

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.



(a joint stock limited company established in the People's Republic of China with limited liability)

(Stock Code: 01456)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “**Board**”) of Guolian Minsheng Securities Company Limited (the “**Company**”) hereby announces the audited annual results of the Company and its subsidiaries for the year ended 31 December 2025. This announcement, containing the full text of the 2025 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of annual results. The 2025 annual report of the Company will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.glms.com.cn in due course and will be dispatched to the H shareholders of the Company in the manner in which the H shareholders of the Company have elected to receive corporate communications.

By order of the Board

Guolian Minsheng Securities Company Limited

Gu Wei

Chairman

Wuxi, Jiangsu Province, the PRC

27 March 2026

As of the date of this announcement, the executive Director of the Company is Mr. Ge Xiaobo; the non-executive Directors of the Company are Mr. Gu Wei, Mr. Zhou Weiping, Mr. Wu Weihua and Mr. Yang Zhenxing; the employee Director of the Company is Mr. Chen Xingjun; and the independent non-executive Directors of the Company are Mr. Gao Wei, Mr. Guo Chunming and Ms. Hsu Wai Man Helen.

Table of Contents

Section 1	Definitions	2
Section 2	Company Profile	7
Section 3	Summary of Accounting and Business Data	9
Section 4	Report of the Board	14
Section 5	Other Significant Events	94
Section 6	Information of Changes of Equity (Capital) and Substantial Shareholders	115
Section 7	Information of Directors, Senior Management and Staff	118
Section 8	Corporate Governance Report	137
Section 9	Environmental and Social Responsibility	162
	Independent Auditor's Report	169



Section 1 Definitions

General Terms

A Share(s)	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Shanghai Stock Exchange
Articles of Association	the articles of association of the Company
Associates	has the meaning ascribed to it under the Listing Rules
Beijing Stock Exchange	the Beijing Stock Exchange
CG Code	the Corporate Governance Code in Appendix C1 of the Listing Rules
Company Law	the Company Law of the PRC
Company, the Company, Guolian Securities or Guolian Minsheng	Guolian Minsheng Securities Company Limited (formerly known as: Guolian Securities Co., Ltd.)
Connected Persons	has the meaning ascribed to it under the Listing Rules
Connected Transactions	has the meaning ascribed to it under the Listing Rules
Continuing Connected Transaction(s)	has the meaning ascribed to it under the Listing Rules
Controlling Shareholder(s)	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of the Company, namely, Guolian Group, Guolian Trust, Wuxi Electric, Minsheng Investment, Cotton Textile, Huaguang Environmental, Guolian Industrial and Guolian Financial Investment
Cotton Textile	Wuxi Cotton Textile Group Co., Ltd.* (無錫一棉紡織集團有限公司), a wholly-owned subsidiary of Guolian Group, which holds 1.28% of the shares of the Company and was renamed from Wuxi Guolian Textile Group Co., Ltd. (無錫國聯紡織集團有限公司)
CSRC	The China Securities Regulatory Commission

Section 1 Definitions



Director(s) and Board or Board of Directors	The director(s) and the board of directors of the Company
Fengquanyu	Shanghai Fengquanyu Enterprise Management Co., Ltd.* (上海豐泉峪企業管理有限公司), which holds 6.36% of the shares of the Company
General Meeting(s)	the general meetings of the Company
Group	the Company and its subsidiaries
Guolian Securities Assets Management	Guolian Securities Assets Management Co., Ltd.* (國聯證券資產管理有限公司), a wholly-owned subsidiary of the Company
Guolian Capital	Guolian Capital Co., Ltd.* (國聯通寶資本投資有限責任公司), a wholly-owned subsidiary of the Company
Guolian Chuangxin	Wuxi Guolian Chuangxin Capital Company Limited* (無錫國聯創新投資有限公司), a wholly-owned subsidiary of the Company
Guolian Financial Investment	Wuxi Guolian Financial Investment Group Co., Ltd.* (無錫國聯金融投資集團有限公司), a wholly-owned subsidiary of Guolian Group
Guolian Fund	Guolian Fund Management Company Limited* (國聯基金管理有限公司), 75.5% of the equity interest of which is held by the Company
Guolian Futures	Guolian Futures Co., Ltd.* (國聯期貨股份有限公司), 54.72% of the shares of which is held by Guolian Group
Guolian Group	Wuxi Guolian Development (Group) Co., Ltd.* (無錫市國聯發展(集團)有限公司), which directly and indirectly holds 38.52% of the shares of the Company as at the date of this report, the Controlling Shareholder of the Company
Guolian Securities HK	Guolian Securities (Hong Kong) Limited, a wholly-owned subsidiary of the Company
Guolian Industrial	Wuxi Guolian Industrial Investment Group Co., Ltd.* (無錫國聯實業投資集團有限公司), a wholly-owned subsidiary of Guolian Group



Section 1 Definitions

Guolian Trust	Guolian Trust Co., Ltd.* (國聯信託股份有限公司), 69.92% of the shares of which is held by Guolian Group directly and indirectly as at the date of this report, which holds 6.87% of the shares of the Company
H Share(s)	overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the HK Stock Exchange and traded in HKD
HK Stock Exchange or Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong or HK	the Hong Kong Special Administrative Region of the PRC
Guolian Minsheng Investment Banking	Guolian Minsheng Investment Banking Company Limited (國聯民生證券承銷保薦有限公司, formerly known as Hua Ying Securities Co., Ltd. (華英證券有限責任公司)), a wholly-owned subsidiary of the Company
Huaguang Environmental	Wuxi Huaguang Environmental & Energy Group Co., Ltd.* (無錫華光環保能源集團股份有限公司), a subsidiary of Guolian Group, listed on the Shanghai Stock Exchange (Stock Code: 600475), which holds 0.51% of the shares of the Company and was renamed from Wuxi Huaguang Boiler Co., Ltd.* (無錫華光鍋爐股份有限公司)
IFRS	include the standards, amendments and interpretations promulgated by International Accounting Standards Board and the International Accounting Standards and Interpretations issued by International Accounting Standards Committee
Jiangsu Xinfang	Jiangsu Xinfang Industrial Co., Ltd.* (江蘇新紡實業股份有限公司)
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Minsheng Investment	Wuxi Minsheng Investment Co., Ltd.* (無錫民生投資有限公司), a wholly-owned subsidiary of Guolian Financial Investment, which holds 1.29% of the shares of the Company
Minsheng Securities	Minsheng Securities Co., Ltd.* (民生證券股份有限公司), 99.98% of the shares of which are held by the Company
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuer in Appendix C3 of the Listing Rules

Section 1 Definitions



Reporting Period	the period from 1 January 2025 to 31 December 2025
PRC or China	the People's Republic of China
SAC	the Securities Association of China
Securities and Futures Ordinance or SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Securities Law	the Securities Law of the PRC
Shanghai Stock Exchange	the Shanghai Stock Exchange
STA	State Taxation Administration of the PRC
Substantial Shareholder(s)	has the meaning ascribed to it under the Listing Rules
Supervisor(s) and Supervisory Committee	the supervisor(s) and supervisory committee of the Company
Wind	Wind, an internet big data financial terminal which is intended for use by various institutional users including all kinds of financial investment institutions, research institutions and academic institutions
Wuxi Electric	Wuxi Guolian Municipal Electric Power Co., Ltd.* (無錫市國聯地方電力有限公司), a wholly-owned subsidiary of Guolian Industrial, which holds 4.70% of the shares of the Company and was renamed from Wuxi Municipal Electric Power Company* (無錫市地方電力公司)
Zhonghai Fund	Zhonghai Fund Management Co., Ltd.* (中海基金管理有限公司), 33.409% of the equity interest of which is held by the Company



Section 1 Definitions

Technical Terms

Collective Asset Management Scheme	an asset management contract entered into with multiple clients by a securities firm, pursuant to which the clients' assets are placed in the custody of commercial banks or in other institutions approved by the CSRC which are qualified to hold client transaction settlement funds for entrustment, and the securities firm provides asset management services to the clients through designated accounts
FOF	fund of funds
fund investment advisory	fund investment advisory business
IPO	the abbreviation for "Initial Public Offering" that is, the initial public offering of shares
margin financing and securities lending	a collateral-backed operating activity in which securities firms provide clients with monies to buy listed securities or with listed securities for sale
NEEQ	National Equities Exchange and Quotations
Shanghai-Hong Kong Stock Connect	a mechanism of inter-connection and inter-working between transactions of Shanghai and Hong Kong stock markets under which the Shanghai Stock Exchange and HK Stock Exchange allow investors of the two sides to buy or sell the shares (within a specified limit) listed on the stock exchange of the other side via local securities companies (or brokers)
Single Asset Management Scheme	an asset management contract entered into by a securities firm with a single client, pursuant to which the securities firm provides asset management services to the client through the accounts under the client's name
Specialized Asset Management Scheme	an asset management contract entered into by a securities firm with client to specify the investment objectives that specifically cater for the special requirements and asset structure of each individual client and provides asset management service to client through a designated account
Stock Pledged Repurchase Transaction	a transaction in which eligible funds receivers obtain financing from eligible funds givers by pledging the stocks or other securities they hold and agree to return the funds and discharge the pledge some day in the future
FICC business	fixed-income, currencies and commodities business

This report is prepared both in Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

Special note: In this report, amounts are primarily denominated in Renminbi or Hong Kong dollars. Unless otherwise specified, the amounts are denominated in Renminbi. Any discrepancies between totals and sums of figures listed are due to rounding.



1. Company Name

Registered Chinese Name of the Company: 國聯民生證券股份有限公司
Short Name of the Company in Chinese: 國聯民生
English Name of the Company: Guolian Minsheng Securities Company Limited
Short Name of the Company in English: Guolian Minsheng Sec

2. Stock Code

HK Stock Exchange H Shares Stock Code: 01456
Shanghai Stock Exchange A Shares Stock Code: 601456

3. Legal Representative

Mr. Gu Wei (顧偉)

4. Registered Capital and Net Capital

Registered Capital: RMB5,680,592,806
Net Capital: RMB18.443 billion

5. Headquarters in China

Registered Address of the Company: No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC; Zip Code: 214000
Office Address of the Company: No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC; Zip Code: 214000
Company Website: www.glms.com.cn
E-mail: ir@glms.com.cn
Tel: 0510-82833209



Section 2 Company Profile

6. Principal Place of Business in Hong Kong

40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong

7. General Manager (the President)

Mr. Ge Xiaobo (葛小波)

8. Secretary of the Board

Mr. Wang Jie (王捷)

9. Company Secretary

Ms. Hui Yu (惠宇)

10. Authorized Representatives

Mr. Ge Xiaobo (葛小波), Ms. Hui Yu (惠宇)

11. Auditors

Domestic: ShineWing Certified Public Accountants LLP

International: SHINEWING (HK) CPA Limited

12. Legal Advisor (as to Hong Kong Laws)

Clifford Chance

13. Share Registrars

Share Registrar for A Shares: Shanghai Branch of China Securities Depository and Clearing Corporation Limited

Share Registrar for H Shares: Computershare Hong Kong Investor Services Limited

Section 3 Summary of Accounting and Business Data



I. Principal Accounting Data and Financial Indexes

(I) Principal accounting data and financial indexes for the recent three years

Items	2025	2024	Year-on-Year Growth	2023
Operating results (RMB'000)				
Revenue, net investment gains and other income	10,325,601	4,214,933	144.98%	4,385,566
Profit before income tax	2,470,070	372,805	562.56%	825,417
Profit for the year – attributable to shareholders of the Company	2,008,916	397,419	405.49%	671,319
Net cash (used in)/from operating activities	-10,175,961	8,177,257	-224.44%	779,788

Earnings per share (RMB/share)

Basic earnings per share	0.36	0.14	157.14%	0.24
Diluted earnings per share	0.36	0.14	157.14%	0.24

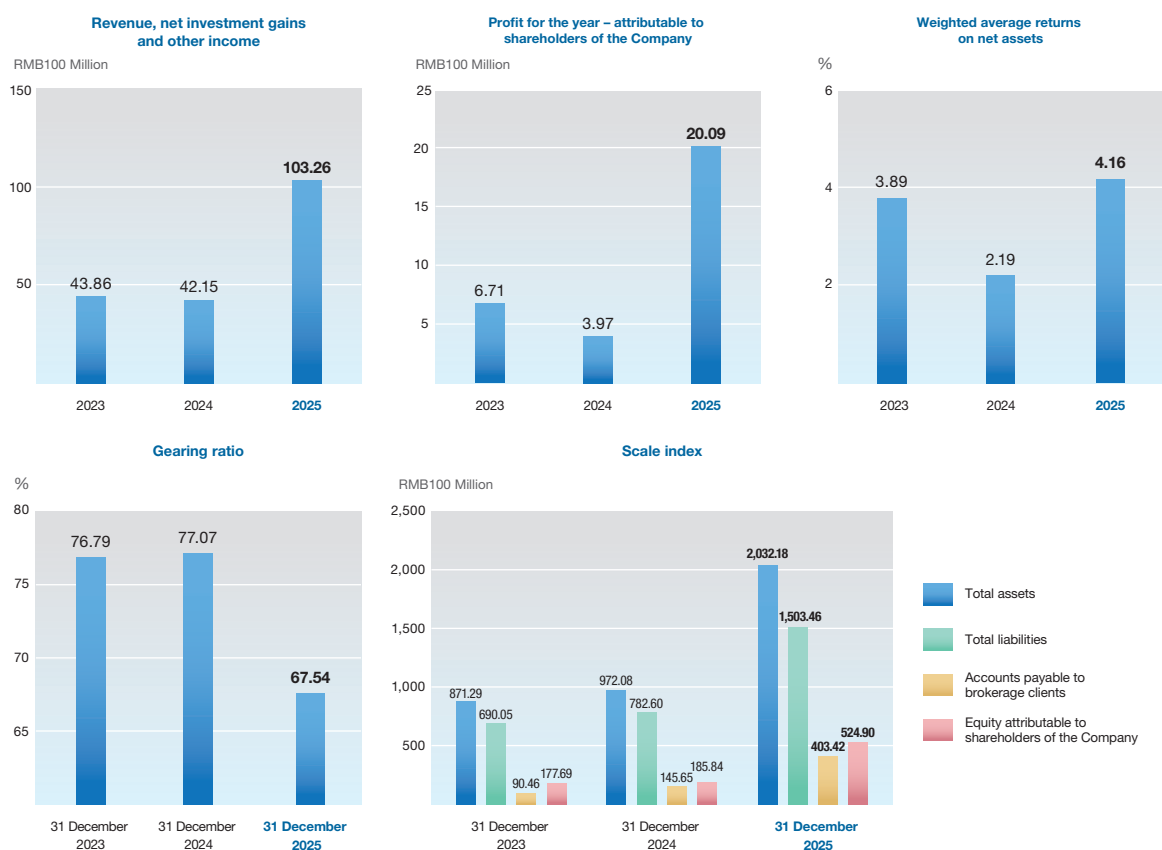
Profitability index

Weighted average returns on net assets	4.16%	2.19%	Increased by 1.97 percentage points	3.89%
--	-------	-------	-------------------------------------	-------

Items	31 December 2025	31 December 2024	Year-on-Year Growth	31 December 2023
Scale index (RMB'000)				
Total assets	203,218,276	97,208,144	109.05%	87,128,874
Total liabilities	150,345,883	78,260,128	92.11%	69,005,316
Accounts payable to brokerage clients	40,341,626	14,565,167	176.97%	9,046,099
Equity attributable to shareholders of the Company	52,490,296	18,584,334	182.44%	17,768,691
Total share capital ('000 shares)	5,680,593	2,831,773	100.60%	2,831,773
Net asset value per share attributable to shareholders of the Company (RMB/share)				
	9.24	6.56	40.85%	6.27
Gearing ratio¹	67.54%	77.07%	Decreased by 9.53 percentage points	76.79%

¹ Gearing ratio = (total liabilities – accounts payable to brokerage clients)/(total assets – accounts payable to brokerage clients)

Section 3 Summary of Accounting and Business Data



(II) Principal accounting data and financial indexes for the recent five years

Earnings (RMB'000)

Items	2025	2024	2023	2022	2021
Revenue, net investment gains and other income	10,325,601	4,214,933	4,385,566	3,930,127	4,231,270
Total expenses	7,901,690	3,864,754	3,643,596	3,010,246	3,059,604
Profit before income tax	2,470,070	372,805	825,417	965,433	1,173,365
Profit for the year – attributable to shareholders of the Company	2,008,916	397,419	671,319	767,285	888,640

Section 3 Summary of Accounting and Business Data



Assets (RMB'000)

Items	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Total assets	203,218,276	97,208,144	87,128,874	74,381,997	65,939,239
Total liabilities	150,345,883	78,260,128	69,005,316	57,621,443	49,558,170
Accounts payable to brokerage clients	40,341,626	14,565,167	9,046,099	10,797,281	11,182,579
Equity attributable to shareholders of the Company	52,490,296	18,584,334	17,768,691	16,760,554	16,381,069
Total share capital ('000 shares)	5,680,593	2,831,773	2,831,773	2,831,773	2,831,773

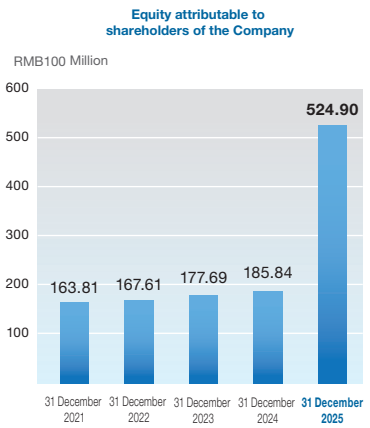
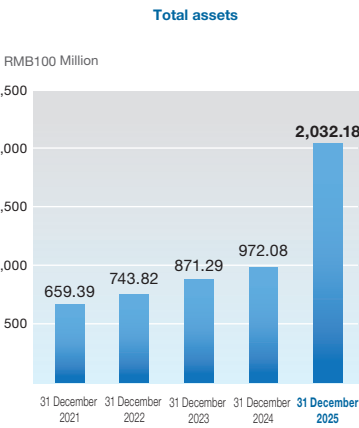
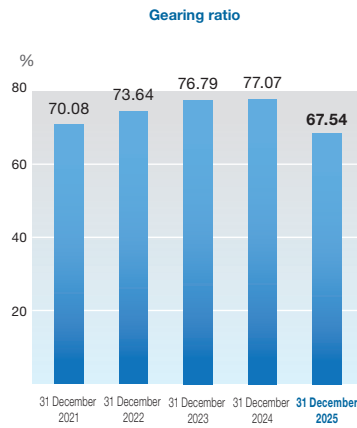
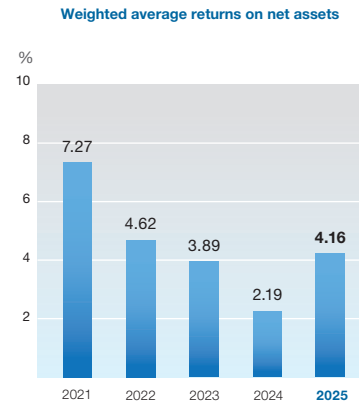
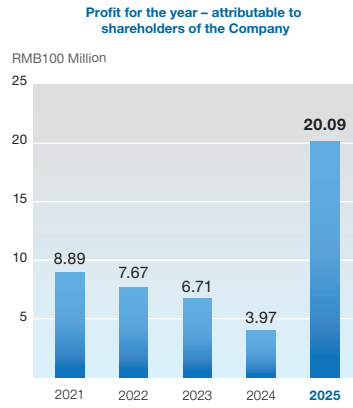
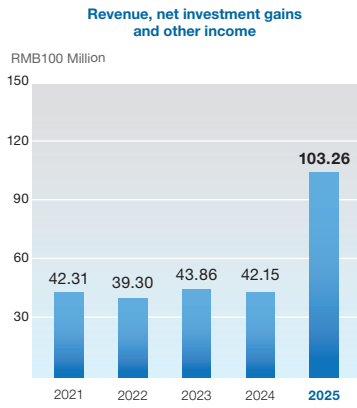
Key financial indexes

Items	2025	2024	2023	2022	2021
Basic earnings per share (RMB/share)	0.36	0.14	0.24	0.27	0.36
Diluted earnings per share (RMB/share)	0.36	0.14	0.24	0.27	0.36
Weighted average returns on net assets	4.16%	2.19%	3.89%	4.62%	7.27%

Items	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
Gearing ratio	67.54%	77.07%	76.79%	73.64%	70.08%
Net asset value per share attributable to shareholders of the Company (RMB/share)	9.24	6.56	6.27	5.92	5.78



Section 3 Summary of Accounting and Business Data



Section 3 Summary of Accounting and Business Data



II. Differences of Accounting Data under Domestic and Overseas Accounting Standards

The consolidated financial statements prepared by the Company in accordance with the IFRS and the Accounting Standards for Business Enterprises of the PRC show no difference in the net profit in 2025 and 2024 and the net assets as at 31 December 2025 and 31 December 2024.

III. The Company's Net Capital and Related Risk Control Index

Unit: in RMB'000

Items	31 December 2025	31 December 2024
Net capital	18,442,885	16,342,765
Net assets	50,773,984	18,090,201
Sum of various risk capital provisions	6,050,511	5,941,078
Total on-and off-balance-sheet assets	111,147,171	82,311,667
Risk coverage ratio (%)	304.82	275.08
Capital leverage ratio (%)	14.30	16.09
Liquidity coverage ratio (%)	177.13	185.05
Net steady fund rate (%)	134.92	173.65
Net capital/net assets (%)	36.32	90.34
Net capital/liabilities (%)	26.17	26.06
Net assets/liabilities (%)	72.05	28.85
Proprietary equity securities and their derivatives/net capital (%)	47.83	44.82
Proprietary non-equity securities and their derivatives/net capital (%)	218.37	244.41

Note: Data on risk control indexes such as net capital as at the end of the previous year have been restated in accordance with the relevant provisions of the Standards for the Calculation of Risk Control Indexes of Securities Companies (《證券公司風險控制指標計算標準規定》)(CSRC Announcement [2024] No. 13) and other applicable regulations. During the Reporting Period, major risk control indexes, including net capital of the parent company, were in compliance with the relevant provisions of the Administrative Measures for the Risk Control Indexes of Securities Companies (《證券公司風險控制指標管理辦法》) issued by the CSRC.



Section 4 Report of the Board

I. The Board's Discussion and Analysis on the Operation of the Company during the Reporting Period

(I) Overall Operation of the Company

For the whole year of 2025, the Group achieved revenue, net investment gains and other income totaling RMB10.326 billion, representing a year-on-year increase of 144.98%. Net profit attributable to shareholders of the Company of RMB2.009 billion was achieved, representing a year-on-year increase of 405.49%. As at 31 December 2025, total assets of the Group was RMB203.218 billion, and net assets attributable to shareholders of the Company was RMB52.490 billion and the weighted average return on net assets was 4.16%.

The revenue generated from the brokerage and wealth management business was RMB3.689 billion, representing a year-on-year increase of 206.03%; the revenue generated from the investment banking business was RMB991 million, representing a year-on-year increase of 182.46%; the revenue generated from the asset management and investment business was RMB747 million, representing a year-on-year increase of 3.99%; the revenue generated from the credit transaction business was RMB1.044 billion, representing a year-on-year increase of 75.01%; and the revenue generated from the proprietary trading business was RMB3.026 billion, representing a year-on-year increase of 233.47%.

(II) Business Activities Engaged in by the Company During the Reporting Period

(I) Brokerage and Wealth Management Business

1. *Brokerage and Wealth Management Business*

Market Environment

In 2025, the overall market trading sentiment of the domestic securities market was significantly more robust as compared to the same period of last year. According to the data from the Shanghai, Shenzhen and Beijing Stock Exchanges, the yearly stocks and funds trading volume of the Shanghai, Shenzhen and Beijing markets was RMB505.57 trillion, with an average daily turnover of stocks and funds of RMB2,080.519 billion, representing a year-on-year increase of 70.19%.



Actions and Achievements

During the Reporting Period, the Company continued to facilitate the transformation of buyer's investment advisory towards a broader wealth management approach, achieving simultaneous improvements in both business scale and quality. Product sales demonstrated a positive correlation with market conditions. On one hand, the Company introduced hold-to-maturity products to encourage long-term investment. On the other hand, it built a diversified product matrix, strengthened portfolio deployment, and constantly enhanced client loyalty. During the Reporting Period, the sales scale of the Company's financial products (excluding cash management products) amounted to RMB123.714 billion, while the retention of financial products at the end of the period amounted to RMB32.878 billion. Leveraging service trusts and asset management FOFs as a foundation, the Company customized overall asset deployment solutions, including both public-offered and private offerings, for different clients, forming an integrated model of "product + investment advisory + service". As of the end of the Reporting Period, the retention size of fund investment advisory reached RMB14.511 billion. It explored new trading models and tools, and strengthened refined business operations to alleviate the pressure from declining commission rates. A synergistic system combining self-operated and channel-based client solicitation was established to achieve breakthroughs in online client solicitation and had injected new momentum into business growth. During the Reporting Period, the client base continued to grow steadily, with 207,800 new clients added, reaching a cumulative total of 3,549,500 clients.

Outlook for 2026

In 2026, the Company will continue to deepen its wealth management transformation, focusing on the full lifecycle needs of clients, further improving its product and service systems, and persistently advancing the upgrade of its online client solicitation system. On the product side, it will continuously optimise the "single product + portfolio" product matrix and enhance its capability to develop customized products. On the service front, it will strengthen the professional capabilities of investment advisory, improve the efficiency of personalized strategic deployment services, and promote deep synergy between service trusts and fund investment advisory businesses to create differentiated comprehensive wealth management service advantages. Relying on the "Good Doctor" service system, it will deepen the operation of client solicitation channels and enhance the integration efficiency of online and offline channels. Simultaneously, it will enhance business competitiveness through technological upgrades and strategy optimisation to hedge against risks from market fluctuations and changes in commission rates. Furthermore, the Company will continuously optimise its assessment and incentive mechanisms, consolidate the achievements of its wealth management transformation, guide its business towards high-quality development, and strive to build a wealth management brand trusted by clients and recognized by the industry.



Section 4 Report of the Board

2. *Research Business*

During the Reporting Period, the Company's research business proactively responded to market changes and completed a comprehensive integration and capability upgrade. Firstly, it achieved breakthroughs in organizational structure and capacity building: the Company's research institute successfully integrated, forming a multi-dimensional structure with over 30 professional research teams and many sales teams. It also established specialized research units in cutting-edge areas such as the "Artificial Intelligence Research Institute (人工智能研究院)" and the "Humanoid Robot Research Institute (人形机器人研究院)", realizing complementary advantages in personnel, expertise, and domain experience. Secondly, the research service system continued to deepen: efforts focused on refining the product system, enhancing service professionalism and customization for both internal and external clients, and strengthening the linkage among investment, investment research, and investment banking. Concurrently, digitalization and platform construction yielded significant results: through digital platforms optimisation, data resources were systematically accumulated, intelligent operations were enhanced, and the breadth and application depth of research output were expanded. Furthermore, institutional sales implemented strategies with precision, providing differentiated research service strategies for various client types such as public-offered, insurance, and private funds, thereby consolidating the client base.

In 2026, against the backdrop of profound changes in the development model driven by industry commission rate reforms, the Company's research institute will steadfastly advance its transformation. Closely aligning with the Company's strategy, it will focus on building a new research ecosystem characterized by "Group Synergy, Local Deep Cultivation, Technology Empowerment, and Global Expansion (集團協同、本土深耕、科技賦能、全球佈局)". Firstly, it will consolidate its market position by continuing to enhance research capabilities, expand dual coverage in terms of research scope and institutional clients. Secondly, it will deepen industrial empowerment, focus on strategic emerging industries in Wuxi and provide high-quality think tank support through cutting-edge research and cross-team collaboration. Thirdly, it will strengthen internal synergies by establishing regular and customized response and service mechanisms with various business lines of the Company. Fourthly, it will expand overseas business by conducting in-depth research on overseas markets and policy environments, developing research products tailored to international needs, and steadily promoting the global export of research capabilities and achievements. Fifthly, it will empower research innovation through technology, fully integrating artificial intelligence technology into the entire research process to significantly enhance research efficiency and decision-support capabilities, thereby shaping future-oriented core competitiveness.



