Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Guotai Haitong Securities Co., Ltd.
國泰海通證券股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02611)

ANNOUNCEMENT IN RELATION TO PROVISION FOR IMPAIRMENT OF ASSETS

This announcement is made by Guotai Haitong Securities Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Listing Rules.

In accordance with the relevant provisions under the China Accounting Standards for Business Enterprises (the "**CASBE**") and the accounting policies of the Company, the Group made preliminary assessments and impairment testing on the expected credit losses of various assets which required provision for impairments as of 31 December 2025. Details are set out as below:

I. OVERVIEW ON PROVISION FOR IMPAIRMENT OF ASSETS

Based on preliminary assessments, from October 2025 to December 2025, the Group made provision for credit loss expense of RMB1,603.97 million and for impairment losses on other assets of RMB25.82 million, bringing total asset impairment losses to RMB1,629.79 million, representing over 10% of the audited net profit attributable to equity holders of the Company for 2024.

Unit: RMB' 0,000

Items	Provision amount from October 2025 to December 2025
I. Credit loss expense	160,397
Including: Long-term receivables	72,740
Finance lease receivables	16,153
Other loans and receivables	27,445
Financial assets held under resale agreement	10,840
Margin accounts receivable	7,442
Other debt investments	7,275
Others	18,502
II. Provision for impairment losses on other assets	2,582
Total	**162,979**

Note 1: The additional credit loss expenses on long-term receivables and finance lease receivables (as well as the additional long-term receivables interest income and finance lease income) in the current year were primarily due to the leasing business added through the merger with Haitong Securities Co., Ltd. ("**Haitong Securities**"). The leasing business's profit model is to control risk and ensure asset quality while still generating profitability after deducting various expenses and credit loss expenses from interest spread income. Each accounting period, the Group assesses expected credit losses and makes corresponding provisions for credit losses based on changes in the credit risk of long-term receivables and finance lease receivables. The Group's leasing business has maintained stable development, with robust and controllable asset quality and no unusual fluctuations in impairment losses, resulting in stable profitability during the Reporting Period.

Note 2: In accordance with the accounting standards for business combinations under non-common control, the Group initially recognized long-term receivables and finance lease receivables from Haitong Securities' subsidiary at fair value on the date of acquisition, without making separate impairment provisions. On subsequent measurement, interest income is recognized on the Group's consolidated financial statements using the effective interest rate method/the interest rate implicit in the lease. When the subsidiary reverses impairment losses on assets outstanding at the date of acquisition, no impairment losses are reversed on the Group's consolidated financial statements (except for purchased or originated credit-impaired financial assets). This results in a minimal overall impact on profit.

II. THE IMPACT OF PROVISION FOR IMPAIRMENT OF ASSETS ON THE GROUP

From October 2025 to December 2025, the Group made an impairment provision for assets amounting to RMB1,629.79 million, reducing total profit by RMB1,629.79 million and net profit attributable to equity holders of the Company by RMB1,187.25 million.

III. DETAILS OF PROVISION FOR IMPAIRMENT OF ASSETS

1. Long-term receivables

The Group made an impairment provision for long-term receivables of RMB727.40 million from October 2025 to December 2025.

For the sale and leaseback business, the Group assessed the expected credit losses and determined the corresponding provision for credit losses according to the changes in credit risk of long-term receivables, and calculated the expected credit losses using Probability of Default (PD)/Loss Given Default (LGD) method or an individual impairment assessment, and in accordance with the relevant requirements of the Accounting Standards for Business Combinations under Non-Common Control (see Note 2), made provision for relevant impairment.

2. Finance lease receivables

The Group made an impairment provision for finance lease receivables of RMB161.53 million from October 2025 to December 2025.

For its finance lease receivables, the Group assessed the expected credit losses and determined the corresponding provision for credit losses according to the changes in credit risk of finance lease receivables, and calculated the expected credit losses using PD/LGD method or an individual impairment assessment, and in accordance with the relevant requirements of the Accounting Standards for Business Combinations under Non-Common Control (see Note 2), made provision for relevant impairment.

3. Other loans and receivables

The Group made an impairment provision for other loans and receivables of RMB274.45 million from October 2025 to December 2025.

For other loans and receivables, the recoverability of other loans and receivables was comprehensively assessed based on the latest status of the other loans and receivables, publicly available or accessible information about the borrowers, the value of the collaterals, and the latest financial position of the borrowers and guarantors, etc., and a provision for impairment was made at the end of the period on the basis of the difference between the recoverable amount and the amount of the outstanding loans.

4. Financial assets held under resale agreement

The Group made an impairment provision for financial assets held under resale agreement of RMB108.40 million from October 2025 to December 2025.

For stock pledge and agreed repo business, the Group calculated expected credit loss using PD/LGD method or an individual impairment assessment, comprehensively assessed the expected recoverable cash flow of the financing entities according to the expected disposed and realized values of collateral securities, and made the impairment provision for the part expected to fail to cover the risk exposure after discount.

5. Margin accounts receivable

The Group made an impairment provision for margin accounts receivable of RMB74.42 million from October 2025 to December 2025.

For margin accounts receivable business, based on the characteristics of the financing entity and the expected disposition and realization status of the collateral securities, the expected recoverable cash flows of the financing entity are comprehensively assessed, and the expected credit losses of the financing entity are calculated by applying the PD/LGD method or an individual impairment assessment, and provision for impairment is made.

6. Other debt investments

The Group made an impairment provision for other debt investments of RMB72.75 million from October 2025 to December 2025.

For other debt investments, the Group calculated the expected credit losses using PD/LGD method or an individual impairment assessment by taking into account the debtors' credit rating and changes in credit risk.

7. Others

In addition to the aforementioned asset impairment losses related to long-term receivables, finance lease receivables, other loans and receivables, financial assets held under resale agreement, margin accounts receivable, and other debt investments, the Group identified and assessed other types of credit risks faced based on the nature of other types of business, conducted impairment testing on other assets. In accordance with the CASBE and the Company's relevant accounting policies and management measures, the Group made an impairment provision for others of RMB210.84 million in total from October 2025 to December 2025.

IV. RISK WARNING

The above matters are the preliminary assessments by the Group on the impairment provision for assets from October 2025 to December 2025, and the final provision shall be subject to the audited financial data of the Group. Reference is made to the Announcement on Estimated Positive Results for the Year of 2025 dated 27 January 2026 of the Company, in which the relevant data have included the above matters. Investors are reminded of the investment risks.

WARNING: Shareholders and potential investors of the Company are advised to exercise caution when relying on the financial data in this announcement and when dealing in the Company's securities. Persons who are in doubt as to the action they should take should consult his/her stockbroker, bank manager, solicitor, or other professional adviser.

By Order of the Board
Guotai Haitong Securities Co., Ltd.
ZHU Jian
Chairman

Shanghai, the PRC
27 January 2026

As at the date of this announcement, the executive directors of the Company are Mr. ZHU Jian, Mr. LI Junjie and Mr. NIE Xiaogang; the non-executive directors of the Company are Mr. ZHOU Jie, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hangbiao, Ms. LV Chunfang, Ms. HA Erman, Mr. SUN Minghui and Mr. CHEN Yijiang; the employee director of the Company is Mr. WU Hongwei; and the independent non-executive directors of the Company are Mr. LI Renjie, Mr. WANG Guogang, Mr. PU Yonghao, Mr. MAO Fugen, Mr. CHEN Fangruo and Mr. JIANG Xian.