       | (63,650)                                                    | 1,695                          |
| Purchases                                                 | 226,279                                                     | 3,592                          |
| Disposal                                                  | (119,719)                                                   | (2,560)                        |
| Transfers in                                              | 9,370                                                       | —                              |
| Transfers out                                             | (38,039)                                                    | —                              |
| As at December 31, 2024                                   | <u>924,771</u>                                              | <u>3,088</u>                   |
| Total gains/(losses) for assets held at December 31, 2024 |                                                             |                                |
| — Unrealized (losses)/gains recognized in profit or loss  | <u>(59,020)</u>                                             | <u>1,695</u>                   |
| As at January 1, 2025                                     | 924,771                                                     | 3,088                          |
| Total gains or losses:                                    |                                                             |                                |
| — in profit or loss                                       | (13,798)                                                    | (29,250)                       |
| Purchases                                                 | 477,479                                                     | 6,616                          |
| Disposal                                                  | (217,893)                                                   | 20,276                         |
| Transfers in                                              | 16,851                                                      | —                              |
| Transfers out                                             | (19,881)                                                    | —                              |
| As at December 31, 2025                                   | <u>1,167,529</u>                                            | <u>730</u>                     |
| Total gains/(losses) for assets held at December 31, 2025 |                                                             |                                |
| — Unrealized (losses)/gains recognized in profit or loss  | <u>(280,478)</u>                                            | <u>(29,250)</u>                |

### 60. CAPITAL MANAGEMENT

The Group’s capital management policy is to maintain an adequate capital base, so as to retain the confidence of the investors, the creditors and the counterparties and to ensure the sound development of future business. The objective of the Group’s capital management is to meet legal and regulatory requirements while maintaining adequate capital and maximizing returns. Based on its strategic plan, its business development needs and the tendency in its risk exposure, the Group carries out the forecasting, planning and management of its regulatory capital through scenario analysis and stress testing.

The Group calculates its regulatory capital in accordance with relevant regulations applicable in the local jurisdictions which may vary from jurisdictions. The Company calculates regulatory capital in accordance with the Provisions on the Criteria for Calculating Risk Control Indicators of Securities Companies (CSRC Announcement [2020] No.10 and revised by [2024] No.13) issued by the CSRC on January 23, 2020 and September 13, 2024 separately.

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In accordance with the above mentioned supervision provision, the Company is required to meet the following standards for risk control indicators on a continual basis:

- (i) Risk Coverage Ratio (Net capital/Total risk capital reserves×100%) shall be no less than 100%
- (ii) Capital Leverage Ratio (Core net capital/Total on-and-off-balance-sheet assets×100%) shall be no less than 8%
- (iii) Liquidity Coverage Ratio (High quality liquid assets/Total net cash outflows over the next 30 days×100%) shall be no less than 100%
- (iv) Net Stable Funding Ratio (Stable funding available/Stable funding required×100%) shall be no less than 100%
- (v) The ratio of net capital divided by net assets shall be no less than 20%
- (vi) The ratio of net capital divided by liabilities shall be no less than 8%
- (vii) The ratio of net assets divided by liabilities shall be no less than 10%
- (viii) The ratio of equity securities and related derivatives held divided by net capital shall not exceed 100%
- (ix) The ratio of non-equity securities and related derivatives held divided by net capital shall not exceed 500%

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements imposed by their local regulators, including the CSRC and Futures Commission, etc.

At the end of each of the Relevant Periods, the above risk control indicators of the Company were all within the limitation of the regulators. The above risk control indicators are calculated based on the financial information prepared in accordance with the China Accounting Standards for Business Enterprises.

### 61. EVENTS AFTER THE RELEVANT PERIODS

#### 61.1 Issuance of short-term commercial papers, corporate bonds and subordinated bonds

On February 5, 2026, the Company completed the public issuance of 2026 first corporate bond to professional investors. The total principal amount is RMB300 million with duration of 357 days and the interest rate is 1.70% per annum.

#### 61.2 Proposed profit distribution after the reporting period

According to the “2025 Annual Profit Distribution Proposal” approved at the 23rd Meeting of the Company’s Second Board of Directors on 19 March 2026, the company intends to distribute cash dividends of RMB 0.68 per 10 shares (inclusive of tax) to all shareholders registered on the record date for the equity distribution. Based on the total share capital of 2,733,333,800 shares as of 31 December 2025, the total amount of cash dividends to be distributed is RMB 185.87 million (inclusive of tax). The 2025 annual profit distribution proposal remains subject to approval by the shareholders’ meeting.

#### 61.3 Gratuitous transfer of state-owned shares

On 15 October 2025, Beijing Capital Entrepreneur Group Co., Ltd. (“Capital Group”) entered into the Agreement on the Gratuitous Transfer of Shares in Capital Securities Co., Ltd. from Beijing Capital Entrepreneur Group Co., Ltd. to Beijing Infrastructure Investment Co., Ltd. with Beijing Infrastructure Investment Co., Ltd. (“BEIJING Infrastructure Investment Co., Ltd.”). Under the agreement, Capital Group intends to gratuitously transfer 97,423,157 A-shares (representing 3.56% of the total issued share capital of Capital Securities Co., Ltd.) it holds in Capital Securities Co., Ltd. to BEIJING Infrastructure Investment Co., Ltd.

On 23 December 2025, the gratuitous share transfer was approved by the State-owned Assets Supervision and Administration Commission of Beijing Municipality.

On 18 March 2026, Capital Group obtained the Confirmation of Securities Transfer Registration issued by China Securities Depository and Clearing Co., Ltd., confirming that the registration procedures for the gratuitous share transfer have been completed. The transfer was effective as of 17 March 2026, with a total of 97,423,157 A-shares transferred. The transferred shares are classified as unrestricted circulating shares.

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### **61.4 Issuance of Perpetual Subordinated Bonds**

The company has obtained the approval of the China Securities Regulatory Commission’s “Securities Regulatory License (2025) No. 3015” registration and is allowed to publicly issue perpetual subordinated bonds with a total face value of no more than RMB5,000 million to professional investors (hereinafter referred to as the “Bonds”). In 2026, the Company will publicly issue perpetual subordinated bonds (Tranche 1) to professional investors (hereinafter referred to as the “Bonds”). The issuance scale shall not exceed RMB2,000 million (including RMB2,000 million). This bond has one repricing cycle every 5 interest bearing years. At the end of each repricing cycle, the company has the right to choose to extend the maturity of the current bond by one repricing cycle (i.e., extend for 5 years), or fully redeem the current bond. The issuance price of this bond is RMB100 per issue, and it is issued through offline inquiry and allocation to professional investors as stipulated in the “Measures for the Issuance and Trading of Corporate Bonds” and the “Measures for Investor Appropriate Management in the Bond Market of Shanghai Stock Exchange (2023 Revision)”. The issuance of this bond has ended on 23 March 2026. The actual issuance scale of this bond (bond abbreviation: 26 Shouzheng Y1, code: 244798. SH) is RMB2,000 million, with a final coupon rate of 2.34% and a subscription multiple of 2.8 times.

The Group has no other significant events which took place subsequent to the end of the Relevant Periods that need to be disclosed.

### **62. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025.