3. *Futures business*

Market Environment

In 2025, according to statistics from the China Futures Association, in terms of one-side trading, China's futures market recorded a cumulative trading volume of 9.074 billion lots, with a cumulative turnover of RMB766.25 trillion, representing a year-on-year increase of 17.40% and 23.74%, respectively. The trading scale maintained a steady growth throughout the year. As of the end of December 2025, China's futures market had offered 164 futures and options products, with the proportion of positions held by industrial clients rising to around 70% and the share of financial futures turnover increasing significantly. The linkage between the futures market and the physical industrial chains has been further strengthened, providing real-economy enterprises with full-chain risk management services, demonstrating a comprehensive enhancement in the accuracy and effectiveness of serving the real economy.

The policies and regulations of the futures industry continued to improve, and the enhanced coordination between regulation and self-regulation significantly boosted market efficiency, laying a solid institutional foundation for serving the new development layout. At the futures company level, industry fragmentation further intensified. Leading institutions developed differentiated competitive advantages, while small and medium-sized institutions still faced challenges such as homogeneous competition and pressure on profitability, with the concentration effect becoming increasingly prominent.

Actions and Achievements

During the Reporting Period, the Company's futures business continued to optimise the structure of its brokerage operations, deepened its focus on industrial and institutional clients while increased investments in internet support to enhance operational management efficiency. Its year-on-year growth rate led the industry, and achieved compliant and stable development. Throughout the year, the Company's average daily client equity of futures brokerage business reached RMB5.8 billion, representing 6.76‰ of the market shares in terms of trading volume.

Outlook for 2026

In 2026, the Company's futures business will steadfast its compliance boundaries, adhere to the principle of seeking progress while maintaining stability, and take compliance as its lifeline. With serving the real economy as its mission and client needs as its central focus, it will promote the transformation of traditional brokerage business and the development of innovative businesses in a dual-wheel drive model, enhance profit stability, build core competitiveness, and achieve high-quality and sustainable development of the Company.



Section 4 Report of the Board

(II) Investment Banking Business

1. Equity Financing Business

Market Environment

2025 witnessed the deepening advancement of capital market reforms. The primary market continued its recovery sentiment, evidenced by the accelerated return of China concept stocks, and intensive introduction of policies benefiting the securities market. Notably, a significant new round of STAR Market reforms, known as the “1+6” policy package, was implemented, injecting strong momentum into cultivating new quality productivity and serving the high-quality development of the real economy. According to the statistics from Wind, in 2025, 329 equity financing projects were completed in the A-share market, representing a year-on-year increase of 57 projects, or 20.96%. Capital raising amounted to RMB1,076.620 billion was achieved through these projects, representing a year-on-year increase of RMB764.265 billion, or 244.68%. In particular, A-share market saw 112 IPO underwriting and sponsorship projects completed, representing a year-on-year increase of 10 projects, or 9.80%. Capital raising amounted to RMB130.835 billion was achieved through IPOs, representing a year-on-year increase of RMB64.555 billion, or 97.40%. There were 217 refinancing issuances in the A-share market, representing a year-on-year increase of 47 projects, or 27.65%, with the refinancing scale reaching RMB945.785 billion, representing a year-on-year increase of RMB699.710 billion, or 284.35%. The substantial increase in refinancing scale was largely attributable to the special treasury bond capital replenishment programme led by the Ministry of Finance, directly boosting the overall financing scale of the A-share market. If the aforementioned policy-driven factors are excluded, total equity financing project scale in the A-share market for 2025 was adjusted to RMB556.620 billion, representing a year-on-year increase of 78.20%. The total financing scale of refinancing was RMB425.785 billion, representing a year-on-year increase of 73.03%.

Actions and Achievements

The Company's equity financing business is dedicated to empowering the real economy through professional financial services. By precisely connecting with the capital market, it effectively injects development momentum into the real economy and supports the high-quality development of more new quality productivity. In 2025, the Company's performance in the equity financing business was outstanding, completing 10 equity financing projects. These included 5 IPO projects (including 1 joint lead underwriting), 3 refinancing projects, and 2 mergers and acquisitions and restructuring supporting financing projects.

Section 4 Report of the Board



In terms of IPO business, the Company successfully completed 5 projects, namely Xingfu Electronics (興福電子), Taili Technology (太力科技), UUGreenPower (優優綠能), Hongyuan Shares (宏遠股份) and Chao Ying Electronic (超穎電子), with a total underwriting amount of RMB2.698 billion. According to the statistics from Wind, the Company ranked 7th in the industry in terms of both the number of IPO underwriting deals and underwriting sponsorship income. Both the number of IPO projects under review and the number of IPO filings during the year ranked 6th in the industry. As of the end of 2025, the Company had 3 approved projects pending issuance and 10 projects under review.

In terms of refinancing business, the Company completed 3 projects, namely Nanshan Fashion (南山智尚), Quectel Wireless (移遠通信), and Shanghai Yashi (上海雅仕), as well as 2 mergers and acquisitions and restructuring supporting financing projects, with a total underwriting amount of RMB3.630 billion. According to the statistics from Wind, the number of the Company's refinancing projects under review ranked 6th in the industry. As of the end of 2025, the Company had 1 approved project pending issuance and 6 projects under review.

During the Reporting Period, leveraging its professional expertise and brand influence, the Company won eight market awards, including “Best Equity Underwriting Investment Bank (最佳股權承銷投行)”, “Best IPO Investment Bank (最佳IPO投行)”, “Best Refinancing Investment Bank (最佳再融資投行)”, and “Best Investment Bank in the Technology and Intelligent Manufacturing Industry (科技與智能製造產業最佳投行)” from New Fortune to name a few, further enhancing its market influence as an “industrial-focused investment banking, technology-enabled investment banking, and wealth-driven investment banking”.

The table below shows the details of equity underwriting and sponsorship business in 2025:

Currency: RMB

Items	2025		2024	
	Underwriting amount (In 100 million)	Number of issuances (Unit)	Underwriting amount (In 100 million)	Number of issuances (Unit)
Initial public offering	26.98	5	0.17	1
Refinancing issuance	36.30	5	26.33	5
Total	63.28	10	26.50	6

Note: The above equity projects include lead underwriting, joint lead underwriting and sub-underwriting.



Section 4 Report of the Board

Outlook for 2026

In 2026, the Company's equity financing business will integrate resources and further advance the "investment banking + investment + investment research" tripartite synergy mechanism, steadfastly implementing the strategic positioning of industrial-focused investment banking, technology-enabled investment banking, and wealth-driven investment banking to enhance both quality and efficiency. The Company will facilitate the completion of listings for approved IPO projects, and the approval for projects currently under review, methodically advancing project filing while strictly maintaining practice quality and compliance risk control. It will thoroughly explore the market potential of Wuxi and other key regions, actively participate in the construction and development of Wuxi's industrial clusters, and leverage Wuxi as a core strategic hub to steadily expand its presence in the national market while continuously strengthening brand influence. The Company will innovate business initiatives, enhance synergy between equity and debt businesses, actively explore business model transformation, and intensify efforts to develop and expand projects in industries with high growth potential. It will proactively position itself in future industries, technological innovation, and new quality productivity, diligently serve national strategies, and continuously enhance its core competitiveness.

2. Bond Financing Business

Market Environment

In 2025, China's bond market achieved steady and sustainable growth amid innovation, governance and opening-up. According to the data released by the People's Bank of China, a total of RMB88.98 trillion of various bonds were issued in the bond market in 2025, representing a year-on-year increase of 11.76%, including RMB46.89 trillion of financial bonds, RMB15.63 trillion of credit bonds, and RMB26.46 trillion of other types of bonds.

Actions and Achievements

During the Reporting Period, the Company's bond financing business continued its positive development momentum. Building on a firm commitment in safeguarding risk, the Company deepened its focus on product specialization, pursued innovative breakthroughs, and strived to leverage its professional capabilities in bond financing to support the real economy. Over the year, the Company's bond financing business completed 579 bond underwriting projects, with an underwriting amount of RMB139.843 billion.

Section 4 Report of the Board



The Company achieved multiple pioneering breakthroughs in sectors such as technological innovation, green finance, and inclusive finance, demonstrating its “distinctive and specialized” service capabilities. In the technology innovation bonds sector, the Company completed the issuance of 20 projects over the year, with several innovative products expanded, upgraded and implemented, achieving multiple “first-of-its-kind” breakthroughs nationwide. In particular, the “25 Xin YK2 (25新YK2)” was China’s first corporate bond exclusively dedicated to the new generation of information technology. The “25 Xiangyun K2 (25象雲K2)” was China’s first corporate bond exclusively dedicated to supporting aerospace and space technology. The “25 Shen YK01 (25神YK01)” was China’s first innovative tradable credit-enhanced renewable corporate bond, injecting robust capital momentum into technological innovation. In the high-growth industrial bond sector, the Company completed 7 issuances, focusing on empowering high-quality regional industrial entities. In particular, the “25 Jikang 01 (25濟康01)”, a high-growth industrial bond, provided stable funding for key industrial investment and operation platforms, while the “25 Fosun 02 (25復星02)”, a high-growth industrial bond, assisted clients in achieving industrial upgrading and business expansion. In the green and rural revitalisation finance sector, the Company issued 5 rural revitalisation bonds. In particular, the rural revitalisation bond “25 Huoze V1 (25獲澤V1)” was the first privately issued rural revitalisation corporate bond in Shanxi Province. Concurrently, the Company completed the issuance of 6 low-carbon transition-linked corporate bonds, including the “25 Yangtai 01 (25陽泰01)” and “25 Xianyang 02 (25咸陽02)”. In the inclusive finance sector, the Company issued 2 bonds for micro, small, and medium-sized enterprises (MSMEs) and 5 bonds for private enterprises, precisely empowering the development of private and MSMEs, fully demonstrating the responsibility of a state-owned financial enterprise. The bond underwriting amount ranked 21st in the industry, and its corporate bond underwriting amount ranked 17th. As of the end of the Reporting Period, the Company had additional 62 bond projects that had already obtained approvals and were pending issuance, and 33 bond projects under review.



Section 4 Report of the Board

The table below shows the details of the bonds underwriting business in 2025:

Currency: RMB

Items	2025		2024	
	Underwriting amount (In 100 million)	Number of issuances (Unit)	Underwriting amount (In 100 million)	Number of issuances (Unit)
Enterprise bonds	0.00	0	0.30	1
Corporate bonds	794.40	297	356.07	130
Financial bonds	155.90	12	9.93	6
Local government bonds	448.13	270	36.38	37
Total	1,398.43	579	402.68	174

Note: The above bond projects include lead underwriting, joint lead underwriting and sub-underwriting.

Outlook for 2026

In 2026, the Company's bond financing business will strengthen its foundation across multiple dimensions to enhance business quality and efficiency. Firstly, with the Wuxi region as its core strategic focus, the Company will increase resource investment in the Wuxi region, establish a dedicated service team, and drive steady growth in its market share in the Wuxi region. Secondly, the Company will enrich its bond varieties by responding to regulatory calls for enhancing policy interpretation and promotion efforts focusing on targeted bond varieties, and actively participating in underwriting key nationally supported bonds including technology innovation bonds, carbon-neutral bonds, rural revitalisation bonds, and high-growth industry bonds. Thirdly, the Company will optimise its client structure by full swing synergistic resources, concentrating on high-credit clients in Jiangsu region while actively pursuing participation in underwriting syndicates for bonds issued by central state-owned enterprises (SOEs) to comprehensively increase the proportion of premium clients.



3. *Financial Advisory Business*

Market Environment

In 2025, the mergers and acquisitions market was significantly driven by policy initiatives, leading to structural optimisation and upgrading, with an overall trend toward improved quality and efficiency. According to the statistics from Wind, the number of announced transactions in China's mergers and acquisitions and restructuring market (excluding overseas mergers and acquisitions) in 2025 was 8,389, with a transaction value of RMB2,556.498 billion. The number of completed transactions was 3,919, with a transaction value of RMB942.137 billion.

Actions and Achievements

During the Reporting Period, the Company's financial advisory business achieved remarkable overall results. For the mergers and acquisitions and restructuring business, the Company completed 6 projects, including project involving acquisition of assets through issuing shares by Ningbo JDM. Additionally, the Company had 2 projects under review, facilitating a "two-way empowerment" between high-quality assets and capital market. For the NEEQ business, the Company completed 26 NEEQ listing projects. The clients that it served included national-level specialized, sophisticated, distinctive, and innovative enterprises, covering high-growth sectors such as intelligent manufacturing, biopharmaceuticals, and new materials, fully aligning with the NEEQ's market positioning of serving micro, small, and medium-sized enterprises. The Company also provided ongoing supervision for 203 companies, establishing a solid foundation for high-quality project pipelines for the Beijing Stock Exchange. According to the statistics from Wind, the Company ranked first in the market in terms of number of NEEQ listings.

Outlook for 2026

In 2026, the Company's financial advisory business will remain committed to serving the real economy and further enhance its comprehensive service capabilities. For the mergers and acquisitions and restructuring business, the Company will actively seize policy dividends and the rebound opportunity of the mergers and acquisitions and restructuring market, striving to foster mergers and acquisitions and restructuring business as a new profit growth driver. For the NEEQ business, the Company will accelerate client development and conversion based on its existing project reserve, strengthening synergies across the multi-tiered capital market.



Section 4 Report of the Board

(III) Asset Management and Investment Business

1. *Securities Asset Management Business*

Market Environment

In 2025, against the backdrop of deepening financial supply-side reforms, an increasingly robust capital market system, and continuously optimised regulatory frameworks, China's asset management industry encountered a crucial transformation opportunity for high-quality development. The industry as a whole operated steadily, underwent continuous upgrades towards greater refinement and standardization. Amidst a persistent low-interest-rate environment and strong global deployment demand, investors showed growing preference for differentiated, and multi-strategy allocation, driving the industry to further going back to the industry's originality of "wealth management for and on behalf of the trustors (受人之託、代客理財)", and accelerating the innovation in product structures and business models. The deep integration of cutting-edge technologies like financial technology and artificial intelligence comprehensively empowered core areas such as investment research, risk control, and customer service, driving the industry towards a more efficient, intelligent, and digital future. Facing a profoundly changing market environment, asset management institutions should remain steadfast in focusing on investor needs, continue to enhance active management capabilities and core investment research competitiveness, strengthen risk management effectiveness, build a multi-tiered and distinctive product system, optimise investment strategies and service experiences, and systematically forge differentiated competitive advantages. This is not only a key measure to address current complex challenges but also an inevitable path for the industry to achieve first-class and sustainable development.

Actions and Achievements

During the Reporting Period, the Company's securities asset management business actively adapted to market and regulatory changes. Upholding the philosophy of "professionalism creates value and companionship forges growth", it focused on client needs, committed to delivering investment certainty, and deepened the professionalization and refinement of its investment research. It built a distinctive product spectrum and optimised its business layout to achieve synergistic development of fixed income, equities, multi-asset deployment and ABS businesses. Leveraging digital and intelligent platform development, the Company comprehensively enhanced its active management capabilities and comprehensive service efficiency, driving steady growth in assets under management and successfully establishing itself as a mid-sized asset management institution. These efforts have delivered consistent and stable value returns for investors.

Section 4 Report of the Board



As of the end of the Reporting Period, the entrusted funds of the Company's securities asset management business amounted to RMB196.045 billion. The total number of asset management schemes under management was 611. Among these, 1 was public-offered fund (including large-scale fund collections) product, with an asset management size of RMB8.446 billion; 327 were Collective Asset Management Schemes, with an asset management size of RMB98.436 billion; 186 were Single Asset Management Schemes, with an asset management size of RMB38.775 billion; and 97 were Specialized Asset Management Schemes, with an asset management size of RMB50.387 billion.

Categories	Asset management size (In RMB100 million)		Operating income (In RMB ten thousand, as per the SAC standards)	
	End of 2025	End of 2024	2025	2024
Public-offered funds (including large-scale fund collections)	84.46	110.84	5,875.27	5,514.46
Collective Asset Management Scheme	984.36	491.25	8,380.44	7,718.85
Single Asset Management Scheme	387.75	402.40	4,035.91	3,377.14
Specialized Asset Management Scheme	503.87	420.84	6,523.45	6,307.73
Total	1,960.45	1,425.33	24,815.07	22,918.18

Outlook for 2026

In 2026, the Company will uphold professionalism in terms of its securities asset management business, practice social responsibility and deeply integrate into the national economic development strategy. It will comprehensively drive the strategic transformation from a "product provider" to a "customer-centric solution service provider", operating within a development framework characterized by "systematization, engineering, and digital intelligence". Guided by clients' needs, it will continue to optimise dynamic asset allocation, build a multi-tiered and refined product system, create an intelligent and companion-style service framework, strengthen investment-research collaboration and comprehensive risk management, shape differentiated competitive advantages, and enhance both investment-research capabilities and value creation standards. At the same time, the Company's securities asset management business will focus on improving the intelligence standard of its information systems and the efficiency of its internal controls, comprehensively boosting core competitiveness and value creation capabilities, and moving towards a new stage of high-quality development.



Section 4 Report of the Board

2. *Public-offered Fund Management Business*

Market Environment

In 2025, with the introduction of the Action Plan for Promoting High-Quality Development of Public-offered Funds (《推動公募基金高質量發展行動方案》) and the implementation of relevant policies, the public-offered fund industry underwent a profound transformation from scale expansion to quality improvement, with total scale continuing to rise and surpassing the RMB37 trillion mark. Driven by favourable policies, accommodating liquidity and improving fundamentals, the A-share market has exhibited a fluctuating upward trend. Trading activities have increased significantly. Product structures experienced profound structural changes, shifting from “fixed income dominance” to “equity-debt balance”. The proportion of stock funds (especially ETFs) increased significantly, equity funds emerging strongly, index-based investment tools became mainstream, and the industry accelerated its transformation toward high-quality development amid intense competition.

Actions and Achievements

During the Reporting Period, Guolian Fund remained focused on its principal business, continuously optimising its business structure and product layout by actively expanding products such as ETFs, index enhancement and fixed income+, thereby offering investors with abundant investment tools. It consistently enhanced investment research capabilities, client service standards, compliance and risk management standards, and talent team building, comprehensively advancing high-quality business development. As of the end of 2025, the total asset management size of Guolian Fund steadily grew to surpass RMB199.3 billion, with 92 public-offered funds under management and over 9.65 million investors served cumulatively. According to the data of China Galaxy Securities Fund Research Center, in the past three years, Guolian Fund ranked 77th among the 124 companies in terms of active stock management ability and ranked 37th among the 127 companies in terms of active bond management ability.

Outlook for 2026

2026 marks the inaugural year of the “15th Five-Year Plan” period, a pivotal period in which the capital markets are undergoing intense reforms aimed at enhancing quality and efficiency. Seizing this strategic window of opportunity, Guolian Fund will firmly align itself with the overarching trends of the industry and steadfastly pursuing a path of high-quality development. Guided by the Action Plan for Promoting High-Quality Development of Public-offered Funds, it will proactively seize market opportunities and persistently advance a distinctive and boutique-oriented development path. With the goal of achieving long-term wealth preservation and appreciation of investors, Guolian Fund will enhance its investment research capabilities in line with higher standards, optimise its product structure and business layout, and forge core competitiveness through professional expertise, driving comprehensive high-quality growth across all business operations.



3. *Private Equity Investment Business*

Market Environment

In 2025, China's primary market continued its recovery trend, with the capital raising and investment markets showing a structural improvement and increasing activities, moving towards high-quality development. Capital raising was stabilized and rebounded, with both the number and scale of newly established funds recording significant year-on-year increases, indicating a recovery in institutional fundraising confidence. According to data from CVSource, 6,127 new VC/PE funds were established in China in 2025, representing a year-on-year increase of 27%, while the total capital raising scale reached RMB3,086.0 billion, grew by 26% year-on-year, ending a period of slowdown and showing a significant increase in institutional participation. The LP capital structure became more diversified and optimised, with state-owned capital platforms remained as the core, while industrial and financial capital increasingly collaborated to drive investments. National-level mega-funds, such as the National Artificial Intelligence Industry Fund and venture capital guidance funds, were rolled out intensively, leveraging social capital to converge on hard technology sector. Investments were focused on hard technology, with top-tier sectors demonstrating pronounced capital concentration effects. Electronic information, advanced manufacturing, and healthcare were the core investment areas, with the electronic information sector leading the market. Segments such as semiconductors, new materials, and high-end medical equipment also garnered significant attention.

Actions and Achievements

During the Reporting Period, the Company's private equity investment business actively advanced the establishment of new funds and equity investment business. It successfully completed the capital raising and establishment of 13 funds, including the Wuxi Yitong Healthcare Fund (無錫益通醫療基金), Wuxi Digital Intelligence Consumption Fund (無錫數智消費基金), and Jinan Industrial Development Fund (濟南產發基金). It had 60 subsisting filing funds, with a total committed capital of RMB22.870 billion and 85 projects under investment. Concurrently, the Company's brand influence in private equity continued to rise, earning accolades such as the "Golden Bull Award for Private Equity Investment Elite (股權投資精英金牛獎)" from China Securities Journal and a place among the "Top 50 Firms in Comprehensive Strength, China Private Equity & Venture Capital Yinghua Awards (中國私募股權創投英華獎綜合實力50強)" at the China Fund News.



Section 4 Report of the Board

Outlook for 2026

In 2026, the Company's private equity investment business will center on value creation, continue to enhance the quality and core competitiveness of its fund operations. It will establish a performance assessment mechanism oriented toward value contribution to persistently pursue higher quality and greater efficiency in business development. Concurrently, the Company will focus on core areas such as energy materials, equipment and military industry, automotive equipment, high technology, medical and healthcare and large-scale consumption, building specialized investment teams with enhanced industry insights and forward-looking capabilities. By deepening strategic cooperation with LPs, it will prioritise the development of industrial M&A funds and alternative asset funds, collaborating with industrial players and listed companies to identify M&A opportunities along the industrial chain. Through expanding into sectors such as asset holding and cross-border investment, the Company will address diverse funding needs, cultivate new growth drivers, and build a diversified product matrix, thereby achieving both industrial empowerment and enhanced returns. These efforts will help the comprehensive tamp down of business foundation, elevate its comprehensive competitiveness, and achieve steady growth amid the ongoing wave of high-quality development in the primary market. Furthermore, it will strengthen full-process risk management by refining pre-investment due diligence and post-investment tracking mechanisms, dynamically conducting risk classification assessments to ensure secure capital exits.

(IV) Credit Transaction Business

1. Margin Financing and Securities Lending Business

Market Environment

In 2025, driven by a stabilizing and improving economy, deepening capital market reforms, and a gradual recovery in investor confidence, the balance of domestic margin financing and securities lending market kept reaching all-time highs. As of the end of the Reporting Period, the balance of margin financing and securities lending in the entire market reached RMB2,540.682 billion, of which the balance of margin financing was RMB2,524.156 billion and the balance of securities lending was RMB16.526 billion, representing an increase of 36.26% as compared to the balance of margin financing and securities lending in the entire market of RMB1,864.583 billion recorded at the end of 2024.



Actions and Achievements

During the Reporting Period, centered on the three core models of “client tiered management, differentiated development, and digital service enablement”, the Company’s margin financing and securities lending business continuously optimised its client classification and value mechanism, consolidating its existing clientele while intensifying efforts to acquire new clients. Through differentiated client solicitation strategies that precisely targeting at high-net-worth individuals, the Company achieved substantial growth in new account openings. Simultaneously, it enhanced investor education empowerment, collateral tiering, concentration control and blacklist management to ensure stable business operations. The Company also deepened technology application, advanced the development of information service support products for margin financing and securities lending to improve trading experience and promote high-quality business development. By seizing market opportunities, optimising business structure, and strengthening risk management, the Company’s margin financing and securities lending business achieved a significant increase in both business scale and market share. As of the end of 2025, the balance of the Company’s margin financing and securities lending reached RMB23.371 billion, with a market share of 9.199%, representing a growth rate higher than the market average.

Outlook for 2026

In 2026, the Company’s margin financing and securities lending business will further focus on customer needs and integrate internal and external resources to accelerate its business transformation toward high-quality development. By continuously deepening differentiated business development strategies, refining a tiered mechanism centered on client value and risk ratings, the Company aims to bolster market competitiveness. Concurrently, the Company will persist in deepening the application of financial technology, optimising smart service tools, advancing the dynamic upgrade of the collateral management system, and elevating the digitalization standard of risk prevention and control. By innovating business application scenarios, it will facilitate the deep integration of margin financing and securities lending services with clients’ comprehensive financial needs, constructing a differentiated and integrated business regime. Moreover, the Company will reinforce synergies and collaborations with investment banking, research, and other institutions to enhance service capabilities, delivering comprehensive, integrated financial solutions to clients and fostering the development of distinctive advantages in the industry competition.



Section 4 Report of the Board

2. *Stock Pledged Repurchase Business*

Market Environment

In 2025, the overall market size of stock pledged repurchase business remained conservative and continued its downward trend, which was primarily driven by the replacement of existing financing needs. Clients remained cautious in new financing needs, with funds primarily directed toward industries related to new quality productivity. Domestic monetary policy maintained a moderately accommodative stance, with market interest rates operating at low levels and intensified competition in the existing business.

Actions and Achievements

During the Reporting Period, the Company's stock pledged repurchase business stringently adhered to prudent and cautious operating principles, optimising business structure and continuously reducing the scale of existing risks. As of the end of the Reporting Period, the principal balance of stock pledged repurchase business of the Company was RMB1.127 billion, representing a decrease of RMB394 million compared with the scale of RMB1.521 billion at the end of 2024. Of which, the balance of investment (on-balance sheet) stock pledged repurchase business was RMB900 million, representing a decrease of RMB430 million compared with the scale of RMB1.330 billion at the end of 2024, with an average performance guarantee ratio of 397.17%. The balance of management (off-balance sheet) stock pledged repurchase business was RMB227 million, representing an increase of RMB36 million compared with the scale of RMB191 million at the end of 2024, with an average performance guarantee ratio of 261.67%.

Outlook for 2026

In 2026, the Company's stock pledged repurchase business will adhere to the principle of prudent operation with stringent risk control. Leveraging its share management platform, it will deepen internal business synergy, build a comprehensive financial service ecosystem, effectively serving the real economy and promoting high-quality business development.



(V) Proprietary Trading Business

1. Trading business

Market Environment

In 2025, China's economy demonstrated strong resilience, with improvements in both domestic and external demand. Technological innovation drove industrial upgrading, leading to a significant rise in the stock market and an overall recovery in risk preference. The stock market in 2025 exhibited a trend of initial lows followed by highs, with steady growth throughout the year. The market rebounded before Chinese New Year but experienced a rapid index adjustment thereafter due to expectations regarding the U.S. trade policies. After the second quarter, with the easing of U.S. trade policies and the gradual implementation of Fed rate cuts, market risk appetite gradually recovered, and the index rose steadily. The Wind All-A Index recorded a 27.65% increase for the year. Across the sectors, the market saw broad-based gains. Sectors such as non-ferrous metals, characterized by product price increases, and communications and electronics, driven by artificial intelligence data center (AIDC) construction, posted significant gains. In contrast, dividend-yielding sectors such as public utilities and coal showed relatively weak overall performance. The bond trading market faced multiple challenges from the macroeconomic environment, policy adjustments, and shifts in supply and demand dynamics. Proactive fiscal policies led to a substantial increase in government bond supply, while the pace of monetary policy easing fell short of expectations. Meanwhile, demand in the bond market weakened due to capital outflows to the stock market and slowing down deposit growth, exacerbating downward pressure through supply-demand mismatching. As a result, the bond market experienced its most significant adjustment in recent years, with the yields on 10-year and 30-year government bonds rising sharply. China Bond Index Series, the market benchmark, recorded a full-year return of -1.95%, their biggest drop in recent five years.

Actions and Achievements

In terms of equity proprietary trading business, the Company has all along been taking absolute return as its target and adhering to its principle of value investment, adopted fundamental research as a starting point, and developed the business steadily while taking risks and returns into consideration. In 2025, the proprietary trading business continued to adopt a barbell strategy, using dividend value shares deployment as the backing and steadily expanded the investment scale in growth stocks, fully captured the overall upward market trend in the second and third quarters, with the investment allocation focusing on sectors such as nonferrous metals and defence, through which we achieved relatively higher investment returns, with the yield rate outperforming that of the CSI 300 index significantly.



Section 4 Report of the Board

For fixed-income business, the Company adhered to the principle of prudent operation. Through forward-looking strategic positioning and meticulous portfolio management, it effectively withstood systemic risks, demonstrated strong stability amidst market fluctuations, and achieved excellent excess investment returns and risk-adjusted performance. As a core competitive advantage, the market-making trading business continued to strengthen, with trading activity and market influence further enhanced. The bond underwriting business maintained its industry-leading position. Key breakthroughs were made in business innovation and qualification expansion, laying a solid foundation for the future development of the FICC business.

In terms of equity derivatives business, in line with the “Five Major Initiatives in Finance”, the Company guided investors to focus on and allocate to related high-quality assets by designing and promoting derivative instruments linked to technological innovation and green and low-carbon themes, thereby contributing to the development of new quality productivity. It also focused on residents’ pension and wealth management needs, and continuously optimised product offerings and service systems. The market-making business successfully obtained “the qualification of share options market-making business” and actively advanced the application for the “qualification of listed securities market-making trading business”, providing high-quality liquidity to the market.



Outlook for 2026

In terms of equity proprietary trading business, the Company will continue to intensify its macro and market research and judgment, strengthen fundamental research, enhance the construction of its investment research and risk control system to develop a stock investment business steadily. 2026 marks the inaugural year of the “15th Five-Year Plan” period. Driven by policy support and efforts to counter involution, the domestic macroeconomic fundamentals are expected to stabilize. With further progress in the Fed rate cuts, the relatively accommodative internal and external liquidity environment and policy conditions are generally expected to remain favorable for the domestic stock market. In 2026, the Company’s equity proprietary trading business will further refine its selection of growth industries and individual stocks, focusing on allocating to industry targets with potential for a turnaround or long-term growth potential. This will be complemented by multi-strategy investment approaches such as private placements, convertible bonds, and quantitative market-neutral strategies to achieve a balance between risk and return, thereby prudently conducting equity securities investment operations.

In terms of fixed income business, the Company will continue to strengthen its advantages centered on market-making trading, refining multi-variety market-making models, and actively promote strategy diversification by laying out macro hedging strategies. It will make full efforts to expand the over-the-counter derivatives business to build comprehensive FICC service capabilities. Leveraging newly acquired qualifications, the Company will expand its underwriting business and drive its sales team to offer clients one-stop comprehensive services. It will also advance the upgrade of its fixed income business systems, deepen the application of artificial intelligence (AI) technology, and enhance the empowerment of fixed income business through financial technology, thereby continuously improving its market-making trading and client service capabilities.

In terms of equity derivatives business, the Company will continue to closely align with the strategic deployment of the “Five Major Initiatives in Finance”, and adhere to the general principle of pursuing progress while ensuring stability. Firstly, it will strengthen comprehensive risk management capabilities to effectively prevent and control position risks. Secondly, it will optimise the supply of financial products and services, enrich the derivative instrument system focusing on the “Five Major Initiatives in Finance”, and enhance the quality and efficiency of serving the real economy. Thirdly, it will steadily advance the layout of the market-making business, taking the approval of the stock option market-making qualification as an opportunity to solidly take a key step in building market-making capabilities, and continuously promote the application and implementation of sub-business licences to consolidate the foundation for high-quality development.



Section 4 Report of the Board

2. *Alternative Investment Business*

Market Environment

According to the statistics from CVSource, the investment side of China's VC/PE market showed signs of recovery in 2025. During this period, a total of 11,015 investment deals were made, representing a year-on-year increase of 30.6%, with the investment scale reaching RMB1,339.68 billion, representing a year-on-year increase of 23.43%. The average deal size stood at RMB122 million, a slight decline from the previous year. Both the number and value of investment deals in the period approached the average levels of the past decade. In 2025, the popular sectors in China's VC/PE market were mainly concentrated in electronic information, advanced manufacturing, and healthcare. In terms of sub-sectors, semiconductors and artificial intelligence dominated the market.

Actions and Achievements

During the Reporting Period, the Company's alternative investment business closely followed policy directions and market conditions to prudently carry out investment work. With supporting the real economy as a start, the Company expanded its investment layout in hard technology areas. In terms of existing project management, the Company optimised exit mechanisms to foster sustainable investment cycles, actively promoting project exits through various means such as secondary market divestment, buybacks, mergers and acquisitions.

Outlook for 2026

In 2026, the Company's alternative investment business will continue to steadily promote the high-quality development of its investment activities, focusing on core hard-tech sectors such as semiconductors, aerospace, embodied intelligence, and quantum technology. It will conduct solid industry research, strive to identify high-quality projects with leading technology and significant growth potential, and uphold the principles of "long-term investment, value investment, and rational investment" to actively serve the real economy. At the same time, it will persistently manage and exit existing projects, thereby improving the efficiency of capital utilisation.



(III) Financial Statements Analysis

1. Analysis on the Profitability of the Company during the Reporting Period

During the Reporting Period, China's securities market exhibited qualitative and quantitative improvements as well as structural optimisation. The stock trading market demonstrated robust performance throughout the year, trending upward amid fluctuations, with both average daily turnover and the balance of securities lending hitting record highs, reflecting a significant improvement in overall market sentiment. The Company efficiently completed the acquisition of Minsheng Securities and promoted the integration with Minsheng Securities in a proper and orderly manner. It strictly adhered to the bottom line of compliance and risk control, accelerated the transformation and upgrading of its business model, and continuously developed itself into an "industrial-focused investment banking, technology-enabled investment banking, and wealth-driven investment banking" enterprise. By deeply cultivating regions and meticulously developing industries, seizing development opportunities in the capital market, and continuously enhancing the quality and standard of services, the Company empowered the real economy through professional financial services.

During the Reporting Period, the Group generated total revenue, net investment gains and other income of RMB10,325.60 million, representing a year-on-year increase of 144.98%. Net profit attributable to shareholders of the Company amounted to RMB2,008.92 million, representing a year-on-year increase of 405.49%. Earnings per share amounted to RMB0.36, representing a year-on-year increase of 157.14%. The weighted average return on net assets amounted to 4.16%, representing a year-on-year increase of 1.97 percentage points.

2. Asset Structure and Asset Quality

As at the end of the Reporting Period, total assets of the Group amounted to RMB203,218.28 million, representing an increase of 109.05% as compared to RMB97,208.14 million as at the end of 2024. Total liabilities amounted to RMB150,345.88 million, representing an increase of 92.11% as compared to RMB78,260.13 million as at the end of 2024. Equity attributable to shareholders of the Company amounted to RMB52,490.30 million, representing an increase of 182.44% as compared to RMB18,584.33 million as at the end of 2024.



Section 4 Report of the Board

During the Reporting Period, the asset structure remained stable with sound asset quality and liquidity. As at the end of the Reporting Period, total assets of the Group comprised of: cash assets, which amounted to RMB50,153.13 million, representing 24.68% of the total assets, and primarily included cash and bank balances (including cash held for brokerage clients), clearing settlement funds and refundable deposits; margin financing assets, which amounted to RMB37,111.49 million, representing 18.26% of the total assets, and primarily included margin accounts receivable and financial assets held under resale agreements; financial investment assets, which amounted to RMB91,872.22 million, representing 45.21% of the total assets, and primarily included interests in an associate and a joint venture and investment in financial assets; and operating assets, which amounted to RMB24,081.44 million, representing 11.85% of the total assets, and primarily included property and equipment, goodwill and intangible assets. During the Reporting Period, the Group performed impairment assessment on margin accounts receivable, financial assets held under resale agreements, debt instruments at fair value through other comprehensive income, accounts receivable and other receivables using the expected credit loss model. There was no evidence showing that the assets of the Group may be subject to significant impairment.

In light of market condition, the Company strengthened its liquidity management, expanded its business scale and prevented credit risk. As at the end of the Reporting Period, liabilities after deducting accounts payable to brokerage clients amounted to RMB110,004.26 million, representing a year-on-year increase of RMB46,309.30 million or 72.70%. The gearing ratio of the Group was 67.54%, representing a decrease of 9.53 percentage points from 77.07% as at the end of 2024 (Note: Gearing ratio = (total liabilities – accounts payable to brokerage clients)/(total assets – accounts payable to brokerage clients)). Operating leverage ratio was 3.10 times, representing a decrease of 30.34% from 4.45 times as at the end of 2024 (Note: Operating leverage ratio = (total assets – accounts payable to brokerage clients)/equity attributable to shareholders of the Company).

3. Financing Channels and Financing Capability

Through a variety of financing methods, including equity financing and various debt financing, the Company continued to supplement its working capital and constantly enhancing its capital strengths to ensure the liquidity security of the Company. During the Reporting Period, the Company raised supporting funds by issuing shares to 15 specific subscribers, with a net proceeds of RMB1.971 billion, and cumulatively added RMB22.721 billion through various debt financing instruments (excluding inter-bank borrowing transactions and issued floating-income type income certificates), and repaid the principal of matured debt financing of RMB14.893 billion cumulatively. The remaining principal amount of outstanding debt financing of the Company at the end of 2025 was RMB40.758 billion in total. The average interest rate level of new debt financing decreased compared with previous years. In addition, there was an outstanding inter-bank credit borrowing of RMB20.942 billion.



4. Liquidity Management Information of the Company

The Company has always paid great attention to liquidity management by adhering to the principles of comprehensiveness, prudence and foreseeability and focusing on the organic integration of the security, liquidity and profitability of capital, so as to ensure the safety and control of the overall liquidity of the Company. The Asset and Liability Committee of the Company is responsible for the overall planning of asset and liability deployment and structure, and equipped with a sound management system and corresponding business processes for management. In light of the development of the market and industry and combined with the Company's strategic deployment and actual situation, asset and liability deployment are analysed multi-dimensionally with constant optimization of asset and liability deployment, ensuring that the scale and term structure of assets and liabilities meet business development while maintaining appropriate high-quality liquid assets. The Company has established sound liquidity risk management system to strengthen the monitoring and control of daily liquidity situation and liquidity risk, and keep abreast of the demand for and application of funds in a timely manner. It regularly submitted liquidity monitoring statement and analysis of changes. At the same time, the Company assessed its liquidity pressure under extreme conditions through liquidity risk stress tests, so as to ensure the liquidity monitoring indicators in every period continued to meet the regulatory requirements. It made liquidity contingency plans to prevent sudden liquidity risks.

During the Reporting Period, the overall liquidity risk of the Company was controllable and remained at a more secured level.

5. Cash Flows

As the Group's cash inflow generated from investing activities and financing activities in the current year was more than the cash outflow generated from operating activities, the net increase in cash and cash equivalents was RMB7,713.84 million.

Net cash flows from operating activities in 2025 was RMB-10,175.96 million, representing a year-on-year decrease of RMB-18,353.22 million as compared with RMB8,177.26 million for the corresponding period in 2024. Net cash flows from investing activities in 2025 was RMB8,956.91 million, representing a year-on-year increase of RMB7,583.14 million as compared with RMB1,373.77 million for the corresponding period in 2024. Net cash flows from financing activities in 2025 was RMB8,932.90 million, representing a year-on-year increase of RMB11,194.42 million as compared with RMB-2,261.52 million for the corresponding period in 2024. Net increase in cash and cash equivalents in 2025 was RMB7,713.84 million, representing a year-on-year increase of RMB424.33 million as compared with RMB7,289.51 million for the corresponding period of 2024.

Section 4 Report of the Board

6. Analysis of Financial Data

(1) Items under income statement

Summary of financial results

During the Reporting Period, the Group's profit before income tax amounted to RMB2,470.07 million, representing a year-on-year increase of 562.56%. The key financial results are as follows:

Unit: in RMB million

Items	2025	2024	Increase/ decrease	Growth rate year-on-year
Revenue				
Commission and fee income	4,937.85	2,003.86	2,933.99	146.42%
Interest income under effective interest method	1,920.49	1,221.52	698.97	57.22%
Net investment gains	3,457.60	976.21	2,481.39	254.19%
Other income	9.66	13.34	-3.68	-27.59%
Total revenue, net investment gains and other income	10,325.60	4,214.93	6,110.67	144.98%
Total expenses	7,901.69	3,864.75	4,036.94	104.46%
Profit before income tax	2,470.07	372.81	2,097.26	562.56%
Income tax expense/(credit)	439.35	-33.43	472.78	-
Profit for the year	2,030.72	406.23	1,624.49	399.89%
Net profit attributable to shareholders of the Company	2,008.92	397.42	1,611.50	405.49%

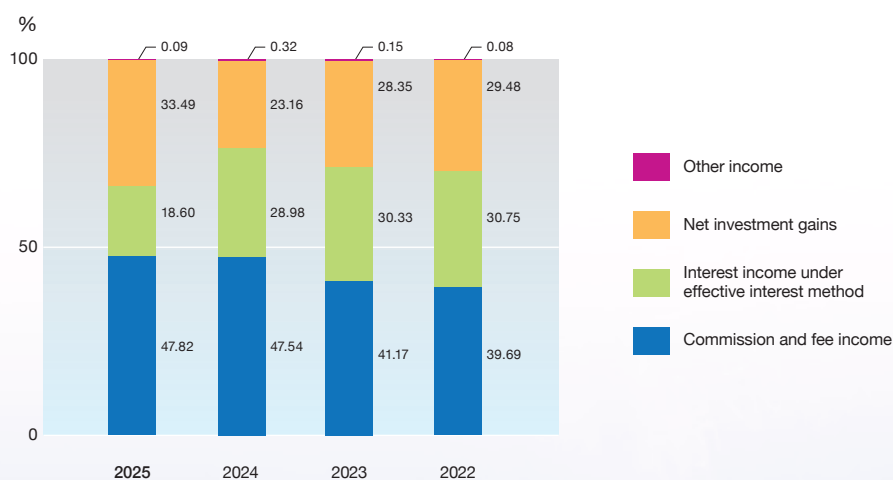


Revenue structure

During the Reporting Period, total revenue, net investment gains and other income of the Group amounted to RMB10,325.60 million, representing a year-on-year increase of 144.98%, among which, 47.82% was generated from commission and fee income, representing a year-on-year increase of 0.28 percentage point; 18.60% was generated from interest income under effective interest method, representing a year-on-year decrease of 10.38 percentage points; 33.49% was generated from net investment gains, representing a year-on-year increase of 10.33 percentage points. The revenue structure of the Group in the past four years is as follows:

Percentage	2025	2024	2023	2022
Commission and fee income	47.82%	47.54%	41.17%	39.69%
Interest income under effective interest method	18.60%	28.98%	30.33%	30.75%
Net investment gains	33.49%	23.16%	28.35%	29.48%
Other income	0.09%	0.32%	0.15%	0.08%
Total	100.00%	100.00%	100.00%	100.00%

The bar chart below shows the structure comparison:





Section 4 Report of the Board

During the Reporting Period, China's economy demonstrated strong resilience with simultaneous improvement in domestic and external demand. Technological innovation drove industrial upgrading, which fueled a significant upturn in the stock trading market, and the overall market trading sentiment of the securities market was significantly more robust as compared with the same period of last year. Adhering to its principle of value investment, the Company promoted strategic mergers and acquisitions as well as business innovation, and completed the acquisition of Minsheng Securities with high efficiency. It continued to optimise its business structure and product portfolio, and constructed a business portfolio centered on "Great investment bank + Great investment + Great investment research + Great wealth + Great asset management", enriching its diversified product and service regime to drive the rapid and sound development of its business.

Commission and fee income

During the Reporting Period, the net commission and fee income of the Group amounted to RMB3,959.64 million, representing a year-on-year increase of 122.04%. The composition of the Group's commission and fee income for 2025 was as follows:

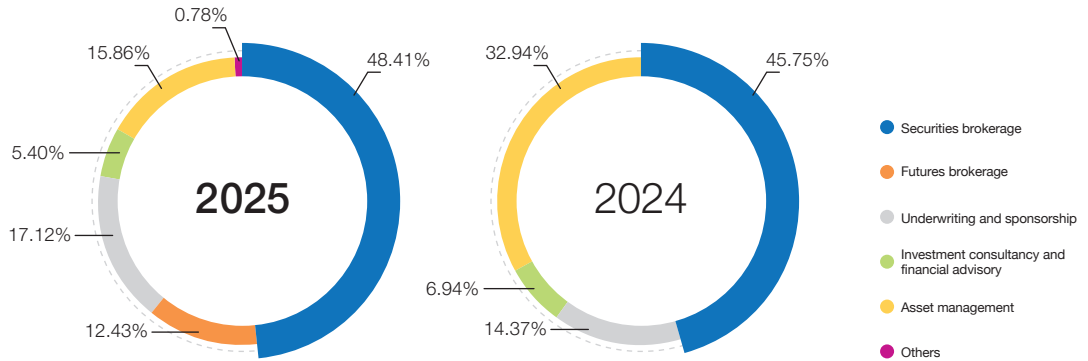
Unit: in RMB million

Items	2025	2024	Increase/ decrease	Growth rate year-on-year
Commission and fee income				
Securities brokerage	2,390.30	916.76	1,473.54	160.73%
Futures brokerage	613.86	0.00	613.86	–
Underwriting and sponsorship	845.58	287.89	557.69	193.72%
Investment consultancy and financial advisory	266.65	139.02	127.63	91.81%
Asset management	782.90	660.19	122.71	18.59%
Others	38.56	0.00	38.56	–
Total commission and fee income	4,937.85	2,003.86	2,933.99	146.42%
Commission and fee expenses	978.21	220.52	757.69	343.59%
Net commission and fee income	3,959.64	1,783.34	2,176.30	122.04%

Section 4 Report of the Board



The Group's commission and fee income consists of:



During the Reporting Period, commission and fee income of the Group amounted to RMB4,937.85 million, representing a year-on-year increase of 146.42%, with income from securities brokerage and futures brokerage, underwriting and sponsorship recording significant year-on-year growth.

During the Reporting Period, the activity level of domestic securities market and futures markets rose significantly, leading to the commission and fee income generated from securities brokerage business increasing by RMB1,473.54 million or 160.73% year-on-year, and the commission and fee income generated from futures brokerage business went up by RMB613.86 million year-on-year.

During the Reporting Period, the investment banking market witnessed a recovery, and the equity financing market experienced a strong rebound driven by policies. The Group completed 10 equity financing projects. Its bond financing business also maintained a sound development momentum. The number of underwriting deals, the scale, and the income of the investment banking business all achieved year-on-year growth. The underwriting and sponsorship income from investment banking business increased by RMB557.69 million, or 193.72% in growth year-on-year. The Group continuously promoted the transformation of wealth management, strengthened the professional capabilities of investment advisors, deepened its research service system, and provided differentiated research service strategies. Income from investment consultancy and financial advisory services increased by RMB127.63 million, or 91.81% year-on-year.

During the Reporting Period, adhering to the business philosophy of “creating value through professionalism and growth through companionship”, Guolian Securities Assets Management optimised its business layout and achieved the synergistic development of its fixed income, equity, multi-deployment and ABS businesses. Its comprehensive service efficiency and active management capabilities were comprehensively enhanced. The entrusted funds of asset management business increased by 37.54% year-on-year. Guolian Fund actively expanded new products, optimised its business structure, and continuously enhanced its investment research capabilities and client service standards. The total asset management scale of Guolian Fund achieved year-on-year growth. The income from the asset management business increased by RMB122.71 million or 18.59% year-on-year.

Section 4 Report of the Board

Interest income under effective interest method

During the Reporting Period, net interest income of the Group amounted to RMB179.45 million, representing a year-on-year increase of RMB279.40 million. The composition of the Group's interest income under effective interest method for 2025 was as follows:

Unit: in RMB million

Items	2025	2024	Increase/ decrease	Growth rate year-on-year
Interest income under effective interest method				
Interest income from bank deposits and clearing settlement funds	635.75	364.44	271.31	74.45%
Interest income from financial assets held under resale agreements	219.61	188.92	30.69	16.24%
Interest income from margin financing	978.90	527.53	451.37	85.56%
Interest income from debt instruments at fair value through other comprehensive income	86.14	140.63	-54.49	-38.75%
Others	0.10	0.00	0.10	-
Total interest income under effective interest method	1,920.49	1,221.52	698.97	57.22%
Interest expenses	1,741.04	1,321.47	419.57	31.75%
Net interest income	179.45	-99.95	279.40	-

Section 4 Report of the Board



During the Reporting Period, the sentiment of the domestic securities market was significantly more robust as compared with 2024. The SSE Composite Index rose by 18.41%, leading to a significant rise in the accounts payable to brokerage clients, whereby the interest income from bank deposits and clearing settlement funds increased by RMB271.31 million or 74.45% year-on-year.

During the Reporting Period, the total scale of the domestic margin financing and securities lending market achieved leapfrog growth. As at the end of 2025, the balance of margin financing and securities lending in the entire market reached RMB2.54 trillion. The period-end scale of margin accounts receivable increased significantly compared to the same period last year. Interest income from margin financing business increased by RMB451.37 million, or 85.56% year-on-year.

During the Reporting Period, the Group seized market opportunities and saw an increase in the scale of bond repurchase, whereby the interest income from financial assets held under resale agreements increased by RMB30.69 million or 16.24% year-on-year.

During the Reporting Period, the Group strictly controlled credit risk and adhered to the philosophy of prudent investment, whereby the scale of debt instruments at fair value through other comprehensive income decreased, with interest income from debt instruments at fair value through other comprehensive income decreased by RMB54.49 million or 38.75% year-on-year.

During the Reporting Period, owing to the newly added consolidated subsidiary, Minsheng Securities, the interest expenses increased by RMB419.57 million or 31.75% year-on-year.

Section 4 Report of the Board

Net investment gains

During the Reporting Period, the net investment gains of the Group amounted to RMB3,457.60 million, representing a year-on-year increase of 254.19%. The composition of the Group's net investment gains for 2025 was as follows:

Unit: in RMB million

Items	2025	2024	Increase/ decrease	Growth rate year-on-year
Realised gains from disposal of financial assets at fair value through profit or loss	946.29	317.17	629.12	198.35%
Realised gains from disposal of financial liabilities at fair value through profit or loss	155.74	0.50	155.24	31048.00%
Realised gains from disposal of debt instruments at fair value through other comprehensive income	31.56	27.17	4.39	16.16%
Net realised gains from derivative financial instruments	488.96	302.79	186.17	61.48%
Interest income from financial instruments at fair value through profit or loss	182.27	811.11	-628.84	-77.53%
Dividends from financial assets at fair value through profit or loss	1,127.35	131.34	996.01	758.34%
Dividend income from equity instruments at fair value through other comprehensive income	836.87	363.65	473.22	130.13%
Unrealised fair value change of financial instruments at fair value through profit or loss				
– Financial assets at fair value through profit or loss	-79.70	-80.92	1.22	–
– Derivative financial instruments	-294.10	-832.31	538.21	–
– Financial liabilities at fair value through profit or loss	62.36	-64.29	126.65	–
Total	3,457.60	976.21	2,481.39	254.19%

Section 4 Report of the Board



Operating expenses

During the Reporting Period, operating expenses of the Group (excluding commission and fee expenses and interest expenses) amounted to RMB5,182.44 million, representing a year-on-year increase of 123.11%. The composition of the Group's operating expenses was as follows:

Unit: in RMB million

Items	2025	2024	Increase/ decrease	Growth rate year-on-year
Operating expenses				
Staff costs	3,606.68	1,422.07	2,184.61	153.62%
Depreciation and amortisation	455.25	306.24	149.01	48.66%
Other operating expenses	1,134.25	614.92	519.33	84.45%
Impairment losses under expected credit loss model, net of reversal	-13.74	-20.46	6.72	-
Total	5,182.44	2,322.77	2,859.67	123.11%

During the Reporting Period, the Group newly added Minsheng Securities as a consolidated subsidiary. Meanwhile, the Group accelerated business transformation, actively expanded its business and strengthened performance evaluations, with operating expenses increased by RMB2,859.67 million, or 123.11% year-on-year.



Section 4 Report of the Board

The impairment losses under expected credit loss model, net of reversal of the Group was RMB-13.74 million, the details of which are as follows:

Unit: in RMB million

Items	2025	2024	Increase/ decrease	Growth rate year-on-year
Impairment losses under expected credit loss model, net of reversal				
Margin accounts receivable	-5.01	-1.89	-3.12	-
Financial assets held under resale agreements	-1.00	-10.50	9.50	-
Accounts receivable and other receivables	-3.12	-0.57	-2.55	-
Debt instruments at fair value through other comprehensive income	-4.60	-7.50	2.90	-
Total	-13.74	-20.46	6.72	-



(2) Assets

As at the end of the Reporting Period, total assets of the Group amounted to RMB203,218.28 million, representing an increase of RMB106,010.14 million or 109.05% year-on-year.

Changes in the Group's assets are as follows:

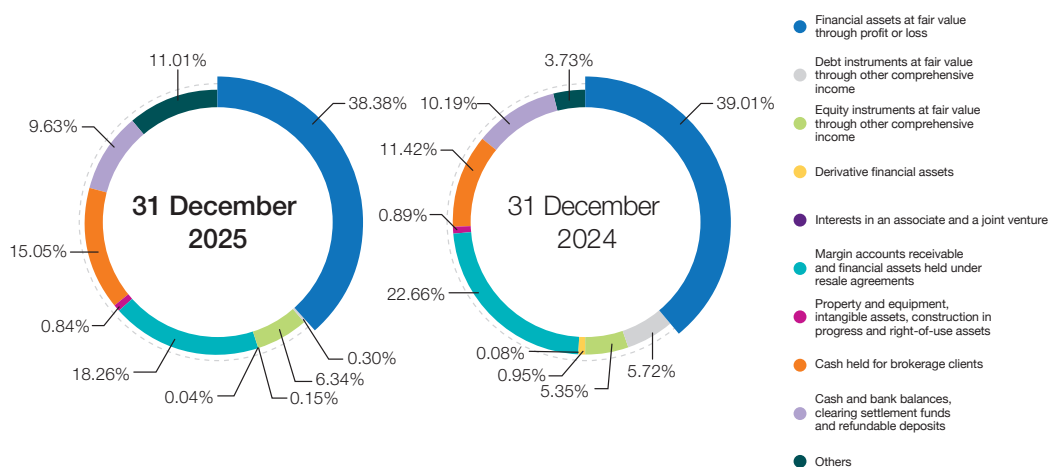
Unit: in RMB million

Items	31 December 2025	31 December 2024	Increase/ decrease	Growth rate year-on-year
Financial assets at fair value through profit or loss	77,998.33	37,920.65	40,077.68	105.69%
Debt instruments at fair value through other comprehensive income	609.96	5,561.04	-4,951.08	-89.03%
Equity instruments at fair value through other comprehensive income	12,892.61	5,200.85	7,691.76	147.89%
Derivative financial assets	295.67	923.19	-627.52	-67.97%
Interests in an associate and a joint venture	75.65	77.37	-1.72	-2.22%
Margin accounts receivable and financial assets held under resale agreements	37,111.49	22,024.94	15,086.55	68.50%
Property and equipment, intangible assets, construction in progress and right-of-use assets	1,709.62	869.62	840.00	96.59%
Cash held for brokerage clients	30,578.76	11,096.74	19,482.02	175.57%
Cash and bank balances, clearing settlement funds and refundable deposits	19,574.37	9,905.78	9,668.59	97.61%
Others	22,371.82	3,627.96	18,743.86	516.65%
Total	203,218.28	97,208.14	106,010.14	109.05%



Section 4 Report of the Board

The composition of the Group's total assets:



Investments

The Group's investments consist of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, interests in an associate and a joint venture and derivative financial assets.

During the Reporting Period, the Group has all along been taking absolute return as its target. By leveraging forward-looking strategic positioning and meticulous portfolio management, it constantly optimised product offerings and service systems, forming a multi-category and multi-strategy framework, with a view to steadily expanding its business. As at the end of the Reporting Period, the Group's total investments amounted to RMB91,872.22 million, representing an increase of RMB42,189.12 million or 84.92% year-on-year. The percentage of total investments to total assets was 45.21%, representing a year-on-year decrease of 5.90 percentage points.



Margin financing

The Group's margin financing assets consist of margin accounts receivable and financial assets held under resale agreements.

The Group actively seized market development opportunities by continuously optimising its client segmentation and value mechanism, stabilising its existing client base, implementing differentiated expansion strategies, and strengthening efforts to acquire new clients. As a result, the scale and market share of its margin financing and securities lending business increased significantly. Additionally, with the newly added consolidated subsidiary, Minsheng Securities, the period-end scale of margin accounts receivable as at the end of the Reporting Period grew year-on-year, and the period-end scale of bond repurchases also increased compared to the same period last year. As at the end of the Reporting Period, the margin financing assets amounted to RMB37,111.49 million, representing an increase of RMB15,086.55 million or 68.50% year-on-year, and accounting for 18.26% of the Group's total assets.

(3) Liabilities

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB150,345.88 million, representing an increase of RMB72,085.75 million or 92.11% year-on-year.

Changes in the Group's liabilities are as follows:

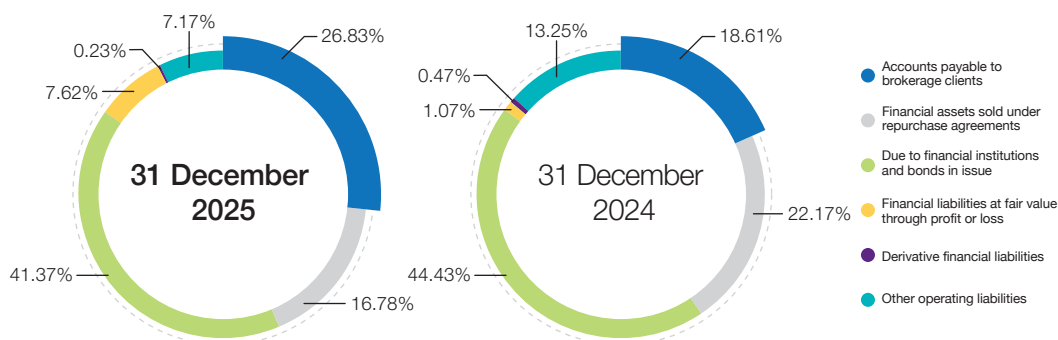
Unit: in RMB million

Items	31 December 2025	31 December 2024	Increase/ decrease	Growth rate year-on-year
Liabilities				
Accounts payable to brokerage clients	40,341.63	14,565.17	25,776.46	176.97%
Financial assets sold under repurchase agreements	25,222.25	17,349.42	7,872.83	45.38%
Due to financial institutions and bonds in issue	62,197.18	34,774.75	27,422.43	78.86%
Financial liabilities at fair value through profit or loss	11,456.38	834.67	10,621.71	1,272.56%
Derivative financial liabilities	339.79	366.27	-26.48	-7.23%
Other operating liabilities	10,788.65	10,369.85	418.80	4.04%
Total	150,345.88	78,260.13	72,085.75	92.11%



Section 4 Report of the Board

The composition of the Group's total liabilities:



As at the end of the Reporting Period, the trading sentiment in the domestic securities market improved significantly. Simultaneously, with the newly added consolidated subsidiary, Minsheng Securities, during the year, the accounts payable to brokerage clients of the Group amounted to RMB40,341.63 million, representing an increase of RMB25,776.46 million or 176.97% year-on-year, and accounting for 26.83% of the Group's total liabilities.

As at the end of the Reporting Period, owing to the newly added consolidated subsidiary, Minsheng Securities, during the year, and the increase in the scale of pledged financial assets sold under repurchase agreements, the financial assets sold under repurchase agreements of the Group amounted to RMB25,222.25 million, representing an increase of RMB7,872.83 million or 45.38% year-on-year, and accounting for 16.78% of the Group's total liabilities.

As at the end of the Reporting Period, in order to support the Company's business development, and with the newly added consolidated subsidiary, Minsheng Securities, during the year, the due to financial institutions and bonds in issue of the Group amounted to RMB62,197.18 million, representing an increase of RMB27,422.43 million or 78.86% year-on-year, and accounting for 41.37% of the Group's total liabilities. The composition of the Group's due to financial institutions and bonds in issue was as follows:

Section 4 Report of the Board



Unit: in RMB million

Items	31 December 2025	31 December 2024	Increase/ decrease	Growth rate year-on-year
Due to financial institutions and bonds in issue				
Due to financial institutions	24,055.58	9,972.28	14,083.30	141.22%
Bonds in issue	38,141.60	24,802.47	13,339.13	53.78%
Total	62,197.18	34,774.75	27,422.43	78.86%

As at the end of the Reporting Period, owing to the increase in bond lending, the financial liabilities at fair value through profit or loss of the Group amounted to RMB11,456.38 million, representing an increase of RMB10,621.71 million, or 1,272.56% year-on-year, and accounting for 7.62% of the Group's total liabilities.

As at the end of the Reporting Period, other operating liabilities of the Group amounted to RMB10,788.65 million, representing an increase of RMB418.80 million or 4.04% year-on-year, and accounting for 7.17% of the Group's total liabilities. The composition of the Group's other operating liabilities was as follows:

Unit: in RMB million

Items	31 December 2025	31 December 2024	Increase/ decrease	Growth rate year-on-year
Other operating liabilities				
Salaries, bonus, allowances and benefits payable	1,815.56	349.87	1,465.69	418.92%
Lease liabilities	565.75	241.06	324.69	134.69%
Deferred tax liabilities	679.83	717.21	-37.38	-5.21%
Other current liabilities and other non-current liabilities	7,727.51	9,061.71	-1,334.20	-14.72%
Total	10,788.65	10,369.85	418.80	4.04%



Section 4 Report of the Board

(4) Equity

As at the end of the Reporting Period, total equity of the Group amounted to RMB52,872.39 million, representing an increase of RMB33,924.37 million or 179.04% year-on-year, which was mainly due to the acquisition of equity interests in Minsheng Securities by issuing shares by the Company and issuance of new shares by raising supporting funds. The equity attributable to shareholders of the Company amounted to RMB52,490.30 million, representing an increase of RMB33,905.97 million or 182.44% year-on-year. The following table sets forth the composition of the Group's equity as at the dates indicated:

Unit: in RMB million

Items	31 December 2025	31 December 2024	Increase/ decrease	Growth rate year-on-year
Share capital	5,680.59	2,831.77	2,848.82	100.60%
Share premium	36,755.16	8,189.05	28,566.11	348.83%
Reserves	5,495.64	4,034.27	1,461.37	36.22%
Retained earnings	4,558.91	3,529.24	1,029.67	29.18%
Equity attributable to shareholders of the Company	52,490.30	18,584.33	33,905.97	182.44%
Non-controlling interest	382.10	363.68	18.42	5.06%
Total	52,872.39	18,948.02	33,924.37	179.04%



(5) Segment results

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

We have five principal business lines: (i) brokerage and wealth management, (ii) investment banking, (iii) asset management and investment, (iv) credit transaction, and (v) proprietary trading. We also report financial results for these five business lines and divide these primary business lines into six business segments: (i) brokerage and wealth management, (ii) credit transaction, (iii) investment banking, (iv) proprietary trading, (v) asset management and investment, and (vi) other business. We report financial results of the business lines under these six business segments.

The following table sets forth our segment revenue, net investment gains and other income (including inter-segment revenue) for the years indicated:

	2025 (in RMB million)	Percentage (%)	2024 (in RMB million)	Percentage (%)
Brokerage and wealth management	3,688.88	35.73	1,205.41	28.60
Credit transaction	1,044.03	10.11	596.55	14.15
Investment banking	991.09	9.60	350.88	8.32
Proprietary trading	3,026.29	29.31	907.51	21.53
Asset management and investment	747.19	7.24	718.52	17.05
Other business	912.30	8.83	493.40	11.71
Elimination	-84.18	-0.82	-57.34	-1.36
Total	10,325.60	100.00	4,214.93	100.00

Section 4 Report of the Board

The following table sets forth our segment expenses (including inter-segment expenses) for the years indicated:

	2025 (in RMB million)	Percentage (%)	2024 (in RMB million)	Percentage (%)
Brokerage and wealth management	2,725.18	34.49	905.34	23.43
Credit transaction	389.18	4.92	346.72	8.97
Investment banking	1,085.58	13.74	349.77	9.05
Proprietary trading	1,422.91	18.01	820.85	21.24
Asset management and investment	707.64	8.96	581.64	15.05
Other business	1,630.23	20.63	900.19	23.29
Elimination	-59.03	-0.75	-39.76	-1.03
Total	7,901.69	100.00	3,864.75	100.00

The following table sets forth our segment results (profit/(loss) before income tax) for the years indicated:

	2025 (in RMB million)	Percentage (%)	2024 (in RMB million)	Percentage (%)
Brokerage and wealth management	971.88	39.35	305.52	81.95
Credit transaction	654.84	26.51	249.83	67.01
Investment banking	-105.54	-4.27	3.41	0.92
Proprietary trading	1,589.57	64.35	85.16	22.84
Asset management and investment	53.46	2.16	146.61	39.33
Other business	-668.33	-27.06	-400.14	-107.33
Elimination	-25.81	-1.04	-17.58	-4.72
Total	2,470.07	100.00	372.81	100.00



(IV) Changes in Branches and Subsidiaries and Their Impact on Results

1. Branches

(I) Information on the Company's Securities Brokerage Branches during the Reporting Period

As of the end of the Reporting Period, the Company had a total of 123 securities branches and 47 securities branch offices.

1. Establishment of Branches

During the Reporting Period, the Company established 2 new branches, the details of which are as follows:

No.	Branch Office/Branch Name	Address
1	Guolian Minsheng Qingdao Branch Office (國聯民生青島分公司)	Rm. 2901, Building 1, No. 19 Qinling Road, Laoshan District, Qingdao City, Shandong Province (山東省青島市嶗山區秦嶺路19號1號樓2901戶)
2	Guolian Minsheng Ningbo Caishendian South Road Securities Branch (國聯民生寧波財神殿南路證券營業部)	Nos. 120 & 122, Caishendian South Road, Xikou Town, Fenghua District, Ningbo City, Zhejiang Province (浙江省寧波市奉化區溪口鎮財神殿南路120號122號)

2. De-registration of Branches

During the Reporting Period, the Company de-registered 5 branches, the details of which are as follows:

No.	Branch Office/Branch Name	Address
1	Guolian Minsheng Beijing Zhongguancun East Road Securities Branch (國聯民生北京中關村東路證券營業部)	Units 211, 213, 215, 217, 2nd Floor, Building No. 9, Beisihuan West Road, Haidian District, Beijing (北京市海澱區北四環西路9號樓2層211、213、215、217)
2	Guolian Minsheng Wuxi Xibei Town Quanshan Road Securities Branch (國聯民生無錫錫北鎮泉山路證券營業部)	No. 15, Jinghe Yuan, Xibei Town, Wuxi (無錫市錫北鎮涇和苑15號)
3	Guolian Minsheng Shenzhen Tairan Ninth Road Securities Branch (國聯民生深圳泰然九路證券營業部)	Rm. 803B, East Block, Shengtang Building, Tairan Ninth Road, Futian District, Shenzhen (深圳市福田區泰然九路盛唐大廈東座803B)
4	Guolian Minsheng Central Jiangsu Branch Office (國聯民生蘇中分公司)	Rms. 2309 & 2310, Block A, Nantong Incity, No. 155 Gongnong Road, Chongchuan District, Nantong City (南通市崇川區工農路155號南通印象城A座2309室、2310室)
5	Minsheng Securities Changzhou Guanghua Street Securities Branch (民生證券常州廣化街證券營業部)	No. 216 Guanghua Street, Zhonglou District, Changzhou City, Jiangsu Province (江蘇省常州市鐘樓區廣化街216號)

Section 4 Report of the Board

3. Changes in the Names or Registered Addresses of Branches

During the Reporting Period, a total of 14 branches of the Company underwent changes in their names or registered addresses, the details of which are as follows:

No.	Original Branch Name	Current Branch Name	Address Before Change	Address After Change
1	Guolian Minsheng Zhejiang Branch Office (國聯民生浙江分公司)	/	Rms. 1801-06, 1801-07, 1401-04, 1601-01, 1601-02, 1601-07, 1601-08, Building 3, Ping An Finance Center, Shangcheng District, Hangzhou City, Zhejiang Province (浙江省杭州市上城區平安金融中心3幢1801室-06、07、1401室-04、1601室-01、02、07、08)	Rms. 1801-06, 1801-07, 1601-01, 1601-02, 1601-07, 1601-08, Building 3, Ping An Finance Center, Shangcheng District, Hangzhou, Zhejiang Province (浙江省杭州市上城區平安金融中心3幢1801室-06、07、1601室-01、02、07、08)
2	Guolian Minsheng Shanghai Feihong Road Securities Branch (國聯民生上海飛虹路證券營業部)	Guolian Minsheng Shanghai Hongkou District Feihong Road Securities Branch (國聯民生上海虹口區飛虹路證券營業部)	Rms. 1606-1609A, Building 2, No. 118 Feihong Road, Hongkou District, Shanghai (上海市虹口區飛虹路118號2號樓1606-1609A室)	/
3	Guolian Minsheng Shanghai Tianlin East Road Securities Branch (國聯民生上海田林東路證券營業部)	Guolian Minsheng Shanghai Xuhui District Huaihai Middle Road Securities Branch (國聯民生上海徐匯區淮海中路證券營業部)	Unit 128, 1st Floor, No. 75 Tianlin East Road (Huiyang Plaza), Xuhui District, Shanghai (上海市徐匯區田林東路75號(匯陽廣場)1層128單元)	Rms. 1501 & 1508, Building 1, No.1325 Huaihai Middle Road, Xuhui District, Shanghai (上海市徐匯區淮海中路1325號1幢1501、1508室)
4	Guolian Minsheng Shanghai Hongqiao Road Securities Branch (國聯民生上海虹橋路證券營業部)	Guolian Minsheng Shanghai Changning District Hongqiao Road Securities Branch (國聯民生上海長寧區虹橋路證券營業部)	Rm. 1503A (Nominal Floor 18), Building 1, No. 1438 Hongqiao Road, Changning District, Shanghai (上海市長寧區虹橋路1438號1幢1503A(名義樓層18層))	/
5	Guolian Minsheng Shanghai Zhangyang Road Securities Branch (國聯民生上海張楊路證券營業部)	Guolian Minsheng Shanghai Pudong New Area Zhangyang Road Securities Branch (國聯民生上海浦東新區張楊路證券營業部)	Rm. 803, Block 1, No. 538, Gushan Road & No. 2399, Zhangyang Road, Pudong New Area, Shanghai (上海市浦東新區崑山路538號、張楊路2399號1幢803室)	/
6	Guolian Minsheng Shanghai Yangshupu Road Securities Branch (國聯民生上海楊樹浦路證券營業部)	Guolian Minsheng Shanghai Hongkou District Yangshupu Road Securities Branch (國聯民生上海虹口區楊樹浦路證券營業部)	Rm. 101, No. 188 Yangshupu Road, Hongkou District, Shanghai (上海市虹口區楊樹浦路188號101室)	/

Section 4 Report of the Board



No.	Original Branch Name	Current Branch Name	Address Before Change	Address After Change
7	Guolian Minsheng Qingdao SIC Securities Branch (國聯民生青島上實中心證券營業部)	Guolian Minsheng Qingdao Qinling Road Securities Branch (國聯民生青島秦嶺路證券營業部)	Rm. 203, Unit 2, Tower T6, Shanghai Industrial Investment Center, No. 195 Hong Kong East Road, Laoshan District, Qingdao, Shandong Province (山東省青島市嶗山區香港東路195號上實中心T6號樓2單元203室)	Rm. 2901B, 29th Floor, Building 1, No.19 Qinling Road, Laoshan District, Qingdao, Shandong Province (山東省青島市嶗山區秦嶺路19號1號樓29層2901B室)
8	Guolian Minsheng Yancheng Jiefang South Road Securities Branch (國聯民生鹽城解放南路證券營業部)	/	Rms. 133, 224-226, 319-321 (3), Yongji Plaza, Jiefang South Road, Yancheng (鹽城市解放南路永基廣場133、224-226、319-321室(3))	Rms. 133, 321(3), Yongji Plaza, No. 80 Jiefang South Road, Tinghu District, Yancheng, Jiangsu Province (江蘇省鹽城市亭湖區解放南路80號永基廣場133室、321室(3))
9	Minsheng Securities Beijing East Chang'an Street Securities Branch (民生證券北京東長安街證券營業部)	Minsheng Securities Beijing Wangjing Securities Branch (民生證券北京望京證券營業部)	Unit 01-105, Building 3, No. 28 Jianguomennei Street, Dongcheng District, Beijing (北京市東城區建國門內大街28號3幢01-105號)	Unit 907, 9th Floor, within a total of [100] internal units including Rm. 104, 1st Floor, Building 2, No. 16 Guangshun North Street, Chaoyang District, Beijing (北京市朝陽區廣順北大街16號院2號樓1層104等[100]套內9層907單元)
10	Minsheng Securities Beijing Xuanwumenwai Street Securities Branch (民生證券北京宣武門外大街證券營業部)	Minsheng Securities Beijing Deshengmen Securities Branch (民生證券北京德勝門證券營業部)	Rms. 508-509, 5th Floor, Building 6, Nos. 6, 8, 10, 12, 16 & 18 Xuanwumenwai Street, Xicheng District, Beijing (北京市西城區宣武門外大街6; 8; 10; 12; 16; 18號6號樓5層508-509)	Rms. 701-702, 7th Floor, Building 3, No. 5 Deshengmenwai Street, Xicheng District, Beijing (北京市西城區德勝門外大街5號3幢7層701-702)
11	Minsheng Securities Guiyang Branch Office (民生證券貴陽分公司)	/	Units 19-6, 19-7, 19-8, 19-9, Unit 1, 19th Floor, Building 3, North Financial Business District, Area B, Zhongtian Exhibition City, Changling North Road, Guanshanhu District, Guiyang (貴陽市觀山湖區長嶺北路中天會展城B區金融商務區北區3棟1單元19層1號附19-6、7、8、9號)	Nos. 1 & 2, 4th Floor, Building 12, Phase I Business District, Guiyang International Financial Center, Lincheng Road, Changling Subdistrict, Guanshanhu District, Guiyang City, Guizhou Province (貴州省貴陽市觀山湖區長嶺街道林城路貴陽國際金融中心一期商務區項目12號樓4層1、2號)
12	Minsheng Securities Shanghai Pilot Free Trade Zone Branch Office (民生證券上海自貿試驗區分公司)	/	1st Floor, No. 132 Puming Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區浦明路132號1層)	Rm. 1105, No. 288 Xiangcheng Road & No. 1501 Century Avenue, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區向城路288號、世紀大道1501號1105室)

Section 4 Report of the Board

No.	Original Branch Name	Current Branch Name	Address Before Change	Address After Change
13	Minsheng Securities Chongqing Branch Office (民生證券重慶分公司)	/	Nos.7, 8 & 9, 15th Floor, Building 4, No.118 Hucai Road, Liangjiang New Area, Chongqing (重慶市兩江新區 湖彩路118號4幢(15層7、8、 9號))	4-2, No.2 Fortune Avenue, Tiangongdian Subdistrict, Liangjiang New Area, Chongqing (重慶市兩江新區天 宮殿街道財富大道2號4-2)
14	Minsheng Securities Beijing Changhongqiao Securities Branch (民生證券北京長虹 橋證券營業部)	/	Rm. 9001, 9th Floor, Building 1, No.12 Nongzhanguan South Road, Chaoyang District, Beijing (北京市朝陽 區農展館南路12號1號樓9層 9001室)	Rms. 1202, 1214 & 1217, 12th Floor, Building 1, No.12 Nongzhanguan South Road, Chaoyang District, Beijing (北 京市朝陽區農展館南路12號 1號樓12層1202、1214、1217 室)

(II) Changes in Branches of Minsheng Futures Co., Ltd. (“Minsheng Futures”)

As of the end of the Reporting Period, Minsheng Futures had a total of 20 branches.

1. De-registration of Branches

During the Reporting Period, Minsheng Futures de-registered 1 branch, the details of which are as follows:

No.	Branch Name	Address
1	Minsheng Futures Yuncheng Branch (民生期貨運城營業部)	Rm. 1210, Caifu Building, No. 147 North Renmin Road, Yanhu District, Yuncheng, Shanxi Province (山西省運城市鹽湖區人 民北路147號財富大廈1210室)

Section 4 Report of the Board



2. Changes in the Names or Registered Addresses of Branches

During the Reporting Period, a total of 5 branches of Minsheng Futures underwent changes in their names or registered addresses, the details of which are as follows:

No.	Original Branch Name	Current Branch Name	Address Before Change	Address After Change
1	Minsheng Futures Zhejiang Branch Office (民生期貨浙江分公司)	/	Rm. 308, Dongheng Building, No. 617 Dongning Road, Jianqiao Subdistrict, Shangcheng District, Hangzhou, Zhejiang Province (浙江省杭州市上城區笕橋街道東寧路617號東恒大廈308室)	Rm. 1109, Building A, Mingteng Building, No. 859 East Huanzhan Road, Jianqiao Subdistrict, Shangcheng District, Hangzhou, Zhejiang Province (浙江省杭州市上城區笕橋街道環站東路859號銘騰大廈A幢1109室)
2	Minsheng Futures Shanxi Branch Office (民生期貨山西分公司)	/	Rm. 303, 3rd Floor, Shuaike Building, No.7 Jiahua Street, Xuefu Industrial Park, Shanxi Transformation and Comprehensive Reform Demonstration Zone (山西轉型綜合改革示範區學府產業園佳華街7號帥科大廈3層303室)	Rm. 710, 7th Floor, Shuaike Building, No.7 Jiahua Street, Xuefu Industrial Park, Shanxi Transformation and Comprehensive Reform Demonstration Zone (山西轉型綜合改革示範區學府產業園佳華街7號帥科大廈7層710室)
3	Minsheng Futures Zhuhai Branch Office (民生期貨珠海分公司)	/	Office 1626, No. 88 Qinlang Road, Hengqin New Area, Zhuhai, Guangdong Province (珠海市橫琴新區琴朗道88號1626辦公)	Rm. 704-2, Office Building, No. 191 Rongzhu Road, Hengqin New Area, Zhuhai (珠海市橫琴新區榮珠道191號寫字樓704房-2)
4	Minsheng Futures Fujian Branch Office (民生期貨福建分公司)	/	Unit B, 7th Floor, International Bank Building, No. 8 Lujiang Road, Siming District, Xiamen (廈門市思明區鷺江道8號國際銀行大廈7層B單元)	Unit 05-1, 27th Floor, Tower A, China Resources Building, No. 93 East Hubin Road, Siming District, Xiamen (廈門市思明區湖濱東路93號華潤大廈A座27層05-1單元)
5	Minsheng Futures Shanghai Branch Office (民生期貨上海分公司)	/	Rms. 2001 & 2002, No. 69 Dongfang Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區東方路69號2001、2002室)	Unit 2102, 21st Floor (Actual Floor: 21), No. 588 South Pudong Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區浦東南路588號21層(實際樓層21層) 2102單元)

2. Subsidiaries

During the Reporting Period, the Company added Minsheng Securities as one of its subsidiaries. For details, please refer to section (V) Major Investment and Financing Activities in this section.

3. Impact on Results

For the impact of the above matters on the Company's results during the Reporting Period, please refer to the consolidated financial statements and Note 60 of this report.

Section 4 Report of the Board

(V) Major Investment and Financing Activities

1. Equity Financing

The acquisition of assets by issuing shares and raising supporting funds and related party transaction of the Company is set out in “V. Issuance of Shares and Use of Proceeds” under this section.

2. Debt Financing

In 2025, the cumulative additional credit debt financing amount of the Company (excluding inter-bank borrowing transactions and issued floating-income type income certificates) was RMB22.721 billion, and the cumulative principal repayment of matured debt financing amounted to RMB14.893 billion. The remaining principal amount of outstanding debt financing of the Company as of the end of 2025 was RMB40.758 billion. In addition, there was an outstanding inter-bank credit borrowing of RMB20.942 billion.

The remaining amount of various outstanding credit indebtedness was as follows:

- (1). The new public issuance of corporate bonds to professional investors was RMB9.65 billion during the Reporting Period, with the principal of RMB2.75 billion being repaid. The outstanding public issuance of corporate bonds to professional investors as at 31 December 2025 was RMB19.95 billion, the particulars of the remaining amounts were as follows:

Financing Items	Amount	Financing Date	Maturity Date	Term (Days)
	(In RMB ten thousand)			
Public issuance of corporate bonds to professional investors	100,000.00	2022/3/23	2027/3/23	1,826
	100,000.00	2022/4/28	2027/4/28	1,826
	130,000.00	2023/4/25	2026/3/18	1,058
	150,000.00	2024/1/22	2027/1/22	1,096
	200,000.00	2024/4/1	2031/4/1	2,556
	200,000.00	2024/11/13	2027/11/13	1,096
	150,000.00	2025/3/6	2028/3/6	1,096
	250,000.00	2025/10/17	2028/3/6	871
	50,000.00	2025/5/19	2028/5/19	1,096
	150,000.00	2025/7/25	2028/7/25	1,096
	100,000.00	2025/9/17	2027/9/17	730
100,000.00	2025/12/17	2028/12/17	1,096	
Public issuance of corporate bonds to professional investors (Minsheng Securities)	150,000.00	2024/4/17	2026/4/17	730
	165,000.00	2025/3/20	2028/3/20	1,096

Section 4 Report of the Board



- (2). The new private issuance of corporate bonds was RMB0 during the Reporting Period, with the principal of RMB1.0 billion being repaid. The outstanding private issuance of corporate bonds as at 31 December 2025 was RMB5.0 billion, the particulars of the remaining amounts were as follows:

Financing Items	Amount (In RMB		Financing Date	Maturity Date	Term (Days)
	ten thousand)				
Private issuance of corporate bonds	200,000.00		2023/8/25	2026/8/25	1,096
	300,000.00		2023/10/20	2026/10/20	1,096

- (3). The new private issuance of subordinated bonds was RMB0 during the Reporting Period, with the principal of RMB0 being repaid. The outstanding private issuance of subordinated bonds as at 31 December 2025 were RMB1.5 billion, the particulars of the remaining amounts were as follows:

Financing Items	Amount (In RMB		Financing Date	Maturity Date	Term (Days)
	ten thousand)				
Private issuance of subordinated bonds	150,000.00		2024/2/23	2027/2/23	1,096

- (4). The new public issuance of subordinated bonds was RMB1.5 billion during the Reporting Period, with the principal of RMB3.5 billion being repaid. The outstanding subordinated bonds as at 31 December 2025 were RMB6.0 billion, the particulars of the remaining amounts were as follows:

Financing Items	Amount (In RMB		Financing Date	Maturity Date	Term (Days)
	ten thousand)				
Public issuance of subordinated bonds	100,000.00		2023/4/17	2026/4/17	1,096
	100,000.00		2023/7/21	2026/7/21	1,096
	150,000.00		2024/12/4	2027/10/13	1,043
	150,000.00		2025/11/20	2028/11/20	1,096
Public issuance of subordinated bonds (Minsheng Securities)	100,000.00		2023/12/13	2026/12/13	1,096

Section 4 Report of the Board

- (5). The new private issuance of short-term corporate bonds to professional investors was RMB4.0 billion during the Reporting Period, with the principal of RMB0 being repaid. The remaining amount of the outstanding short-term corporate bonds as at 31 December 2025 was RMB4.0 billion, the particulars of the remaining amount were as follows:

Financing Items	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Private issuance of short-term corporate bonds to professional investors	100,000.00	2025/1/20	2026/1/20	365
(Minsheng Securities)	150,000.00	2025/10/27	2026/10/27	365
	150,000.00	2025/12/8	2026/12/8	365

- (6). The new issuing amount of fixed-income type income certificates was RMB1.171 billion during the Reporting Period, with the principal of RMB2.543 billion being repaid. The remaining amount of the outstanding fixed-income type income certificates as at 31 December 2025 were RMB1.208 billion, the particulars of the remaining amount were as follows:

Financing Items	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Income certificates – fixed-income type	7,000.00	2025/6/12	2026/3/11	272
	1,500.00	2025/9/1	2026/8/31	364
	5,000.00	2025/12/12	2026/6/10	180
Income certificates – fixed-income type	15.00	2025/12/23	2027/1/18	392
(Minsheng Securities)	498.10	2025/12/18	2027/12/15	728
	15.00	2025/12/11	2027/3/7	452
	335.00	2025/12/9	2027/1/4	392
	489.00	2025/12/4	2027/12/1	728
	10.00	2025/11/27	2027/2/21	452
	10.00	2025/11/25	2026/12/20	391
	253.60	2025/11/20	2027/11/17	728
	17.00	2025/11/18	2027/5/17	546
	10.00	2025/11/13	2027/2/14	459
	185.10	2025/11/11	2026/12/6	391
	264.90	2025/11/6	2027/11/3	728
	188.00	2025/11/4	2027/5/9	552
	442.00	2025/10/30	2027/1/24	452
	471.00	2025/10/28	2026/11/22	391
	382.30	2025/10/23	2027/10/20	728
	500.00	2025/10/21	2027/4/19	546
	101.00	2025/10/16	2027/1/10	452

Section 4 Report of the Board



Financing Items	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
	110.00	2025/10/14	2026/11/8	391
	107.60	2025/9/30	2027/3/29	546
	30,000.00	2025/9/29	2026/10/27	394
	50.00	2025/9/25	2026/12/20	452
	355.00	2025/9/18	2027/9/8	721
	193.50	2025/9/16	2027/3/15	546
	190.70	2025/9/11	2026/12/6	452
	25.30	2025/9/9	2026/10/7	394
	20,000.00	2025/9/9	2026/10/8	395
	30,000.00	2025/9/5	2026/9/6	367
	131.00	2025/9/4	2027/9/1	728
	133.20	2025/8/28	2026/11/22	452
	43.40	2025/8/21	2027/8/18	728
	153.10	2025/8/19	2027/2/14	545
	25.00	2025/8/14	2026/11/8	452
	118.00	2025/8/12	2026/9/6	391
	310.00	2025/8/7	2027/8/4	728
	41.00	2025/8/5	2027/2/1	546
	35.00	2025/7/31	2026/10/25	452
	68.00	2025/7/24	2027/7/21	728
	5.00	2025/7/22	2027/11/17	545
	69.00	2025/7/17	2026/10/11	452
	40.00	2025/7/15	2026/8/9	391
	39.00	2025/7/10	2027/7/7	728
	30.00	2025/7/8	2027/1/3	545
	20.00	2025/7/3	2026/7/28	391
	500.00	2025/7/1	2026/9/22	449
	198.60	2025/6/26	2026/7/21	391
	500.00	2025/6/24	2027/6/21	728
	401.40	2025/6/19	2026/12/15	545
	174.50	2025/6/17	2026/9/9	450
	10.00	2025/6/12	2026/7/7	391
	278.80	2025/6/10	2027/6/1	722



Section 4 Report of the Board

Financing Items	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
	415.80	2025/6/5	2026/12/1	545
	30.00	2025/5/29	2026/8/24	453
	20.00	2025/5/27	2026/6/21	391
	192.90	2025/5/22	2027/5/19	728
	215.00	2025/5/20	2026/11/10	540
	380.00	2025/5/15	2026/8/10	453
	393.20	2025/5/13	2026/6/7	391
	110.00	2025/5/8	2027/5/5	728
	157.00	2025/4/30	2026/7/26	453
	285.70	2025/4/29	2026/5/24	391
	107.60	2025/4/24	2027/4/21	728
	20.00	2025/4/22	2026/10/13	540
	116.00	2025/4/17	2026/7/13	453
	302.00	2025/4/15	2026/5/10	391
	69.00	2025/4/10	2027/4/7	728
	10.00	2025/4/8	2026/9/28	539
	156.00	2025/4/3	2026/6/28	452
	21.00	2025/4/1	2026/4/26	391
	170.00	2025/3/27	2027/3/16	720
	331.40	2025/3/25	2026/9/15	540
	65.00	2025/3/20	2026/6/15	453
	154.80	2025/3/13	2027/3/2	720
	102.00	2025/3/11	2026/9/1	540
	155.00	2025/3/6	2026/6/1	453
	30.00	2025/3/4	2026/3/29	391
	271.00	2025/2/27	2026/5/24	452
	149.00	2025/2/20	2027/2/14	725
	45.00	2025/2/18	2026/8/11	540
	107.40	2025/2/13	2026/5/10	452
	156.00	2025/2/11	2026/3/8	391
	403.10	2025/1/23	2026/4/20	453
	280.50	2025/1/16	2027/1/5	720
	264.00	2025/1/14	2026/7/7	540



Financing Items	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
	252.00	2025/1/9	2026/4/6	453
	100.00	2025/1/7	2026/2/1	391
	2,831.10	2024/4/26	2026/4/22	727
	1,935.00	2024/4/12	2026/4/8	727
	2,000.00	2024/3/29	2026/3/25	727
	2,000.00	2024/3/15	2026/3/11	727
	1,999.00	2024/3/1	2026/2/25	727
	1,000.00	2024/1/26	2026/1/21	727
	1,000.00	2024/1/12	2026/1/7	727

- (7). The additional refinancing was RMB6.4 billion during the Reporting Period, with the principal of RMB5.1 billion being repaid. The remaining amount of the outstanding refinancing as at 31 December 2025 was RMB3.1 billion, the particulars of the remaining amount were as follows:

Financing Items	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Refinancing (Minsheng Securities)	30,000.00	2025/7/15	2026/1/13	182
	30,000.00	2025/8/11	2026/2/9	182
	30,000.00	2025/8/14	2026/2/12	182
	50,000.00	2025/11/4	2026/5/5	182
	50,000.00	2025/11/19	2026/5/20	182
	20,000.00	2025/11/26	2026/5/27	182
	50,000.00	2025/12/3	2026/6/3	182
	50,000.00	2025/12/18	2026/6/18	182

3. Material Investment

Save as those disclosed herein, during the Reporting Period, the Company did not carry out any material equity investments.

As at the end of the Reporting Period, the Company did not hold any material investments, where a material investment refers to an investment in an investee company with an amount representing 5% or more of the Company's total assets.



Section 4 Report of the Board

(VI) Material Assets Disposal, Acquisition, Replacement, Spin-off and Reorganisation of Other Companies

1. Matters in relation to the acquisition of assets by issuing shares and raising supporting funds and related party transaction by the Company are set out in “V. ISSUANCE OF SHARES AND USE OF PROCEEDS” under this section.
2. In December 2025, the Company convened the second meeting of the sixth session of the Board, at which the Resolution on the Public Listing and Transfer of Equity Interest in Zhonghai Fund Management Co., Ltd. (《關於公開掛牌轉讓中海基金管理有限公司股權的議案》) was considered and approved. The Company agreed to transfer its 33.409% equity interest in Zhonghai Fund by means of a public listing and joint transfer with La Compagnie Financière Edmond de ROTHSCHILD Banque (the aggregate equity interest to be jointly transferred by both parties amounting to 58.409%). The transferee is required to simultaneously acquire the equity interests in Zhonghai Fund held by both the Company and La Compagnie Financière Edmond de ROTHSCHILD Banque. The initial listing price for the public listing and transfer of the Company’s 33.409% equity interest in Zhonghai Fund shall not be lower than the valuation results filed with the state-owned assets supervision and administration authority. For details, please refer to the relevant announcement of the Company dated 30 December 2025. Currently, the Company is advancing the work related to the public listing and transfer.

II. Discussion and Analysis of the Board on the Future Development of the Company

(I) Industry layout and trend

In 2025, the global macroeconomy navigated multiple challenges, with major economies mostly shifting towards more proactive fiscal or monetary policies. The policies of the United States on trade, tariffs, and diplomacy exerted a profound impact on global trade and geopolitical landscape. Although the eventual scale of U.S. tariffs was smaller than anticipated, the uncertainty surrounding tariff policies continued to weigh on major economies. The United States employment growth slowed significantly compared to 2024, the Fed resumed its interest rate cuts on three occasions commencing September, and tariff policies also saw tactical pullbacks. Meanwhile, Europe and Japan, facing complex situations, began resorting to more proactive fiscal policies.



In 2025, navigating a complex and volatile external environment, China's economy achieved its annual growth target of 5%, successfully concluding the "14th Five-Year Plan" period. In the first half of the year, facing tariff challenges from the United States, macroeconomic policies focused on stabilizing foreign trade, expanding domestic demand, and stabilizing expectations, laying a solid foundation for the year's economy. In the second half of the year, China gradually gained the upper hand in trade negotiations, consolidating economic gains and strengthening its fundamentals to prepare for the start of the "15th Five-Year Plan" period. Overall, the economic structure further optimised, with rapid growth in high-tech manufacturing, sound development in modern service industries, and a moderate rebound in core inflation. Furthermore, efforts to stabilize foreign trade yielded results, with exports still grew by 6.1% for the full year despite external pressures. In 2025, against a backdrop of heightened global geopolitical uncertainty, China's stock market performed remarkably well. In particular, the SSE Composite Index, SZSE Component Index, and ChiNext Index rose by 18.4%, 29.9%, and 49.6%, respectively. Meanwhile, influenced by the stock-bond seesaw effect and anti-involution expectations, the bond market experienced a relatively notable correction in recent years, with the yields on 10-year and 30-year treasury bonds rising by approximately 14 bps and 36 bps, respectively. The ChinaBond Net Price Index fell by 1.98%, while the ChinaBond Wealth Index edged up by only 0.65%.

In 2025, comprehensive reforms in capital market investment and financing deepened, with continuous improvements in institutional inclusivity and adaptability, further refining the capital market's function of coordinating investment and financing. Specific characteristics emerged as follows: On the financing side, the function of supporting technological innovation and cultivating new growth drivers was significantly enhanced. Financial services for technology enterprises across the entire chain and full lifecycle were improved in areas such as issuance and listing, as well as mergers and acquisitions and restructuring. On the investment front, channels for medium- to long-term funds entering the market continued to expand, and the quality and investment value of listed companies improved. This included establishing and refining long-term assessment mechanisms for various types of medium- to long-term funds, implementing action plans for the high-quality development of public-offered funds, and guiding listed companies to strengthen market value management, thereby further consolidating an investor-oriented market ecosystem. Concurrently, under the objective of building first-class investment banks in the industry, the trend of "supporting the excellent and limiting the inferior (扶優限劣)" and encouraging leading securities firms to grow through mergers and acquisitions and restructuring has become clear, indicating a future intensification of industry concentration. Effectively serving the development of new quality productivity, preserving and increasing the value of residents' wealth and enhancing their property-based income have emerged as core priorities for China's securities industry in the current era.



Section 4 Report of the Board

(II) Corporate development strategy

As the first market-oriented mergers and acquisitions case of securities firms implemented following the Central Financial Work Conference and the issuance of the new “Nine Opinions of the State Council (國九條)”, the post-integration company has demonstrated robust growth momentum. Centered on the “one” vision of “establishing a leading modern investment bank that earns the trust of clients, featured with technological innovation, driven by industry, and possesses international influence and core competitiveness”, the Company adheres to the “two” development philosophies of “deeply cultivating regions and meticulously developing industries”. It pursues the “three” strategic goals of becoming an industrial-focused investment bank, technology-enabled investment bank and a wealth-driven investment bank. The Company implements the “four” action plans: integrating industry and finance to serve the real economy, adhering to value investing to achieve wealth transformation, laying out investment research capabilities around emerging tracks and strengthening its technological DNA to build a digital platform. Relying on the “five” key business layouts of “Great investment bank + Great investment + Great investment research + Great wealth + Great asset management”, it is committed to becoming a benchmark securities firm that serves the national strategy, empowers the real economy, and safeguards the nation’s wealth.

(III) Business plans

In 2026, centering on the annual operating objectives, the Company will focus on enhancing capital efficiency and transforming its business model. It will advance the transformation of wealth management and transaction-based investment banking, and promote the diversified development of its financial market business. The Company will strengthen its service capabilities covering the full lifecycle of enterprises and the full wealth cycle of clients, build differentiated competitive advantages in core business segments, and reinforce its international business deployment to enhance its core competitiveness. Concurrently, it will continue to promote refined management and strengthen digital empowerment to create value for all shareholders.



(IV) Capital needs

During the Reporting Period, the Company's various businesses continued to develop steadily, and the overall interest payment cost showed a downward trend. In future, the Company will continue to improve its overall capital deployment efficiency and keep on exploring new financing products and models and expand financing channels to ensure the capital needs of business development. It will also arrange the size and structure of liabilities scientifically, maintain a reasonable and sound leverage level and strengthen risk awareness to prevent liquidity risks and ensure liquidity security.

(V) Analysis of competitiveness

1. Regional Advantages

Yangtze River Delta region is one of the regions with the largest domestic economic capacity, most vibrant economy, and highest quality of development, boasting one of the highest concentrations of listed companies and high-net-worth individuals nationwide. The region's economic capacity and financial demand offer vast opportunities for securities brokerage businesses. Wuxi, as the main birthplace of modern national industry with a strong base for manufacturing industry, serves as a national advanced manufacturing cluster (specifically IoT and integrated circuits) and a highland for the biomedicine industry. Within the "dual-circulation" landscape of the Yangtze River Delta, Wuxi holds a first-mover advantage in strategic emerging industries. As a local securities firm with a deep presence in the Yangtze River Delta, the Company will fully leverage its geographical advantages: relying on Wuxi's industrial clusters in integrated circuits and biomedicine, it will create an integrated service model of "investment banking + investment + investment research" to facilitate full-lifecycle financing for strategic emerging enterprises. Furthermore, addressing the concentration of high-net-worth individuals in the Yangtze River Delta, it will build a distinctive wealth management service regime to meet their diversified asset deployment needs.



Section 4 Report of the Board

During the Reporting Period, the Company completed its acquisition of the control over Minsheng Securities by issuing A Shares, establishing a geographic presence characterised by “deepening presence in Yangtze River Delta + radiating across the nation”. While the Company deepens its presence in key Yangtze River Delta regions, Minsheng Securities’ branches are concentrated in regions such as Henan and Shandong, creating a highly complementary geographic layout. Upon completion of the integration, Guolian Minsheng Securities will operate nearly 180 branches, covering key cities nationwide, including Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong, Wuxi, and Zhengzhou. This expanded presence enables broader regional synergies, allowing the Company to better serve the upgrading of regional economies and achieve leapfrog development.

2. **A+H Shares Listing in the PRC and in Hong Kong Improved Our Market Competition and Risk Resistance Capability**

The Company’s H shares were listed on the Main Board of the HK Stock Exchange on 6 July 2015, and its A Shares were listed on the Main Board of the Shanghai Stock Exchange on 31 July 2020. The Company is the 13th company in the domestic securities industry with a dual listing status on both the A+H markets. Through the listing in both the A+H markets, the Company has effectively improved its capital strength, laid a solid foundation for business scale expansion and market risk resistance, significantly improved its brand influence and market competitiveness, and opened up the long-term financing channels in the two capital markets, which are beneficial to further introducing strategic investors and reducing the comprehensive financing costs of the Company in future.

3. **Management Team with Extensive Industry Experience**

The senior management team of the Company has extensive management experience, outstanding management abilities and forward-looking strategic thinking in securities and financial services industry. They are able to understand profoundly the development trend of the industry and the market, make accurate business judgment, and capture promptly business opportunities and adjust business strategies prudently and scientifically. In particular, the experience of the management team in the overseas and cross-border business sectors will help the Company accelerate the pace of international development and opening up new areas of business growth. Under the leadership of the team, the Company will build the industry-leading development philosophy and management processes according to the best market practices, and accelerate its development to become an investment bank with modern management mechanisms.



4. Sound and Highly Efficient Operation Management and Prudent Risk Control

For many years, the Company has abided by the business philosophy of steady development, facilitated the stable transformation and upgrading of its business models, optimized its revenue mix and profit source, and achieved years of profitability successively. Among the securities companies in the PRC, since its inception (from 1999 to date), the Company is one of the few securities companies with successive profitability. During the Reporting Period, the Company kept on improving its compliance management and risk management system to ensure the Company's standardized operation and stable development.

The Company strictly upholds its compliance baseline and earnestly implements the requirements of regulatory authorities. The Company continues to revise and improve its compliance management system, implement various control measures and enhance compliance assessment to ensure compliance management responsibilities are in place. By learning from the best practices in the industries, the Company also actively builds high-standard and high-quality internal credit evaluation systems and risk management systems to prevent and resolve business risks in a timely manner. At the same time, the Company strengthens the performance guarantee of compliance risk control personnel. The Company adheres to the principle of "risk measurable, controllable and tolerable" to carry out innovative business prudently, strictly limit the risk exposure of high-risk businesses and strengthen risk monitoring.

III. Risk Management

(I) General Description

Guided by its development strategy, the Company has established a comprehensive risk management system covering various businesses, various risks and the entire process and reasonably applied a variety of risk management tools based on quantitative indicators to ensure that the risks it bears are aligned with its overall strategic objectives, thereby maximizing the long-term value of the Company. The Company's comprehensive risk management adheres to the principles of full coverage, forward-looking, holistic perspective, effectiveness, and alignment. Simultaneously, it promotes the formation of a sound risk management culture within the Company, strengthens the risk management awareness to provide "secured escort" for achieving the Company's overall strategic objectives.

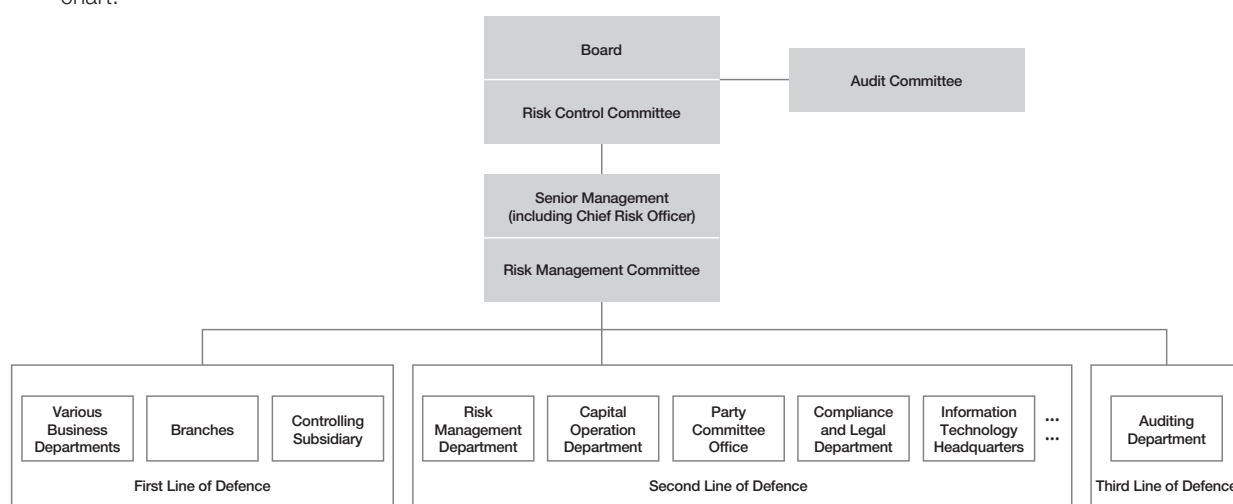
The Company incorporates all consolidated entities into its comprehensive risk management system, implementing vertical management over their risk management efforts and progressively strengthening integrated control. By reinforcing risk management across subsidiaries in areas such as risk indicator management, authorization management, risk reporting, and performance evaluation, the Company ensures the consistency and effectiveness of its comprehensive risk management. Concurrently, the Company is advancing all preparatory work for consolidated management to effectively identify, measure, monitor, assess, and control the overall risk profile of its consolidated management system.



Section 4 Report of the Board

(II) Risk Management Organizational Structure of the Company

The comprehensive risk management structure of the Company includes: Board and Risk Control Committee and Audit Committee, senior management and Risk Management Committee, Chief Risk Officer, various business departments, branches and subsidiaries, Risk Management Department and other functional departments of risk management as well as Auditing Department. The organizational structure of the Company's risk management is shown in the following chart:



1. Board and Risk Control Committee, Audit Committee

The Board is the highest decision-making body of the risk management of the Company and has the ultimate responsibility for its risk management. The Board is mainly responsible for the following duties: establishing a risk management philosophy aligned with the Company and comprehensively promoting the construction of the Company's risk culture; considering and approving the Company's risk management strategy and promoting its effective implementation in the Company's operations and management; approving the Company's basic system of comprehensive risk management; approving the Company's risk preference, risk tolerance, and material risk limits; considering the Company's periodic risk assessment reports; appointing, removing, and evaluating the Chief Risk Officer and determining his/her compensation; and establishing a direct communication mechanism with the Chief Risk Officer. The Board may delegate the Risk Control Committee set up under it to fulfill part of its function of comprehensive risk management.



The Audit Committee, established under the Board of the Company, assumes oversight responsibility for comprehensive risk management. It is responsible for supervising and inspecting the performance and fulfillment of duties by the Board and senior management in risk management, and urging corrective actions. It also has the authority to propose the removal of Directors or senior management who bear primary or leadership responsibility for material risk events.

2. Senior Management (Including Chief Risk Officer) and Risk Management Committee

The senior management of the Company is responsible for organizing and implementing various work in comprehensive risk management in the operation and management process, and mainly performs the following duties: leading by example, actively practicing financial culture with Chinese characteristics, industry culture, and the Company's risk culture, and adhering to the Company's value standards and professional ethics; formulating systems to implement the Company's risk culture and risk management philosophy, and guiding all employees to follow sound codes of conduct and professional ethics; formulating the risk management strategy, establishing a risk management system and making timely adjustment; establishing and perfecting the operation management structure for the Company's comprehensive risk management, clarifying the duty allocation of risk management among various departments, and establishing a working mechanism that features effective checking and balance and good coordination among the departments; formulating the specific execution plans for risk management according to the risk preference, risk tolerance extent and significant risk limit approved by the Board and ensuring the effective implementation of the plans; supervising the implementation, promptly analyzing the reasons, and taking actions as authorized by the Board; regularly assessing the overall risk of the Company and various types of material risk management conditions, resolving problems that are found in risk management and reporting to the Board; establishing a performance assessment system reflecting the effectiveness of risk management; and establishing a complete information technology system and data quality control mechanism.

The Company establishes a Risk Management Committee under the senior management, which is responsible for the overall oversight and management of the Company's risks within the scope of authorization of the Board and management, formulation and adjustment of the Company's risk management policy, approval of new businesses and risk limits, considering risk management performance assessment plans and results, and making decisions and approvals for important matters involving risk management.



Section 4 Report of the Board

The Company has a Chief Risk Officer who is responsible for comprehensive risk management. As a senior management member, the Chief Risk Officer is appointed and removed by the Board. The main responsibilities of the Chief Risk Officer include: organizing and implementing the overall risk management work of the Company; guiding the establishment of risk culture training and promotion plans; leading the formulating of material risk management policies such as risk management systems and risk preference; participating in the study or decision-making of the Company's strategic planning and annual business plans, major businesses, and material risk events; organizing the identification, assessment, monitoring, and reporting of the Company's overall risk and the status of various risk types; organizing the implementation of the Company's risk management-related performance evaluations; and performing other duties related to risk management.

3. Various Business Units, Functional Departments of Risk Management and Auditing Department

The Company has established a three lines of defence framework for risk management, whereby various departments, branches and subsidiaries assume primary responsibility for risk management; the Risk Management Department and other functional departments of risk management are responsible for the specialized management of various risk types; and the Auditing Department is responsible for post-event supervision and evaluation.

Various business departments, branches and subsidiaries constitute the first line of defence in risk management and undertake direct responsibility for risk management. The main responsibilities of the heads of these business departments, branches and subsidiaries include: promoting and urging employees to actively practice the Company's risk culture and risk management philosophy, and to adhere to its value standards and professional ethics in their daily work; organizing the implementation of the Company's risk management systems, procedures, measures, risk preference, risk limits, and risk control standards; formulating and implementing risk management systems related to their unit's business and management activities, as well as operating procedures for key business processes; comprehensively understanding and giving due consideration to various risks related to business and management activities when making decisions; identifying, analyzing, assessing and monitoring various risks within their unit from the source, and responding to risks within the scope of their authorization; organizing the transmission and reporting of relevant risk management information from their unit according to the Company's risk information reporting mechanisms and procedures; and, in the event of a material risk incident, reporting it promptly to the Risk Management Department, the supervising executive, the Chief Risk Officer, and the Company's senior management.

Section 4 Report of the Board



The Risk Management Department and other functional departments of risk management constitute the Company's second line of defence in risk management. The specific organization and implementation of the Company's comprehensive risk management efforts are jointly undertaken by the Risk Management Department and other functional departments of risk management. Based on risk classification and functional division, the Risk Management Department and other functional departments of risk management perform specific tasks such as the identification, measurement, management and control, and reporting of risks. The other functional departments of risk management of the Company include: Compliance and Legal Department, Capital Operation Department, Information Technology Headquarters, and Party Committee Office, etc.

As the dedicated department responsible for organizing and implementing the Company's comprehensive risk management, the Risk Management Department, under the leadership of the Chief Risk Officer, facilitates comprehensive risk management efforts. Its main responsibilities include: promoting the establishment and continuous improvement of the Company's comprehensive risk management system; establishing the Company's risk culture training, promotion, and corresponding supervision and assessment mechanisms, and formulating and implementing risk culture training and promotion plans covering all employees; organizing the formulation of risk preference, risk tolerance, and risk limits, providing a basis for the Company's decision-making, and monitoring and overseeing their implementation; organizing the identification of risks in the Company's various business and management processes, and participating in the design of risk control mechanisms and the review and assessment of plans for new businesses; monitoring risks in the Company's business and management activities, revealing the status and level of the Company's overall and various risks, and organizing the implementation of risk early warning activities; organizing and conducting risk assessments to qualitatively describe or quantitatively measure the Company's risk levels; progressively enhancing the ability to assess risk-adjusted returns on business to support the Company's resources allocation; establishing smooth mechanisms for risk information communication and transmission, conducting risk reporting, and providing risk management recommendations for business decisions; guiding and inspecting the risk management efforts of all departments, branches and subsidiaries, and conducting risk management performance evaluations for all departments, branches and subsidiaries; organizing the development and construction of risk measurement models, and verifying and evaluating financial instrument valuation models; and promoting the construction of risk management information technology systems.



Section 4 Report of the Board

The Auditing Department serves as the Company's third line of defence in risk management and is fully responsible for internal audit work. The Company incorporates comprehensive risk management into the scope of internal audit, conducting independent and objective reviews and evaluations of the adequacy and effectiveness of comprehensive risk management on a regular basis, and assesses the outcomes of the Company's risk culture construction and promotion at a frequency of no less than once every three years. Where issues are identified through internal audits, the department shall urge the relevant responsible units and individuals to implement timely corrective actions and follows up to inspect the implementation status of these corrective measures.

(III) Details of Major Risks Exposed to the Company's Operation

1. Market Risk

Market risk refers to the risk that may cause losses to the financial assets held by the Company resulting from the adverse changes in market prices. The categories mainly include equity price risk, interest rate risk, commodity price risk and exchange rate risk. The market risk of the Company mainly comes from domestic and overseas businesses where proprietary capital is exposed to market price fluctuations, including equity investment business, fixed income business and over-the-counter (OTC) derivatives business.

The Company has established a top-down market risk limit management system, which allocates the overall risk limit of the Company to different business units. Business units, with direct responsibility for market risks and as the frontline management personnel, dynamically manage the business exposure and limit indicators. The Risk Management Department independently conducts a comprehensive assessment, monitoring and management of the overall market risk of the Company, and reports the results to the management of the Company.

The Company maintains high-frequency tracking and monitoring across various business lines. It conducts comprehensive monitoring of market risks by calculating profit and losses, exposure, basis points, duration, Greek letters of derivatives and other indicators on a daily basis, continuously improves the VAR and stress test measurement mechanisms to monitor and analyze potential losses of the Company, and continuously optimizes the profit and loss analysis and option profit and loss attribution of swap businesses to enhance the sensitivity of risk management.



2. Credit Risk

Credit risk refers to the risk that may cause losses due to the default of financiers, counter-parties or issuers. The credit risk of the Company mainly arises from the following aspects: stock pledged repurchase transactions, margin financing and securities lending and other financing businesses; OTC derivative business, such as swaps, OTC option, forwards and credit derivatives; bond investment transactions (including bond-related transactions such as spot bonds transactions, bond repurchase transactions, bond forward transactions and bond lending business), in which bonds include but not limited to financial bonds, enterprise bonds, non-financial enterprises debt financing instruments, corporate bonds, asset-backed securities, interbank certificates of deposit; non-standardized debt asset investment, etc., and other businesses funded by proprietary capital that involve credit risk, etc.

The Company has assessed the credit ratings of counterparties or issuers through its internal credit rating system, measured its risk with methods such as stress tests and sensitivity analyses, and managed credit risks using access and concentration limits. The Company has established a stock underlying tiering model to facilitate risk control in margin financing (including securities lending) business. Meanwhile, leveraging public opinion data and market tracking, the Company monitors changes in credit risk qualifications of various businesses and transaction counterparties in a timely manner, strengthens sensitivity management, and promptly addresses pre-warning and reporting measures. The Company has established a credit risk management system to measure and manage credit risk.

3. Liquidity Risk

Liquidity risk refers to the risk that the Company is unable to obtain sufficient fund in time at reasonable costs for paying indebtedness when it falls due, performing other payment obligations and meeting the funding needs of normal business operation. The rapid development of various businesses of the Company exerts higher requirements on liquidity.

The Company establishes a daily position management and regular liquidity analysis mechanism to dynamically manage the scale of capital usage of each business, and formulates corresponding financing plans to improve the daily control mechanism of liquidity risk by improving liquidity contingency plans and stress tests. The Company implements liquidity risk limit management and sets liquidity risk limits to monitor their implementation based on factors such as business scale, nature, liquidity risk appetite and market conditions. In addition, the Company has also established a liquidity reserve asset management system to meet potential capital needs by holding sufficient high-quality liquid assets that can be readily realized.



Section 4 Report of the Board

4. Operational Risk

Operational risk refers to the risk of losses resulting from inadequate or problematic internal procedures, personnel and information technology systems, as well as external events.

The Company continuously optimizes the internal control mechanism, carries out targeted identification and effectiveness assessment on operational risk, standardizes business processes through continuous business assessment, business process rationalizing and system review, identifies operational risk points, and develops control measures to prevent risk incidents from occurring. It also continuously collects and sorts out internal and external risk events to supplement operational risk event database. At the same time, the Company has established an operational risk management system to realize the systematic control of the three major tools of operational risks. Furthermore, the Company constantly strengthens behavior adequacy and normative operation of staff from each position through various means, such as internal training and assessment, and enhances the risk awareness of employees through the promotion of risk control culture. It also improves emergency risk management plan with regular drills to ensure the security of equipment, data and system, thereby preventing the operational risk caused by information system failure.

5. Compliance Risk

Compliance risk refers to the risk that the Company or its staff will be investigated for legal responsibility, taken regulatory measures, taken disciplinary actions and suffered property losses or commercial goodwill losses due to violation of laws, regulations and standards in operation management or practice.

The Company has established an effective and impeccable compliance risk management system and compliance management and organization system. At the same time, the Company exerts an effective and comprehensive control on compliance risks encountered by the Company in its business operation by means of compliance monitoring, compliance inspection, compliance investigation, compliance supervision and compliance training, etc.



6. Reputation Risk

Reputation risk refers to the risk of negative comments on the Company by investors, issuers, regulatory authorities, self-regulatory organizations, the public and the media due to the Company's operations or external events, and its employees' violation of integrity regulations, professional ethics, business norms, industrial standards and regulations and other related behaviors, thereby damaging corporate brand value which is detrimental to its normal operation and even affects market stability and social stability.

The Company strengthens the concept that preventing and controlling reputation risk is the responsibility of every staff, forms an effective segregation of duties, establishes and improves the internal restraint mechanism, public opinion monitoring mechanism, emergency response mechanism, and external information release mechanism, reinforces daily public opinion analysis, and improves the risk prevention and control prospectively and pertinently, and takes multiple measures to enhance the prevention awareness and management standard of reputation risk.

(IV) Management of Risk Control Index of the Company and Establishment of Net Capital Replenishment Mechanism

In accordance with the requirements of Administrative Measures for the Risk Control Indexes of Securities Companies (《證券公司風險控制指標管理辦法》), the Company established a dynamic monitoring mechanism for risk control index. The Risk Management Department conducted dynamic monitoring on risk control index, and the dynamic monitoring system for risk control index was operating in good conditions. During the Reporting Period, net capital, risk control index and liquidity index of the Company are complied with the regulatory requirements. The Company reported promptly the risk control index data and its satisfaction in written to the regulatory authority in strict accordance with the requirements of Administrative Measures for the Risk Control Indexes of Securities Companies. For any change of risk control index that reaches a certain extent, the Company shall report promptly to the local securities regulatory bureau. Sensibility analysis and stress test will be applied by the Company to ensure all risk control index could be complied with the regulatory requirements in all aspects.

The Company has established the net capital replenishment mechanism. When the risk control index has approached or reached the monitoring pre-warning level, the Company will promptly replenish net capital by reducing the scale of proprietary investment, raising capital, increasing capital and shares, introducing strategic investors, and issuing subordinated bonds.



Section 4 Report of the Board

(V) Implementation of Comprehensive Risk Management by the Company

On the basis of legal compliance and stable operation, the Company continuously improves its various risk management systems, refines its risk management organizational structure, and enhances the risk control and response capabilities of its professional team through risk management practices.

- (1) Regarding the risk management organizational structure, the Company has established a risk management framework encompassing the Board and Risk Control Committee and Audit Committee, senior management and Risk Management Committee, Chief Risk Officer, various business departments, branches and subsidiaries, the Risk Management Department and other functional departments of risk management as well as Auditing Department to ensure the effective operation of the risk management system. The Company has incorporated its subsidiaries, Guolian Minsheng Investment Banking, Minsheng Securities, Guolian Capital, Guolian Securities HK, Guolian Chuangxin, Guolian Fund and Guolian Securities Assets Management into its comprehensive risk management system.
- (2) Regarding the risk management system, based on the Basic System of Comprehensive Risk Management of Guolian Minsheng Securities (《國聯民生證券全面風險管理基本制度》), the Company formulates corresponding risk management measures for different types of risks, standardizing the methods and processes for identifying, assessing, monitoring, responding to and reporting various risks, to ensure the Company achieves full coverage of risks and the risk management goal of “measurable, controllable and tolerable”.
- (3) Regarding risk management control measures, the Company has established a risk indicator system. Through the risk management system, it achieves dynamic monitoring and early warning of various business risk indicators and regulatory indicators. The Company continuously improves its risk information communication mechanism and risk reporting mechanism to ensure timely, accurate and complete transmission and feedback of relevant information. The Company formulates emergency plans based on risk categories, defining the trigger conditions, organizational structure for risk disposal, measures, methods, and procedures, and continuously improves them through mechanisms such as stress testing and emergency drills.

(VI) Investment in Compliance, Risk Control and Information Technology by the Company

The Company places great emphasis on building its compliance and risk control management capabilities and continuously enhances the professional and automated level of comprehensive risk management and compliance management to ensure the stable and orderly development of its various businesses. The Company's investment in compliance and risk control primarily comprises investment in compliance and risk control personnel, systems and daily operations. In 2025, on a special consolidation basis, the Company's investment in compliance and risk control amounted to RMB152,762,100.

The Company places great emphasis on continuous investment in information technology, consistently undertaking infrastructure renovation, equipment renewal and other technological upgrades. The Company's investment in information technology mainly comprises capital expenditure related to information technology, routine operation and maintenance costs, circuit lease costs, as well as remuneration for information technology personnel. In 2025, on a special consolidation basis, the Company's investment in information technology amounted to RMB549,495,100.



IV. Profit Distribution Policies and Profit Distribution Situation

(I) Profit Distribution Policies

In accordance with the Articles of Association, the Company may distribute dividends by means of cash, shares or a combination of cash and shares. Where the Company satisfies the conditions for cash dividend distribution, it shall accord priority to dividend distribution by way of cash. The Company will fully take into account the returns for its investors and distribute dividends to its shareholders according to the stipulated proportion of the profits available for distribution achieved by the parent company during the year. The Company will implement an on-going and stable profit distribution policy, and shall consider the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company when distributing dividends.

(II) Profit Distribution Situation

Profit Distribution for the Year 2024

At the annual general meeting of the Company for the year 2024 convened on 10 June 2025, the Profit Distribution Plan for the Year 2024 of Guolian Minsheng Securities Company Limited (《國聯民生證券股份有限公司2024年度利潤分配方案》) was considered and approved for the distribution of a cash dividend of RMB0.56 (tax inclusive) per 10 shares to all shareholders whose names appeared on the Company's register on the equity record date, based on the Company's total share capital of 5,680,592,806 shares prior to the implementation of the plan, with total cash dividends of RMB318,113,197.14 (tax inclusive). The Company's profit distribution for the year 2024 has been completed on 5 August 2025.

Profit Distribution Proposal for the Year 2025

The audited net profit of the parent company in 2025 was RMB1,350,319,041.45. According to the relevant requirements of the Company Law, Securities Law, Financial Rules for Financial Enterprises (《金融企業財務規則》) and Articles of Association, after appropriating statutory provident fund and general risk reserve totaling RMB405,095,712.45, and including the transfer of RMB-8,114,135.75 from other comprehensive income to undistributed profit, the profit available for distribution for the year amounted to RMB937,109,193.25.

The balance of the undistributed profit was RMB3,132,880,870.62 in previous year, distribution of profit to shareholders was RMB318,113,197.14, and the accumulated undistributed profit for the year was RMB3,751,876,866.73.



Section 4 Report of the Board

With a comprehensive consideration of factors including the long-term development of the Company and the interests of the shareholders, the Company's profit distribution proposal for the year 2025 is as follows: Based on the total share capital registered on the equity record date of the implementation of the dividend distribution, a cash dividend of RMB0.60 (tax inclusive) per 10 shares will be distributed to all shareholders. Based on the Company's existing share capital of 5,680,592,806 shares, a total cash dividend of RMB340,835,568.36 will be distributed, representing 16.97% of the net profit attributable to the shareholders of the listed company for the year 2025. After this distribution, the remaining undistributed profit of the Company of RMB3,411,041,298.37 will be carried forward to the next year. In the event of change in the total share capital of the Company before the equity record date of the implementation of the above dividend distribution, it is proposed that the distribution ratio per share will remain unchanged while the total distribution amount shall be adjusted accordingly.

In order to further enhance investor returns, optimise investor experience, and streamline the dividend distribution procedures, it is proposed that the general meeting authorises the Board to separately formulate the Company's interim dividend distribution plan for the year 2026 in accordance with the relevant provisions of the Guideline No. 3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) and the Articles of Association, provided that the conditions for profit distribution are satisfied.

The aforesaid profit distribution proposal is subject to the approval of the general meeting of the Company.

V. Issuance of Shares and Use of Proceeds

(I) Acquisition of Assets by Issuing Shares and Raising Supporting Funds and Related Party Transactions

Pursuant to the Reply on Approving the Registration of the Acquisition of Assets by Issuing Shares and Raising Supporting Funds of Guolian Securities Co., Ltd., Ratifying the Change of Substantial Shareholders of Guolian Securities Co., Ltd. and Minsheng Securities Co., Ltd. and the Change of Actual Controller of Minsheng Fund Management Co., Ltd. and Minsheng Futures Co., Ltd. (Zheng Jian Xu Ke [2024] No. 1911) (《關於同意國聯證券股份有限公司發行股份購買資產並募集配套資金註冊、核准國聯證券股份有限公司和民生證券股份有限公司變更主要股東、民生基金管理有限公司和民生期貨有限公司變更實際控制人等的批覆》(證監許可[2024]1911號)) issued by the CSRC, the Company acquired the 99.26% shares of Minsheng Securities held by 45 Counterparties in aggregate, including Guolian Group and Fengquanyu, by issuing A Shares, and raised supporting funds. The transaction price for the Acquisition of Assets by Issuing Shares under the Transactions was RMB29,491,805,700, the issue price was RMB11.17 per share and the closing price of the A Shares as at the Price Determination Date of the Issuance (i.e. 15 May 2024) was RMB11.51 per share. The registration, custody and restriction of sale with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for 2,640,269,065 new shares in respect of the acquisition of assets by issuing shares were completed on 3 January 2025. Upon completion of the Acquisition of Assets by Issuing Shares, the registered capital (total share capital) of the Company increased from RMB2,831,773,168 to RMB5,472,042,233. The registration, custody and restriction of sale with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for 208,550,573 new shares in respect of raising supporting funds were completed on 10 March 2025. Upon completion of raising supporting funds, the registered capital (total share capital) of the Company increased from RMB5,472,042,233 to RMB5,680,592,806.

Section 4 Report of the Board



During the Reporting Period, the Company promoted the integration with Minsheng Securities in a proper and orderly manner, achieving notable improvements in overall operational quality and efficiency, with emerging business innovation and synergy effects. In February 2025, the Company completed the registration procedures for the change of its business name, and its name was changed from “Guolian Securities Co., Ltd.” to “Guolian Minsheng Securities Company Limited”. In April 2025, the Company’s investment banking subsidiary, Hua Ying Securities Co., Ltd., completed the registration procedures for the change of its business name, and its name was changed from “Hua Ying Securities Co., Ltd.” to “Guolian Minsheng Investment Banking Company Limited”. In September 2025, the Company designated Guolian Minsheng Investment Banking as the principal entity for conducting its integrated investment banking business, and the investment banking clients and business of Minsheng Securities were consolidated into Guolian Minsheng Investment Banking. In October 2025, the Company completed the full migration of the centralized trading system for the brokerage business of Minsheng Securities. In the same month, the Company’s subsidiary, Guolian Securities Assets Management, completed the change of the manager of Minsheng Securities’ asset management products, all rights and obligations of the original manager under Minsheng Securities’ asset management products were formally transferred to Guolian Securities Assets Management. In December 2025, the Company acquired 81,543,019 shares of Minsheng Securities, representing 0.72% of the total share capital of Minsheng Securities, held by Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司) through a judicial auction. As a result, the Company’s shareholding percentage in Minsheng Securities increased from 99.26% to 99.98%. As the first market-oriented mergers and acquisitions case of securities firms implemented following the Central Financial Work Conference and the issuance of the new “Nine Opinions of the State Council (國九條)”, the Company will continue to advance all integration work in a proper and orderly manner in accordance with regulatory requirements.



Section 4 Report of the Board

(II) Use of Proceeds

The raising supporting funds by issuing shares under the Transactions was conducted by way of price bidding. The Company and the joint lead underwriters have agreed, based on market-based bidding and following the principles of price priority, amount priority and time priority, that the issue price was RMB9.59 per share, and the closing price of the A Shares as at the Price Determination Date of the Issuance (i.e. 18 February 2025) was RMB11.22 per share. A total of 208,550,573 A Shares were issued to 15 target subscribers through raising supporting funds by issuing shares under the Transactions, with total funds raised of RMB1,999,999,995.07. After deducting the issuance expenses of RMB29,104,687.17 (excluding value-added tax), the actual net funds raised amounted to RMB1,970,895,307.90, and the net price per share was RMB9.45. The registration, custody and restriction of sale with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the new A Shares in respect of raising supporting funds were completed on 10 March 2025. Upon completion of raising supporting funds, the registered capital (total share capital) of the Company increased from RMB5,472,042,233 to RMB5,680,592,806. After deducting the intermediaries' fees and transaction taxes, all of the raised supporting funds will be used for capital increase in Minsheng Securities, which will then be used for the development of Minsheng Securities' business. There is no change in the items of the supporting funds raised, and the funds raised are expected to be fully utilised within 3-5 years, with the specific uses as set out below:

Investment of the Funds Raised	Amount (RMB)	Principal Use of the Funds Raised
Wealth management business	Not more than RMB1 billion	Used for enhancing professional service capability of wealth management, building a service ecosystem, optimizing the layout of outlets and enhancing brand image
Information Technology	Not more than RMB1 billion	Used for consolidating the base of science and technology, strengthening the construction of digital central control platform, continuously promoting the innovation of application products and strengthening the empowerment of science and technology

On 7 February 2026, the Company convened the third meeting of the sixth session of the Board, at which the Resolution on the Non-public Capital Increase by Agreement of Minsheng Securities Co., Ltd. (《關於民生證券股份有限公司非公開協議增資的議案》) was considered and approved, agreeing to use the raised funds to contribute RMB200 million to Minsheng Securities as a capital increase. On 9 February 2026, the Company made the capital contribution to Minsheng Securities. Upon receipt of the funds, they were utilised for the development of Minsheng Securities' wealth management business and information technology investment.



VI. Directors

Information about the Directors of the Company during the Reporting Period and up to the date of this report is set out in Section 7 “Information of Directors, Senior Management and Staff” of this report.

VII. Directors’ Service Contracts

All Directors of the Company have entered into service contract with the Company, but have not entered into any service contract with the Company or its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensations).

VIII. Permitted Indemnity Provisions

During the Reporting Period, the Company has arranged appropriate insurance coverage for potential legal actions and liabilities against the Directors and senior management. There was no, nor is there currently any, permitted indemnity provision being in force for the benefit of any of the Directors of the Company.

IX. Interests of Directors in Transactions, Arrangements and Contracts of Significance

No transaction, arrangement or contract of significance in relation to the Group’s business to which the Company, its subsidiaries, its Controlling Shareholders or the subsidiaries of the Company’s Controlling Shareholders was a party and in which a Director of the Company or an entity connected with a Director has a material interest, whether directly or indirectly, has been entered into or subsisted at the end of the financial year or at any time during the financial year.

X. Controlling Shareholders’ Interests in Contracts of Significance

No contract of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party and in which a Controlling Shareholder had a material interest, whether directly or indirectly, and subsisted at the end of the financial year or at any time during the financial year save as disclosed under “IV. Connected Transactions” in Section 5 and Notes to the Consolidated Financial Statements.



Section 4 Report of the Board

XI. Directors' Interests in the Business Competing with the Company

During the Reporting Period, the Directors of the Company have no interest in the business that is competing with the Company.

XII. Directors' Right to Purchase Shares or Debentures

As at the end of the Reporting Period, no rights were granted to any Director or their respective spouse or children under 18 years of age by the Company, its subsidiaries, its Controlling Shareholders or the subsidiaries of the Company's Controlling Shareholders to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, or were any such rights exercised by them; or was the Company, its subsidiaries, its Controlling Shareholders or the subsidiaries of the Company's Controlling Shareholders a party to any arrangement to enable any Director or their respective spouse or children under 18 years of age, to acquire such rights in the Company or any other body corporate.

XIII. Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As at the end of the Reporting Period, based on the information available to the Company and to the knowledge of the Directors, the interest or short positions of Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which are required to be notified to the Company and HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under those provisions of the SFO), or (ii) which are required to be recorded in the equity register kept pursuant to Section 352 of the SFO, or (iii) which are required to be notified to the Company and HK Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Types of shares	Number of shares (Note 2)	Percentage of total issued shares (%) (Note 3)	Approximate percentage of total issued relevant class shares (%)
Ge Xiaobo	Executive Director, President	H Shares	1,018,763(L)	0.02	0.23
Yang Zhenxing	Non-executive Director	A Shares	361,431,213(L)	6.36	6.90



Note 1: Mr. Ge Xiaobo was deemed to have interests in the H Shares of the Company by virtue of his participation in the employee stock ownership plan of the Company for the year 2022. Mr. Yang Zhenxing indirectly holds A Shares of the Company through Fengquanyu.

Note 2: (L) denotes long positions.

Note 3: As of 31 December 2025, the Company issued 5,237,952,806 A Shares and 442,640,000 H Shares in total. The total number of shares is 5,680,592,806.

Save as disclosed above, as at the end of the Reporting Period, no Directors or chief executive of the Company have any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which are required to be notified to the Company and HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under those provisions of the SFO), or (ii) which are required to be recorded in the equity register kept pursuant to Section 352 of the SFO, or (iii) which are required to be notified to the Company and HK Stock Exchange pursuant to the Model Code.

XIV. Information about the Company's Equity Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentive Measures and their Impacts

In order to further establish and improve the benefit sharing mechanism between employees and the Company, enhance the cohesion among employees and competitiveness of the Company, and attract and retain talents, so as to promote the long-term, sustainable and healthy development of the Company and maximize the benefits of the Company, its shareholders and employees as a whole, the Company has implemented the employee stock ownership plan for the year 2022.

The Company convened the twenty-fifth meeting of the fourth session of the Board and the annual general meeting for the year 2021 on 29 April and 10 June 2022, respectively, which considered and approved the Resolution on the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. for the Year 2022 (Draft) and its Summary (《關於國聯證券股份有限公司2022年度員工持股計劃(草案)及其摘要的議案》) and the Resolution on Proposing at the General Meeting to Authorize the Board of Directors with Full Discretion to Handle the Matters related to the Employee Stock Ownership Plan of the Company for the Year 2022 (《關於提請股東大會授權董事會全權辦理公司2022年度員工持股計劃相關事宜的議案》).



Section 4 Report of the Board

In June 2022, the Company completed the fundraising for the subscription of the employee stock ownership plan of the Company for the year 2022, with the actual number of participants of 342. The participants included Directors, Supervisors, senior management, employees at VP level and above and other core backbone personnel of the Company or its controlling subsidiaries, and the total subscription amount was RMB68,110,000. The number of subject shares associated with the employee stock ownership plan units held by any individual holder shall not, in aggregate, exceed 0.1% of the Company's total share capital. The term of the employee stock ownership plan shall be 5 years with effect from the date of consideration and approval by the general meeting of the Company.

On 12 July 2022, the Company convened the first meeting of holders of the employee stock ownership plan for the year 2022, which considered and approved the Resolution on Review of the Rules for the Meeting of Holders of the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. for the Year 2022 (《關於審議國聯證券股份有限公司2022年度員工持股計劃持有人會議規則的議案》), Resolution on Election of Members of the Management Committee for the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. for the Year 2022 (《關於選舉國聯證券股份有限公司2022年度員工持股計劃管理委員會委員的議案》) and Resolution on Authorization of the Management Committee of the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. to Deal with Matters in Relation to this Employee Stock Ownership Plan (《關於授權國聯證券股份有限公司員工持股計劃管理委員會辦理本次員工持股計劃相關事宜的議案》).

As of 22 December 2022, the employee stock ownership plan of the Company completed the purchase and registration of the subject shares, and purchased a total of 18,260,000 H Shares of the Company in the secondary market, accounting for approximately 0.6448% of the total share capital of the Company. The total consideration was HK\$73,759,900 (excluding transaction fees), and the remaining funds will be used for liquidity purpose. The lock-up period of the subject shares purchased under the employee stock ownership plan of the Company shall be 12 months effective from the date on which the Company announces that the latest purchased subject shares are transferred and registered. On 22 December 2023, the lock-up period of the Company's employee stock ownership plan for the year 2022 expired. Due to some holders' withdrawal from the employee stock ownership plan based on their personal wishes, the number of holders, the number of shares held and the percentage of shares held of the employee stock ownership plan have changed. As of the end of the Reporting Period, the total number of holders under the employee stock ownership plan was 47 and the total number of shares held was 3,100,500 shares, with the number of shares held accounting for approximately 0.0546% of the total share capital of the Company.



As of the end of the Reporting Period, the details of the shares calculated based on the employee stock ownership plan units are as follows:

Name/category of holders	Number of shares held
Ge Xiaobo	1,018,763
Other employees in aggregate	2,081,737

Note: The five highest paid individuals did not hold any employee stock ownership plan units during the Reporting Period

The Company will continue to pay attention to the implementation progress of the employee stock ownership plan for the year 2022, and perform the information disclosure obligations in accordance with the requirements of relevant laws and regulations.

XV. Other Disclosures

(I) Share Capital

The information is set out in the “Consolidated Statement of Financial Position” and Note 39 to the Consolidated Financial Statements of this report.

(II) Pre-emptive Rights Arrangements

There is no pre-emptive rights arrangement of the Company pursuant to the laws of the PRC and the requirements of the Articles of Association.

(III) Sufficiency of Public Float

As of the date of this report, based on publicly available information and to the best knowledge of the Directors of the Company, the H Shares of the Company held by the public accounted for at least 5% of the Company’s total issued share capital, and the Company complied with the minimum public float requirements under Rule 19A.28B of the Listing Rules.

(IV) Management Contracts

During the Reporting Period, the Company did not enter into any contracts, nor were there any existing contracts in respect of all or any management and administration of the Company.



Section 4 Report of the Board

(V) Information on Tax Reduction and Exemption for Holders of H Shares

According to the Notice on the Management of Personal Income Tax Impose after the Abolition of Guo Shui Fa [1993] No. 045 Document issued by the State Taxation Administration (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅征管問題的通知》(國稅函[2011]348號)), the dividend received by foreign resident individual shareholders from the issuance of shares in Hong Kong by domestic non-foreign invested enterprises is subject to the payment of individual income tax according to the items of “interests, dividend and bonus income”, which shall be withheld by the withholding agents according to relevant laws. The foreign resident individual shareholders who hold the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant agreed treatment pursuant to the provisions in the tax agreements signed between the countries where they reside and China or the tax arrangements between Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for residents from countries which have entered into tax agreements/arrangements stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, the excess tax amounts withheld will be refunded; (2) for residents from countries which have entered into tax agreements/arrangements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; (3) for residents from countries without tax agreements or are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

According to the requirements of the Notice on the Withholding Corporate Income Tax on the Dividends Distributed by the Chinese Resident Enterprise to Foreign H Shares Non-resident Enterprise Shareholders (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the STA, when the Chinese resident enterprises distribute dividends of 2008 and subsequent years to foreign H Shares non-resident enterprise shareholders, they shall pay the withholding enterprise income tax at the unified rate of 10%.



Pursuant to provisions in the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs Issued by the Ministry of Finance, the STA and CSRC (Cai Shui [2014] No. 81) (《財政部國家稅務總局證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on Tax Policy Regarding Shenzhen-Hong Kong Stock Connect Pilot Programs (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for the dividends obtained by mainland individual investors from investing in H Shares listed in HK Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, such H-share companies shall withhold individual income tax at the tax rate of 20%. For the dividends obtained by mainland securities investment funds by investing in shares listed in HK Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the individual income tax will be levied pursuant to the provisions mentioned above. For the dividends obtained by mainland enterprise investors from investing in shares listed in HK Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, such H-share companies shall not withhold and pay any income taxes on the dividends, as the income taxes shall be reported and paid by the investing enterprises on their own. Meanwhile, for the dividends obtained by mainland resident enterprises from holding relevant H Shares for consecutive 12 months, the enterprise income tax shall be exempted according to laws.

Pursuant to the current practices of Inland Revenue Department of Hong Kong, no withholding tax shall be levied for the dividends distributed by the Company.

The shareholders of the Company shall pay the relevant taxes and/or be entitled to tax relieves pursuant to the above provisions.

(VI) Reserves and Reserves of Profits Available for Distribution

As of 31 December 2025, the Company's reserves available for distribution to shareholders were RMB3,751,876,866.73.

(VII) Major Customers and Suppliers

The Company provides services for various individual and institutional customer groups with a large customer base and wide distribution. The Company's major customers include non-enterprise institutions, large, medium and small enterprises, institutional investors and retail customers. During the Reporting Period, revenue generated from the top five customers amounted to RMB327 million, accounting for 3.17% of total revenue, net investment gains and other income of the Group. None of the Directors or any of their respective close associates or any shareholder holding more than 5% of the issued share capital of the Company has any interests in the Company's top five customers.

Due to the nature of the business, the Company has no major supplier.



Section 4 Report of the Board

(VIII) Property and Equipment

For the information of the Group's property and equipment during the Reporting Period, please refer to the Consolidated Statement of Financial Position and Note 20 of this report.

(IX) Fulfillment of Social Responsibilities

For the information of fulfillment of social responsibilities during the Reporting Period, please refer to Section 9 "Environmental and Social Responsibility" of this report.

(X) Relationship between the Company and its Employees, Customers and Suppliers

1. Employees

For details, please refer to Section 7 "VI. Information about Staff and Remuneration of the Company and Major Subsidiaries" of this report.

2. Customers

For details, please refer to "XV. Other Disclosures" in this section.

3. Suppliers

For details, please refer to "XV. Other Disclosures" in this section.

(XI) Compliance with Laws and Regulations

The business of the Company is mainly conducted in mainland China, and the Company has already listed on HK Stock Exchange and the Shanghai Stock Exchange. Hence, in strict compliance with the requirements of laws, regulations and regulatory documents for both domestic and overseas listing markets, including the Company Law, Securities Law, Regulations on Supervision and Management of Securities Companies, Administrative Measures for the Risk Control Indexes of Securities Companies, CG Code, the Company has formulated and improved continuously the Articles of Association, rules and regulations of the Company to regulate the business and operation of the Company, striving to maintain and promote a sound corporate market image. During the Reporting Period and up to the date of this report, the Company has complied with the relevant laws and regulations in Mainland China and Hong Kong.

(XII) Major Events after the Reporting Period

For details, please refer to Section 5 "VIII. Significant Subsequent Events" of this report.



(XIII) Exchange Rate Fluctuation Risks and any Related Hedging

The foreign currency assets and liabilities held by the Company are not material when compared to total assets and liabilities. In terms of the Company's revenue structure, the majority of the business transactions are settled in RMB, with only insignificant revenue from foreign currency transactions. The Company considers that their exchange rate fluctuation risk is immaterial.

(XIV) Issued Debentures, Equity Linked Agreement and Share Option Arrangement

Please refer to "2. Debt Financing of (V) Major Investment and Financing Activities under I. The Board's Discussion and Analysis on the Operation of the Company during the Reporting Period" for details regarding issued debentures of the Company.

During the Reporting Period, the Company did not sign any equity linked agreement or have any share option arrangement.

(XV) Business Review

Please refer to section "I. The Board's Discussion and Analysis on the Operation of the Company during the Reporting Period" for details regarding the fair review and analysis of the business of the Company using financial key performance indicators and discussion and analysis regarding the future business development of the Company, section "III. Risk Management" for details regarding the major risks and uncertainties exposed to the Company, section "(XI) Compliance with Laws and Regulations of XV. Other Disclosures" for details regarding the Company's compliance with the laws and regulations that have material impact on the Company, section "(X) Relationship between the Company and its Employees, Customers and Suppliers of XV. Other Disclosures" for details regarding the description of the major relationship between the Company and its employees, customers and suppliers, Section 5 "VIII. Significant Subsequent Events" of this report for details regarding the significant events that have material impact on the Company after the end of financial year and Section 9 "Environmental and Social Responsibility" of this report for details regarding the environmental policy and performance of the Company.

By order of the Board
Guolian Minsheng Securities Company Limited

Gu Wei
Chairman



Section 5 Other Significant Events

I. Significant Penalty or Public Censure Imposed on the Company during the Reporting Period

During the Reporting Period, there was no significant penalty or public censure imposed on the Company.

II. Material Litigations and Arbitrations

During the Reporting Period, the Group did not have any material litigation or arbitration matters involving an amount exceeding RMB10 million and representing more than 10% of the absolute value of the latest audited net assets of the Company. The progress of the litigation and arbitration matters that have been disclosed by the Group and have seen new progress during the Reporting Period is as follows:

The Stock Pledged Repurchase Transaction dispute case between the Company and Guangzhou Huiyin Huahe Investment Enterprise (Limited Partnership) (廣州匯垠華合投資企業(有限合夥)) and Zhang Guizhen

On 8 July 2025, the Wuxi Intermediate People's Court of Jiangsu Province issued the Civil Judgment (2024) Su 02 Min Chu No. 236, rejecting all claims of the plaintiff Zhang Guizhen. The plaintiff has filed an appeal. As of the date of this report, the case remains pending.

For details of the preceding matters of the aforesaid case, as well as litigation and arbitration matters that have been disclosed by the Group but saw no progress during the Reporting Period, please refer to the previous periodical reports of the Group and relevant announcements such as the Report on Acquisition of Assets by Issuing Shares and Raising Supporting Funds by Guolian Securities Co., Ltd. and Related Party Transaction (《國聯證券股份有限公司發行股份購買資產並募集配套資金暨關聯交易報告書》).

III. Important Contracts and Their Fulfillment

During the Reporting Period, the Company did not enter into any important contracts.



IV. Connected Transactions

Particulars of the major related party transactions of the Group for the year ended 31 December 2025 are set out in Note 55 to the Consolidated Financial Statements. Among these, certain transactions also constitute connected transactions under Chapter 14A of the Listing Rules and are subject to reporting, annual review and announcement in accordance with the requirements of Chapter 14A of the Listing Rules. The Company has complied with the provisions in Chapter 14A of the Listing Rules in respect of such related party transactions, particulars of which are as follows:

(I) Continuing Connected Transactions by the Group during this Year

The Continuing Connected Transactions of the Group are mainly conducted with Guolian Group and its Associates. Guolian Group is the Controlling Shareholder of the Company. Under the Listing Rules, Guolian Group and its Associates are connected persons of the Group. Therefore, the agreements entered into between the Group and Guolian Group and its Associates constitute Connected Transactions. The Company renewed the Securities and Financial Framework Agreement and the Property Leasing and Related Services Framework Agreement on 27 December 2023, and revised the annual caps for the Property Leasing and Related Services Framework Agreement on 24 July 2025. In view of the past long-term cooperative relationship between the Group and Guolian Group and its Associates, such transactions have facilitated and will continue to facilitate the overall business operation and business growth of the Group. At the same time, through integrating the advantageous resources of the Group and Guolian Group and its Associates, they will lower operating costs and general expenditure of the Group, provide additional revenue source for the Group and further enhance the profitability of the Group and its position in the securities industry. Furthermore, based on knowledge of Guolian Group and its Associates regarding the operation of the Group, they are capable of providing more suitable and effective services to the Group when compared with independent third parties. As one or more of the applicable percentage ratios of the annual caps for the years 2024, 2025 and 2026 under the Securities and Financial Framework Agreement and Property Leasing and Related Services Framework Agreement are more than 0.1% but less than 5%, the Securities and Financial Framework Agreement, Property Leasing and Related Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from the independent shareholders' approval requirements.

The validity period of the Securities and Financial Framework Agreement and the Property Leasing and Related Services Framework Agreement is three years, commencing on 1 January 2024 and expiring on 31 December 2026 respectively, and renewable under the premises of mutual agreement and compliance with the Listing Rules.

The principal terms and conditions of the Securities and Financial Framework Agreement and the Property Leasing and Related Services Framework Agreement are set out in the announcement of the Company dated 27 December 2023.



Section 5 Other Significant Events

1. Securities and Financial Framework Agreement

1. *Securities and financial products services*

According to the requirements of Guolian Group, the Group shall provide Guolian Group and its Associates with a series of financial services, including securities brokerage (including seat leasing), Futures IB, entrusted asset management, agency sales of financial products, financial advisory, underwriting and sponsorship, securities investment consultancy and other financial services approved by China Securities Regulatory Commission.

According to the requirements of the Group, Guolian Group and its Associates shall provide the Group with a series of financial services, including management of trust plans, futures brokerage, futures investment consultancy, commercial insurance and other financial services approved by China Securities Regulatory Commission and the National Administration of Financial Regulation (國家金融監督管理總局).

2. *Securities and financial products transactions*

According to the requirements of the parties, the Group conducts securities and financial products transactions with Guolian Group and its Associates, including but not limited to: subscription by Guolian Group and its Associates for income certificates, bonds, asset-backed securities, pledged dealer-quoted repurchase transactions and other securities and financial products issued by the Group, subscription by the Group for the trust plans, bonds, asset-backed securities and other securities and financial products issued by Guolian Group and its Associates, sales under repurchase agreements and placements from banks and other financial institutions in the inter-bank and exchanges market by the Group with Guolian Group and its Associates, and financial derivatives transactions, bonds and other fixed income products transactions by the Group with Guolian Group and its Associates.



Basis of pricing

1. *Securities and financial products services*

- (1) Under the Securities and Financial Framework Agreement, the service fees or commissions received by the Group for the provision of related securities and financial products services to Guolian Group and its Associates shall be determined after arm's length negotiations between the parties in accordance with the applicable laws and regulations, with reference to the then prevailing market price, level of fees or commissions received by the Group for the provision of same type of services to independent third parties and taking into account factors such as the size and complexity of the transactions.

(i) Securities brokerage services

The securities brokerage services in the market usually have transparent and standardized commission rates. The commission rates are determined after arm's length negotiations between the parties with reference to the commission rates applicable to independent third parties and the estimated scale of the brokerage transactions.

(ii) Futures IB services

The service fee of Futures IB is determined after arm's length negotiations with reference to industry practices, the revenue sharing ratio of major securities companies in the PRC. According to the latest available market information, in respect of Futures IB business, the major securities companies in the PRC usually split revenue with futures dealers at a certain ratio. In respect of the Futures IB transaction between the Group and Guolian Futures, the revenue sharing ratio will fall within the prevailing market revenue sharing ratio scope and is set at a standard more favorable to the Group compared with the market practices.



Section 5 Other Significant Events

(iii) *Entrusted asset management services*

In respect of the pricing policy of service fee of the Collective Asset Management Scheme, there are a large number of clients participating in the Collective Asset Management Scheme, and the various fees such as management fees and performance-based remuneration received by the Group from Guolian Group and its Associates are in line with those received from other clients of the respective collective products.

In respect of the pricing policy of service fee of the Single Asset Management Scheme, as each transaction has different target assets whose conditions vary from each other, the Group determines the management fee with reference to the price of similar transactions in the market which have similar target asset or in similar condition and historical management fee in similar transactions between the Group and independent third parties, with the rate ranging from 0.8‰ to 5‰.

(iv) *Agency sales of financial products services*

In respect of agency sales of financial products, as the risk factors of different products vary from each other, products with higher risks charge higher agency sales fee. There is no specific standard price in the market, therefore, the price of agency sales transactions between the Group and Guolian Trust shall be determined upon fair trade principle and with reference to market price for specific products, the price of agency sales of similar financial products of independent third parties and industry practices.

(v) *Financial advisory services*

As the financial advisory services are highly individualized, different transaction's target business varies in size, conditions and different counterparties have different bargaining power, it is hard to set out a standardized price or fee ratio. However, the Group will determine the price after arm's length negotiations between the parties with reference to the price of similar transactions which are available publicly in third-party databases, and the price of the Group's similar historical transactions with independent third parties.

Section 5 Other Significant Events



(vi) *Underwriting and sponsorship services*

The competition in securities underwriting and sponsorship service market is intense, and the commission rates and fees are typically transparent and standardized across the market. The service fees shall be determined after arm's length negotiations with reference to the prevailing market rates, total amount of funds to be raised and commission rate charged to the independent third party by the Group for provision of similar services.

(vii) *Securities investment consultancy services*

Such services shall be determined after arm's length negotiations between the parties, taking into account the content and complexity of the specific services, and with reference to the prevailing market rates or commissions for transactions with similar service content and size, as well as the fees charged for similar services provided to independent third parties.

- (2) Under the Securities and Financial Framework Agreement, the service fees or commissions received by Guolian Group and its Associates for the provision of related securities and financial products services to the Group shall be determined after arm's length negotiations between the parties in accordance with the applicable laws and regulations, with reference to the then prevailing market price, fees or commissions paid by the Group to independent third parties for the same type of services and taking into account specific service content.

(i) *Management services of trust plans*

The price of management services of trust plans is determined after arm's length negotiations between the parties with reference to the price of similar management services of trust plans in the market at the rate of the management fee charged by independent third parties in similar transactions with the Group in the past.

(ii) *Futures brokerage services*

The commissions are determined after arm's length negotiations between the parties with reference to the commission rates applicable to independent third parties and the estimated scale of the brokerage transactions.



Section 5 Other Significant Events

(iii) *Futures investment consultancy services*

The service fee of futures investment consultancy is determined after arm's length negotiations with reference to the industry average fee standard. In respect of the futures investment consultancy business between the Company and Guolian Futures, the standard of investment consultancy service fee is approximate to the market average.

(iv) *Commercial insurance services*

The pricing principles of commercial insurance services are based on those factors such as the industry category in which the Group operates, the number of the insured, the average age of the insured, the participation of the insured in local social insurance and the insured amount demanded, and in accordance with the underwriting rules of Guolian Life Insurance and previous experience in premium calculation to comprehensively determine the service prices.

2. ***Securities and financial products transactions***

- (1) Under the Securities and Financial Framework Agreement, the subscription by the Group and Guolian Group and its Associates for securities and financial products shall be determined after arm's length negotiations between the parties at the then applicable market price or market rate for such type of securities and financial products.

(i) *Sales under repurchase agreements in the inter-bank and exchange market*

The prices for transactions in the PRC inter-bank bond market and the PRC exchange bond market are determined based on the prices quoted in the PRC inter-bank bond market and the PRC exchange bond market. Such quoted prices are mainly determined with reference to the valuation of relevant securities and financial products published by China Central Depository & Clearing Co., Ltd., the yield curve and the turnover details published by China Foreign Exchange Trade System & National Interbank Funding Center.

Section 5 Other Significant Events



(ii) *Income certificates, bonds, asset-backed securities and other products*

The Group issues income certificates, bonds, asset-backed securities and other financing instruments based on its funding needs, the issue price, interest rate and other terms are determined based on the terms of prices and interest rates of comparable similar securities in the market during the same period. The subscription by Guolian Group and its Associates for the financing instruments issued by the Group are conducted on normal commercial terms, and the subscription price is the same as that of other independent third party investors.

(iii) *Financial derivatives*

The pricing for financial derivative transactions is mainly determined with reference to financial derivative pricing models, such as Monte Carlo simulation and B-S model.

(iv) *Pledged dealer-quoted repurchase*

The Group determines the annualised yields of the “Lianlian Ying (聯聯盈)” series of pledged dealer-quoted repurchase products based on its funding needs and market prices, and all the clients of the Group can participate in the subscription for pledged dealer-quoted repurchase products. The gains that can be obtained by Guolian Group and its Associates are in line with those that can be obtained by independent third parties in respect of the same type of products.

- (2) Under the Securities and Financial Framework Agreement, the subscription by the Group for the relevant securities and financial products issued by Guolian Group and its Associates shall be determined after arm’s length negotiations between the parties at the then applicable market price or market rate for such type of securities and financial products.

(i) *Trust plans and other financial products*

The subscription price is at the same subscription price as the subscriptions by other investors. Such subscription price is determined by the financial institutions which set up the financial products after considering the fundamentals of the assets/businesses to be invested. The subscription by the Group for the trust plans and other financial products issued by Guolian Group and its Associates shall be determined with reference to the factors such as the expected yield of similar trust plans and other financial products in the market at that time and the net value of such financial products.



Section 5 Other Significant Events

(ii) *Bonds, asset-backed securities and other products*

The subscription price is determined with reference to the valuation of financing instruments published by China Central Depository & Clearing Co., Ltd. with the same credit qualification and term and shall be in line with the subscription price for subscription by other investors.

1. Securities and financial products services

During the Reporting Period, the particulars of the commissions charged/paid by the Group for the provision of/receiving the securities and financial products services to/from Guolian Group and its Associates were as follows:

Unit: RMB'million

Item	2025 Annual Cap of Transaction Amount	2025 Actual Transaction Amount
Revenue received by the Group		
Including securities brokerage (including seat leasing), Futures IB, entrusted asset management, agency sales of financial products, financial advisory, underwriting and sponsorship, securities investment consultancy and other financial services approved by China Securities Regulatory Commission	77.30	16.00
Expenses incurred by the Group		
Including management of trust plans, futures brokerage, futures investment consultancy, commercial insurance and other financial services approved by China Securities Regulatory Commission and the National Administration of Financial Regulation	13.80	1.74

Section 5 Other Significant Events



2. Securities and financial products transactions

(1) *Securities and financial products transactions (excluding sales under repurchase agreements and pledged dealer-quoted repurchase transactions)*

During the Reporting Period, the particulars of the total capital inflows/outflows generated from the securities and financial product transactions (excluding sales under repurchase agreements and pledged dealer-quoted repurchase transactions) between the Group and Guolian Group and its Associates are as follows:

Unit: RMB'million

Item	2025 Annual Cap of Transaction Amount	2025 Actual Transaction Amount
Total capital inflow arising from securities and financial products transactions between the Group and Guolian Group and its Associates (deducting the amount of sales under repurchase agreements transactions and the amount of pledged dealer-quoted repurchase transactions)	1,050	167.36
Total capital outflow arising from securities and financial products transactions between the Group and Guolian Group and its Associates	1,050	731.10



Section 5 Other Significant Events

(2) *Securities and financial products transactions (sales under repurchase agreements and pledged dealer-quoted repurchase transactions only)*

During the Reporting Period, the particulars of the daily maximum balance (including interest) of the securities and financial product transactions (sales under repurchase agreements and pledged dealer-quoted repurchase transactions only) between the Group and Guolian Group and its Associates are as follows:

Unit: RMB'million

Item	2025 Annual Cap of Transaction Amount	2025 Actual Transaction Amount
------	--	---

Maximum daily balance of sales under repurchase agreements and pledged dealer-quoted repurchase transactions between Guolian Group and its Associates and the Group (including interests) ^{Note}	525	0.00
---	-----	------

Note: Sales under repurchase agreements and pledged dealer-quoted repurchase transactions constitute the non-exempted continuing connected transactions under the Listing Rules as they are equivalent to financial assistance and collateral has been provided in connection with the financial assistance.

2. Property Leasing and Related Services Framework Agreement

- the Group leased certain properties from Guolian Group and its Associates for office and/or business use, and engaged the associates of Guolian Group for the provision of relevant services in relation to the properties (including leased properties and certain self-owned properties) occupied by the Group, including but not limited to providing equipment leasing, property management, security, water and electricity for the Group.
- Guolian Group and its Associates leased certain properties from the Group for office and/or business use.

Section 5 Other Significant Events



Basis of pricing

Under the Property Leasing and Related Services Framework Agreement, the rentals of the properties to be leased by the parties shall be determined after arm's length negotiations between the parties with reference to the prevailing market rental of properties with similar locations and sizes to the relevant leasing properties and/or the conclusion of the valuation report issued by the independent third party valuation agency engaged by the Group.

Under the Property Leasing and Related Services Framework Agreement, the fees of the related services shall be determined after arm's length negotiations between the parties with reference to the fees payable by the Group to independent third parties for similar services.

During the Reporting Period, the particulars of the revenue/expenses of the Group incurred for renting/leasing the properties and receiving the related property services provided by Guolian Group and its Associates were as follows:

Unit: RMB' million

Items	2025 Annual Cap of Transaction Amount	2025 Actual Transaction Amount
Revenue received by the Group		
Including revenue generated from property for leasing	3.00	0.00
Expenses incurred by the Group		
Including rental expenses incurred for property leasing ^{note} /total value of right-of-use assets and fee expenses of related services	280	87.58

Note: The expenses for the year ended 31 December 2025 were included 1) the expenses for short-term leases and leases of low value assets entered into with Guolian Group and/or its Associates of RMB nil; 2) the total value of right-of-use assets of the properties leased from Guolian Group and/or its Associates during the year of RMB71,471 thousand; 3) the expenses for the related property services with Guolian Group and/or its Associates of RMB16,107 thousand.

As of 31 December 2025, the interest expense on lease liabilities and the depreciation of right-of-use assets in connection with Guolian Group and/or its Associates amounted to RMB1,198 thousand and RMB40,404 thousand respectively.



Section 5 Other Significant Events

The independent non-executive Directors of the Company have reviewed the aforesaid Continuing Connected Transactions and issued the following independent opinions on those Continuing Connected Transactions:

- (1) during the ordinary and usual course of business of the Company;
- (2) on normal commercial terms or better;
- (3) according to relevant agreements of the transactions, the terms of which are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

The auditors engaged by the Company had issued a letter to the Board of the Company regarding their review of the aforesaid Continuing Connected Transactions and provided the following opinions:

In respect of the disclosed Continuing Connected Transactions:

- (1) nothing has come to our attention that causes us to believe that the disclosed Continuing Connected Transactions have not been approved by the Company's Board of Directors.
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to our attention that causes us to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (3) nothing has come to our attention that causes us to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- (4) with respect to the aggregate amount of each of the Continuing Connected Transactions, nothing has come to our attention that causes us to believe that the disclosed Continuing Connected Transactions have exceeded the annual cap as set by the Company.

The Company confirmed that it had complied with all the disclosure requirements in relation to the disclosure of the Continuing Connected Transactions under Chapter 14A of the Listing Rules.



(II) Internal Control and Corporate Governance Measures

The Group has adopted a series of internal pricing approval and internal control procedures, which mainly include:

- (1) the Company has set up a monitoring system, which has a detailed list of the Company's connected persons. If any of the transactions involve connected persons of the Company, such transaction will be timely reported to the Board of Directors Office of the Company and can only be continued with the approval and confirmation of the Board of Directors Office. In this way, the Board of Directors Office is able to track down every Connected Transaction's amounts and make sure the annual caps would not be exceeded;
- (2) the department in charge of the specific transaction will collect market prices. Such market prices include (i) prices of similar transactions in the market; (ii) the Company's pricing of similar transactions in the past; and (iii) as to the Property Leasing and Related Services Framework Agreement, pricing by similar market transactions or independent third party property valuers. The Company will refer to such market prices in determination of the transaction prices under the Securities and Financial Framework Agreement and the Property Leasing and Related Services Framework Agreement;
- (3) the Company has established its internal guidelines and policies for management of different types of securities and financial products transactions, as well as the internal procedures and systems for approval and supervision of such transactions. Such policies and guidelines set out the requirements for pre-trading pricing enquiries, applicable interest rates, procedures for price determination, approval authority and procedures, record keeping, supervision and review procedures for different types of transactions and businesses;
- (4) all of the Continuing Connected Transactions are reviewed and confirmed by independent non-executive Directors annually; and
- (5) the Auditing Department of the Company is responsible for the audit of major Connected Transactions one by one to ensure the truthfulness, accuracy and completeness of the audit report information, and submit the audit report to the Board of Directors for review.



Section 5 Other Significant Events

(III) Other Connected Transactions

On 28 August 2025, the Company convened the twenty-eighth meeting of the fifth session of the Board, which considered and approved the Resolution on the Establishment of Guolian Tongzhi Technology Asset Equity Investment Fund and Related Party Transaction (《關於設立國聯通智科技資產股權投資基金暨關聯交易的議案》). The meeting approved the joint establishment of Wuxi Guolian Tongzhi Technology Industry Investment Partnership (Limited Partnership) (無錫國聯通智科技產業投資合夥企業(有限合夥))(hereinafter referred to as the “Guolian Tongzhi Fund”), with a size of the Fund of RMB1.22 billion, by Guolian Capital, a wholly-owned private investment fund subsidiary of the Company, and a related party, Guolian Life Insurance Co., Ltd., in which Guolian Capital shall contribute RMB480 million

On 15 December 2025, Guolian Tongzhi Fund held its first partners’ meeting for the year 2025, at which it resolved to dissolve Guolian Tongzhi Fund and proceed with the industrial and commercial deregistration procedures. Guolian Capital, the executive partner of Guolian Tongzhi Fund, will take the lead in handling related matters concerning the liquidation and the industrial and commercial deregistration of Guolian Tongzhi Fund.

V. Bankruptcy Reorganization, Acquisitions, Mergers and Divisions

During the Reporting Period, save as those disclosed in this report, the Company and its subsidiaries were not engaged in any bankruptcy reorganization, acquisitions, mergers or divisions.

VI. Major Off-balance-sheet Items

During the Reporting Period, the Company and its subsidiaries did not record any guarantees, mortgages or other major off-balance-sheet items that may affect the Company’s financial position and operating results.



VII. Engagement and Dismissal of Accounting Firm

(I) Accounting Firm Currently Engaged by the Company

Name of Domestic Accounting Firm	ShineWing Certified Public Accountants LLP
Remuneration of Domestic Accounting Firm	RMB1.73 million
Term of Audit of Domestic Accounting Firm	2 years
Name and Cumulative Term of Service of Domestic Certified Public Accountants	Chao Xiaoyan (晁小燕): 2 years; Li Yuan (李源): 2 years
Name of Overseas Accounting Firm	SHINEWING (HK) CPA Limited
Remuneration of Overseas Accounting Firm	RMB450,000
Term of Audit of Overseas Accounting Firm	2 years
Name and Cumulative Term of Service of Overseas Certified Public Accountant	Peng Weiheng (彭衛恒): 2 years

In addition, the Company appointed ShineWing Certified Public Accountants LLP as the auditor of internal control for the year 2025, and the relevant audit fees were RMB300,000.

(II) Change of Engagement of Accounting Firm by the Company in Recent Three Years

Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, the Company's predecessor accounting firms, have served the Company for 8 consecutive years since the completion of the audits for the year 2023, which has reached the maximum number of years of continuous engagement of accounting firms as stipulated in the Administrative Measures for State-owned Financial Enterprises to Select and Engage Accounting Firms (《國有金融企業選聘會計師事務所管理辦法》) issued by the Ministry of Finance. The Company should change its accounting firms for the year 2024.

Upon consideration and approval at the annual general meeting for the year 2023 of the Company, the Company appointed ShineWing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited as the Company's domestic and overseas accounting firms for the year 2024 to provide the relevant auditing and review services according to the Accounting Standards for Business Enterprises of the PRC and the IFRS, respectively, and appointed ShineWing Certified Public Accountants LLP as the Company's internal control auditor for the year 2024.

Upon consideration and approval at the annual general meeting for the year 2024 of the Company, the Company appointed ShineWing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited as the Company's external auditors for the year 2025 to provide the relevant auditing and review services according to the Accounting Standards for Business Enterprises of the PRC and the IFRS, respectively, and appointed ShineWing Certified Public Accountants LLP as the Company's internal control auditor for the year 2025.



Section 5 Other Significant Events

(III) Accounting Firm Engaged by the Subsidiaries

In 2025, the Company's domestic subsidiaries engaged ShineWing Certified Public Accountants LLP as their external auditor, with total audit fees amounting to RMB1,570,000. The overseas subsidiary, Guolian Securities HK, engaged SHINEWING (HK) CPA Limited as its external auditor, with audit fees amounting to RMB300,000.

VIII. Significant Subsequent Events

(I) Changes Of Directors and Senior Management

Subsequent to the Reporting Period and up to the date of this report, for details on changes to the Company's Directors and senior management, please refer to Section 7 "Information of Directors, Senior Management and Staff" of this report.

(II) Annual Profit Distribution Proposal

The annual profit distribution proposal of the Company for the year 2025 is set out in Section 4 "IV. Profit Distribution Policies and Profit Distribution Situation" of this report.

(III) Major Investing and Financing Activities

Nil

(IV) Material Litigations and Arbitrations

Nil

(V) Business Mergers or Disposals of Subsidiaries

Nil

(VI) Other Events That May Have a Material Impact on the Financial Position, Operating Results and Cash Flows of the Company

Nil



IX. Important Matters or Major Subsequent Events of Subsidiaries

(I) Information on Major Subsidiaries and Invested Companies whose Impact on the Company's Net Profit Exceeds 10%

Unit: in RMB ten thousand Currency: RMB

Company name	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Guolian Minsheng Investment Banking	Subsidiary	Licensed items: securities business; bond market business (For items requiring approval in accordance with the law, commencement of operations is subject to the approval by the relevant authorities, and the specific items are subject to the approval results). General items: securities financial advisory services (Except for items requiring approval in accordance with the law, operations shall be commenced independently with the business licences in accordance with the law).	20,000.00	53,384.44	25,276.60	42,005.34	-12,495.84	-10,645.75
Guolian Capital	Subsidiary	Investment management. (For items requiring approval in accordance with the law, commencement of operations is subject to the approval by the relevant authorities)	60,000.00	49,454.60	25,338.82	2,420.01	-116.75	-0.17
Guolian Chuangxin	Subsidiary	External investment, venture capital investment, industrial investment and equity investment with proprietary funds. (For items requiring approval in accordance with the law, commencement of operations is subject to the approval by the relevant authorities)	50,000.00	14,164.29	13,935.43	840.93	419.97	1,353.57
Guolian Securities HK	Subsidiary	Holdings, investment, and overseas securities business through its subsidiaries. Currently, Guolian Securities HK has obtained licences under Types 1, 4, 6 and 9 of the Securities and Futures Commission of Hong Kong, as well as the qualified foreign investor business qualification.	HK\$30,000.00	56,229.42	24,108.49	5,376.11	538.51	519.31

Section 5 Other Significant Events

Company name	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Guolian Securities Assets Management	Subsidiary	Licensed items: securities business. (For items requiring approval in accordance with the law, commencement of operations is subject to the approval by the relevant authorities, and the specific items are subject to the approval documents or licenses issued by the competent authorities) General items: securities financial advisory services. (Except for items requiring approval in accordance with the law, operations shall be commenced independently with the business licences in accordance with the law)	100,000.00	118,632.75	111,072.15	25,197.31	7,203.50	6,356.18
Guolian Fund	Subsidiary	Fund raising, fund sales, specific customer asset management.	75,000.00	139,399.43	125,081.09	47,236.01	11,551.26	8,590.89
Minsheng Securities	Subsidiary	Licensed items: securities business; securities investment consultancy. (For items requiring approval in accordance with the law, commencement of operations is subject to the approval by the relevant authorities, and the specific items are subject to the approval documents or licenses issued by the competent authorities) General items: securities financial advisory services. (Except for items requiring approval in accordance with the law, operations shall be commenced independently with the business licences in accordance with the law)	1,151,025.2732	7,717,204.96	1,808,154.81	330,559.85	122,597.77	98,793.14

Note 1: The above information is based on financial information prepared in accordance with the Accounting Standards for Business Enterprises of the PRC.

Note 2: In addition to the above wholly-owned and first-tier controlling subsidiaries, the Company also holds a 33.409% equity interest in Zhonghai Fund Management Co., Ltd. and a 0.66% equity interest in China Securities Internet System Co., Ltd. (中證機構間報價系統股份有限公司). In February 2026, the Company completed the transfer of its 12% equity interest in Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司) and ceased to hold any equity interest in the company.



(II) Material Litigations

During the Reporting Period, subsidiaries of the Group did not have any material litigation or arbitration matters involving an amount exceeding RMB10 million and representing more than 10% of the absolute value of the latest audited net assets of the Company.

The litigation and arbitration matters that have been disclosed by the Group and have seen new progress are as follows:

1. Contract dispute case between Minsheng Securities and Liaocheng Heshan Haibo Technology Consulting Partnership (Limited Partnership) (聊城合杉海博科技諮詢合夥企業 (有限合夥))

On 14 January 2025, the People's Court of Guang'an District, Guang'an, Sichuan Province issued the Ruling (2024) Chuan 1602 Min Chu No. 3952, granting the withdrawal of the lawsuit by the plaintiff, Liaocheng Heshan Haibo Technology Consulting Partnership (Limited Partnership). The case has been concluded.

2. Tort liability dispute case between Minsheng Securities and Zhang

On 6 February 2025, the Xiaodian District People's Court of Taiyuan City, Shanxi Province ruled in the first-instance that Minsheng Securities and Minsheng Securities Taiyuan Changzhi Road Branch (民生證券太原長治路營業部) shall compensate RMB34,902,861.5, while rejecting the other claims of the plaintiff. Minsheng Securities and Minsheng Securities Taiyuan Changzhi Road Branch subsequently filed an appeal. On 27 August 2025, Minsheng Securities received the second-instance civil judgment from the Taiyuan Intermediate People's Court of Shanxi Province, which overturned the first-instance judgment and dismissed all claims brought by the plaintiff. The original judgment has become effective. On 19 March 2026, Minsheng Securities received a notice of appearance [2026] Jin Min Shen No. 1008 from the Shanxi Provincial Higher People's Court, indicating that Zhang, appealed against the original judgment by filing an application for retrial, and the Shanxi Provincial Higher People's Court has accepted the case for review. As at the date of this report, the case remains under review.

3. Two bond trading dispute enforcement cases between Minsheng Securities and Wuhan Dangdai Technology Industry Group Co., Ltd. (武漢當代科技產業集團股份有限公司)

On 25 April 2025, the Wuhan Intermediate People's Court of Hubei Province issued the Announcement (2024) E 01 Po No. 22-1, ruling to approve the restructuring plan of Wuhan Dangdai Technology Industry Group Co., Ltd. and terminating the restructuring proceedings. As of the date of this report, the enforcement proceedings were suspended due to the party subject to enforcement was undergoing restructuring.

4. Equity repurchase dispute case between Minsheng Securities Investment Company Limited (民生證券投資有限公司) and Huang Qizhen (黃啟鎮)

On 5 December 2024, the China International Economic and Trade Arbitration Commission issued the Arbitral Award [2024] Zhong Guo Mao Zhong Jing Cai Zi No. 126157, ruling in favor of the arbitration claim of Minsheng Securities Investment. On 15 April 2025, Minsheng Securities Investment Company Limited and Huang Qizhen entered into a Settlement Agreement. As of the date of this report, the Settlement Agreement was being duly performed.



Section 5 Other Significant Events

5. Dispute case over the liability for misrepresentation of securities between Guolian Minsheng Investment Banking and Shandong Longlive Bio-Technology Co., Ltd.

On 25 August 2025, the subsidiary received the Civil Judgment (2021) Lu 01 Min Chu No. 1377 issued by the Intermediate People's Court of Jinan City, Shandong Province, ordering the subsidiary to bear joint and several liability within the scope of 5% of RMB276,395,624.50. The subsidiary has filed an appeal. As of the date of this report, the case remains pending.

6. Misrepresentation of securities case between Minsheng Securities and Shandong Snton Group Co., Ltd. (山東勝通集團股份有限公司), Wang Xiusheng (王秀生), Sealand Securities Co., Ltd. (國海證券股份有限公司), Jonten Certified Public Accountants (Limited Liability Partnership) (中天運會計師事務所 (特殊普通合夥)), Dagong Global Credit Rating Co., Ltd. (大公國際資信評估有限公司) and Shandong Lucheng Law Firm (山東魯成律師事務所)

On 16 December 2025, Minsheng Securities received the first-instance civil judgment issued by the Intermediate People's Court of Qingdao City, Shandong Province, with the following rulings: 1. Wang Xiusheng, the actual controller, shall bear joint and several liability for the total compensation liability of Snton Group in the amount of RMB210,053,200.45; 2. Jonten shall bear joint and several liability within the scope of 60% of the aforesaid amount; 3. Sealand Securities shall bear joint and several liability within the scope of 30% of the aforesaid amount; 4. Dagong Global shall bear joint and several liability within the scope of 3% of the aforesaid amount; 5. Shandong Lucheng Law Firm (山東魯成律所) shall bear joint and several liability within the scope of 1% of the aforesaid amount. Part of the defendants have filed appeals. As of the date of this report, the case remains pending.

7. Misrepresentation of securities case between Minsheng Securities and Shandong Snton Group Co., Ltd. (山東勝通集團股份有限公司), Wang Xiusheng (王秀生), Evergrowing Bank Co., Limited (恒豐銀行股份有限公司), Jonten Certified Public Accountants (Limited Liability Partnership) (中天運會計師事務所 (特殊普通合夥)), Dagong Global Credit Rating Co., Ltd. (大公國際資信評估有限公司) and Shandong Lucheng Law Firm (山東魯成律師事務所)

On 11 February 2026, Minsheng Securities received the first-instance judgment (2025) Lu 71 Min Chu No. 44 from the Jinan Railway Transport Intermediate People's Court, which ruled that Wang Xiusheng, the defendant, shall bear joint and several liability for the total compensation liability of Shandong Snton Group Co., Ltd. in the amount of RMB73,931,472.69; Jonten Certified Public Accountants (Limited Liability Partnership) shall bear joint and several liability within the scope of 60%; Evergrowing Bank shall bear joint and several liability within the scope of 10%; Dagong Global Credit Rating Co., Ltd. shall bear joint and several liability within the scope of 3%; and Shandong Lucheng Law Firm shall bear joint and several liability within the scope of 1%. The court dismissed the other claims of the plaintiff. The plaintiff and part of the defendants have filed appeals. As of the date of this report, the case remains pending.

For details of the preceding matters of the aforesaid cases, as well as litigation and arbitration matters that have been disclosed by the Group but saw no progress during the Reporting Period, please refer to the previous periodical reports of the Group and relevant announcements such as the Report on Acquisition of Assets by Issuing Shares and Raising Supporting Funds by Guolian Securities Co., Ltd. and Related Party Transaction (《國聯證券股份有限公司發行股份購買資產並募集配套資金暨關聯交易報告書》).



Section 6 Information of Changes of Equity (Capital) and Substantial Shareholders

I. Changes in Shares during the Reporting Period

As at the end of the Reporting Period, the total share capital of the Company was 5,680,592,806 shares, of which 5,237,952,806 shares were A Shares and 442,640,000 shares were H Shares.

II. Shareholders as at the End of the Reporting Period

At the end of the Reporting Period, the Company had 93,335 registered shareholders, including 93,246 shareholders of A Shares and 89 registered shareholders of H Shares.

At the end of the Reporting Period, the shareholdings of the top 10 shareholders of the Company were as follows:

Name of shareholders	Nature of shareholders	Number of shares held (shares)	Percentages of shares held	Number of shares changed during the Reporting Period (shares)	Pledge or freeze up over shares held (shares)
Guolian Group	State-owned legal person	1,355,626,560	23.86%	811,725,231	Nil
HKSCC (Nominees) Limited (Note 1)	Overseas legal person	442,502,570	7.79%	-3,000	Unknown
Guolian Trust	State-owned legal person	390,137,552	6.87%	-	Nil
Fengquanyu	Domestic non-state-owned legal person	361,431,213	6.36%	361,431,213	Nil
Wuxi Electric	State-owned legal person	266,899,445	4.70%	-	Nil
Xizang Tengyun Investment Management Co., Ltd	Domestic non-state-owned legal person	130,602,534	2.30%	130,602,534	Nil
Hangzhou Dongheng Petroleum Co., Ltd.	Domestic non-state-owned legal person	120,291,807	2.12%	120,291,807	Nil
Shandong High-Tech Venture Capital Co., Ltd.	State-owned legal person	102,019,670	1.80%	102,019,670	Nil
Shanghai Zhangjiang (Group) Co., Ltd.	State-owned legal person	85,922,719	1.51%	85,922,719	Nil
Shandong Lucion Investment Holdings Group Co., Ltd.	State-owned legal person	79,561,623	1.40%	79,561,623	Nil

Note 1: The shares held by HKSCC (Nominees) Limited are for the benefits of non-registered holders of H Shares.

Section 6 Information of Changes of Equity (Capital) and Substantial Shareholders

As of the end of the Reporting Period, among the above shareholders, Guolian Group, the controlling shareholder of the Company, directly held 23.86% of the shares in the Company, and indirectly held 14.65% of the shares in the Company through its controlled companies Guolian Trust, Wuxi Electric, Minsheng Investment, Cotton Textile and Huaguang Environmental, and thus holding 38.52% of the shares in the Company in total; Shandong High-Tech Venture Capital Co., Ltd. is a controlling subsidiary of Shandong Lucion Investment Holdings Group Co., Ltd. In addition to the above, the Company is not aware of any other related relationships or concerted action arrangement.

III. General Information on Shareholders Holding 10% or More of the Shares

Guolian Group was established in December 1997, and is a wholly state-owned enterprise group contributed and organized by Wuxi State-owned Assets Supervision and Administration Commission with a state-owned asset investment qualification granted. Its registered capital is RMB8,689,130,200. Guolian Group is mainly engaged in capital and assets operation; external investment with proprietary funds; trade consultancy; enterprise management service. The legal representative and general manager of Guolian Group are Mr. Xu Ke and Mr. Gu Wei, respectively.

IV. Disclosure of Interests

As at 31 December 2025, to the knowledge of the Company's Directors after making reasonable enquiry, the following persons (not being the Directors or chief executive of the Company) have interests or short positions in the shares and underlying shares of the Company which shall be disclosed to the Company and recorded in the register required to be kept by the Company in accordance with Sections 2 and 3 of Part XV of the SFO and Section 336 of the SFO:

Name of shareholders	Types of shares	Nature of interests	Number of shares (Note 3)	Percentage of total issued shares of the Company (Note 4)	Percentage of total issued shares in the total relevant types of shares of the Company (Note 4)
Guolian Group (Note1)	A Shares	Beneficial owner and interest of controlled corporation	2,188,061,354 (L)	38.52%	41.77%
Guolian Trust	A Shares	Beneficial owner	390,137,552 (L)	6.87%	7.45%
Guolian Industrial (Note 2)	A Shares	Interest of controlled corporation	266,899,445 (L)	4.70%	5.10%
Wuxi Electric	A Shares	Beneficial owner	266,899,445 (L)	4.70%	5.10%
Fengquanyu	A Shares	Beneficial owner	361,431,213 (L)	6.36%	6.90%
E Fund Management Co., Ltd. (易方達基金管理有限公司)	H Shares	Investment manager	53,257,000 (L)	0.94%	12.03%



Section 6 Information of Changes of Equity (Capital) and Substantial Shareholders

Note 1: Guolian Group is the beneficial owner of 1,355,626,560 A Shares of the Company, and is deemed to be interested in the following shares in controlled corporations: (i) 390,137,552 A Shares of the Company held by Guolian Trust; (ii) 266,899,445 A Shares of the Company held by Wuxi Electric; (iii) 73,500,000 A Shares of the Company held by Minsheng Investment; (iv) 72,784,141 A Shares of the Company held by Cotton Textile; and (v) 29,113,656 A Shares of the Company held by Huaguang Environmental.

Note 2: Guolian Industrial is deemed to be interested in the 266,899,445 A Shares of the Company held by Wuxi Electric, its wholly-owned subsidiary.

Note 3: (L) denotes long positions.

Note 4: As of 31 December 2025, the Company issued 5,237,952,806 A Shares and 442,640,000 H Shares in total. The total number of shares is 5,680,592,806.

Save as disclosed above, as at 31 December 2025, the Company is not aware of any other persons (excluding the Directors and chief executive of the Company) having the interests or short positions in the shares or underlying shares of the Company that are required to be recorded in the register under Section 336 of the SFO.

V. Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company and its subsidiaries did not repurchase, sell or redeem any of the listed securities (including sales of treasury shares) of the Company. As of the end of the Reporting Period, the Company did not hold any treasury shares.

Section 7 Information of Directors, Senior Management and Staff

I. Changes in Shareholdings and Remuneration Information of Current and Resigned Directors and Senior Management during the Reporting Period

Name	Position	Gender	Age	Date of commencement of employment	Date of completion of employment	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in the number of shares during the year	Reasons for changes	Total pre-tax remuneration received from the Company during the Reporting Period (In RMB ten thousand)	Whether remuneration is received from the Company's related parties
Gu Wei	Chairman of the Board Non-executive Director	Male	51	8 August 2025 6 February 2025	Until expiry	0	0	0	-	-	Yes
Ge Xiaobo	Chairman of the Board (resigned) Executive Director, President	Male	55	1 June 2022 23 October 2019	8 August 2025 Until expiry	0	0	0	-	203.47	No
Zhou Weiping	Non-executive Director	Male	57	16 June 2016	Until expiry	0	0	0	-	-	Yes
Wu Weihua	Non-executive Director	Male	48	20 October 2022	Until expiry	0	0	0	-	-	Yes
Yang Zhenxing	Non-executive Director	Male	46	6 February 2025	Until expiry	0	0	0	-	-	Yes
Chen Xingjun	Employee Director	Male	44	15 December 2025	Until expiry	0	0	0	-	9.39	No
Gao Wei	Independent Non-executive Director	Male	59	20 October 2022	Until expiry	0	0	0	-	18.00	Yes
Guo Chunming	Independent Non-executive Director	Male	50	31 December 2024	Until expiry	0	0	0	-	18.00	Yes
Hsu Wai Man Helen	Independent Non-executive Director	Female	56	22 August 2025	Until expiry	0	0	0	-	6.00	Yes
Wang Jinling	Executive Vice President	Male	51	6 June 2025	Until expiry	0	0	0	-	144.77	No
Xiong Leiming	Executive Vice President	Male	55	8 August 2025	Until expiry	0	0	0	-	119.38	No
Jiang Zhiqiang	Chief Risk Officer	Male	55	27 May 2021	Until expiry	0	0	0	-	159.13	No
Zheng Liang	Vice President	Male	49	8 August 2025	Until expiry	0	0	0	-	107.36	No
Wang Wei	Vice President	Male	53	6 June 2025	Until expiry	0	0	0	-	127.82	No
Yin Lei	Vice President, Financial Officer	Male	55	1 June 2022	Until expiry	0	0	0	-	164.34	No
Li Qin	Vice President	Male	49	5 February 2020	Until expiry	0	0	0	-	164.34	No
Ren Kaifeng	Vice President	Male	48	6 June 2025	Until expiry	0	0	0	-	127.82	No
Hu Youwen	Vice President	Male	40	8 August 2025	Until expiry	0	0	0	-	107.36	No
Xu Chun	Vice President	Male	39	27 December 2023	Until expiry	0	0	0	-	242.25	No
Yang Hai	Vice President	Male	55	6 June 2025	Until expiry	0	0	0	-	127.82	No
Wang Jie	Secretary of the Board	Male	56	13 June 2019	Until expiry	0	0	0	-	164.52	No
Dai Jiechun	Chief Compliance Officer	Male	49	27 August 2020	Until expiry	0	0	0	-	164.34	No
Wu Zherui	Chief Information Officer	Male	44	6 June 2025	Until expiry	0	0	0	-	127.82	No
Hua Weirong	Non-executive Director (resigned)	Male	60	26 May 2008	6 February 2025	0	0	0	-	-	Yes
Li Suo	Non-executive Director (resigned)	Female	46	20 October 2022	6 February 2025	0	0	0	-	-	Yes

Section 7 Information of Directors, Senior Management and Staff



Name	Position	Gender	Age	Date of commencement of employment	Date of completion of employment	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in the number of shares during the year	Reasons for changes	Total pre-tax remuneration received from the Company during the Reporting Period (In RMB ten thousand)	Whether remuneration is received from the Company's related parties
Liu Hallin	Non-executive Director (resigned)	Male	48	26 May 2008	15 December 2025	0	0	0	-	-	Yes
Chu, Howard Ho Hwa	Independent non-executive Director (resigned)	Male	61	27 June 2019	22 August 2025	0	0	0	-	12.00	Yes
Yin Hongwei	Vice President (resigned)	Female	59	5 February 2020	29 April 2025	0	0	0	-	54.20	No
Ma Qunxing	Vice President (resigned)	Male	49	1 March 2020	8 August 2025	0	0	0	-	77.79	No
Huang Wei	Chief Information Officer (resigned)	Male	47	27 October 2023	6 June 2025	0	0	0	-	30.30	No
Total	/	/	/	/	/	0	0	0	/	2,478.22	/

Note 1: During the Reporting Period, no non-cash remuneration was ever received by any Directors or senior management of the Company, and the Company did not implement any equity incentive schemes.

Note 2: The total pre-tax remuneration received from the Company by the Directors and senior management of the Company during the Reporting Period was the remuneration received during the term of office that attributable to and paid in 2025.

Note 3: The final remuneration of the Directors and senior management who receive remuneration from the Company is still in the process of being confirmed. The remaining portion will be disclosed separately after confirmation.



Section 7 Information of Directors, Senior Management and Staff

II. Positions held by Current and Resigned Directors and Senior Management during the Reporting Period

(I) Positions held in the shareholder entities

Name	Name of the shareholder entities	Position held in the shareholder entities	Date of commencement of employment	Date of completion of employment
Gu Wei	Guolian Group	Deputy Secretary of the Party Committee, Director and President	November 2023	To present
Zhou Weiping	Guolian Trust	Chairman	January 2014	To present
Wu Weihua	Guolian Group	General Manager of the Strategic Development Department	August 2021	To present
	Huaguang Environmental	Director	December 2022	To present
	Guolian Trust	Director	June 2023	To present
Yang Zhenxing	Fengquanyu	Chairman and General Manager	December 2020	To present
Explanation of positions held in the shareholder entities	Nil			

Section 7 Information of Directors, Senior Management and Staff



(II) Positions held in other companies

Name	Name of other companies	Position held in other companies	Date of commencement of employment	Date of completion of employment
Gu Wei	Guolian Financial Investment	Director	January 2024	To present
	Wuxi Guolian Industrial Investment Group Co., Ltd.	Director	January 2024	To present
	Wuxi Guofa Capital Operation Co., Ltd.* (無錫市國發資本運營有限公司)	Director	November 2023	February 2026
Ge Xiaobo	Minsheng Securities	Chairman	March 2024	To present
	Guolian Securities HK	Chairman	February 2020	To present
	Guolian Fund	Director	May 2023	To present
	Guolian Securities Assets Management	Chairman	September 2023	To present
	Guolian Minsheng Investment Banking	Chairman	December 2021	August 2025
Zhou Weiping	Director	Director	November 2019	August 2025
	Wuxi Rural Commercial Bank Co., Ltd.* (無錫農村商業銀行股份有限公司)	Director	June 2020	To present
Wu Weihua	Guolian Financial Investment	Director	October 2021	To present
	Wuxi Nianhuawan Cultural Investment Development Co., Ltd.* (無錫拈花灣文化投資發展有限公司)	Director	October 2021	To present
	Guolian Life Insurance Co., Ltd.	Director	April 2023	July 2025
	Wuxi Liantai Venture Capital Co., Ltd.* (無錫聯泰創業投資有限公司)	Chairman	March 2023	To present
	Wuxi Delian Investment Co., Ltd.* (無錫市德聯投資有限公司)	Chairman	March 2023	To present
	Wuxi Baolian Investment Co., Ltd.* (無錫市寶聯投資有限公司)	Chairman	June 2023	To present
	Hua Hong Semi-Conductor (Wuxi) Co., Ltd.* (華虹半導體(無錫)有限公司)	Director	October 2023	To present
	Hua Hong Semi-Conductor Manufacturing (Wuxi) Co., Ltd.* (華虹半導體製造(無錫)有限公司)	Director	November 2023	To present
	Wuxi Xihong Guoxin Investment Co., Ltd.* (無錫錫虹國芯投資有限公司)	Chairman, General Manager	December 2023	To present
	Wuxi Xihong Lianxin Investment Co., Ltd.* (無錫錫虹聯芯投資有限公司)	Chairman, General Manager	January 2024	To present
Yang Zhenxing	Hainan Xinchun Airlines Co., Ltd.* (海南新春航空有限公司)	Executive Director, General Manager	December 2021	To present
	Tianjin Ailin Airplane Rental Co., Ltd.* (天津艾琳飛機租賃有限公司)	Executive Director, General Manager	June 2023	To present
	Cambodian Sky Angkor Airlines* (柬埔寨天空吳哥航空公司)	Chief Representative of the Beijing Branch	June 2023	To present
	Minsheng Securities	Director	August 2021	January 2025

Section 7 Information of Directors, Senior Management and Staff

Name	Name of other companies	Position held in other companies	Date of commencement of employment	Date of completion of employment	
Chen Xingjun	Minsheng Securities	Vice President, Member of Executive Committee, Chief Financial Officer, Chief Risk Officer	May 2024	To present	
	Minsheng Equity Investment Fund Management Co., Ltd.* (民生股權投資基金管理有限公司)	Director	June 2024	To present	
Gao Wei	Guolian Capital	Director	July 2025	To present	
	Minsheng Futures Co., Ltd.* (民生期貨有限公司)	Director	August 2024	To present	
	Zhongguancun Science-Tech Leasing Co., Ltd.	Company Secretary	June 2019	To present	
	Yunnan Ruihe Jincheng Industrial Co., Ltd.* (雲南瑞和錦程實業股份有限公司)	Independent Director	February 2021	To present	
	Best Mart 360 Holdings Limited	Independent Director	September 2023	To present	
	Beijing Representative Office of The Hong Kong Chartered Governance Institute	Chief Representative	January 2024	To present	
	AK Medical Holdings Limited	Independent Director	June 2024	To present	
Guo Chunming	China Re Catastrophe Risk Management Company Ltd.	Independent Director	December 2025	To present	
	Boyalife Stem Cell Technology Co., Ltd.* (博雅幹細胞科技有限公司)	Vice President	June 2016	To present	
	Tianjin Boyaleap Technology Co., Ltd.* (天津力牧生物科技有限公司)	General Manager	December 2016	To present	
Hsu Wai Man Helen	Perfect Medical Health Management Limited	Independent Director	December 2011	To present	
	Richly Field China Development Limited	Independent Director	November 2013	To present	
	China Display Optoelectronics Technology Holdings Limited	Independent Director	June 2015	To present	
	Beijing Gas Blue Sky Holdings Limited	Independent Director	July 2020	To present	
Wang Jinling	Minsheng Securities	Perfect Optronics Limited	Independent Director	September 2020	To present
		Director	March 2024	May 2025	
		Chairman of Executive Committee	May 2024	To present	
		Secretary of the Party Committee	June 2024	To present	
		President	August 2025	December 2025	

Section 7 Information of Directors, Senior Management and Staff



Name	Name of other companies	Position held in other companies	Date of commencement of employment	Date of completion of employment
Xiong Leiming	Minsheng Securities	Member of Executive Committee	December 2018	August 2025
		President	May 2024	August 2025
	Minsheng Futures Co., Ltd.* (民生期貨有限公司)	Director	February 2019	To present
	Minsheng Securities Investment Company Limited* (民生證券投資有限公司)	Director	March 2020	To present
Jiang Zhiqiang	Zhonghai Fund	Director	November 2011	To present
	Guolian Minsheng Investment Banking	Director	May 2023	August 2025
	Guolian Securities Assets Management	Chief Risk Officer	September 2023	October 2025
Zheng Liang	Minsheng Securities	Vice President, Member of Executive Committee	September 2021	August 2025
Wang Wei	Minsheng Securities	Vice President, Member of Executive Committee	November 2018	June 2025
Yin Lei	Guolian Minsheng Investment Banking	Director	May 2023	To present
	Zhonghai Fund	Director	July 2023	To present
	Guolian Securities Assets Management	Director, Financial Officer	September 2023	To present
Li Qin	Guolian Securities HK	Director	February 2020	To present
Ren Kaifeng	Minsheng Securities	Vice President, Member of Executive Committee	January 2022	June 2025
		Chairman	January 2023	February 2025
	Minsheng Equity Investment Fund Management Co., Ltd.* (民生股權投資基金管理有限公司)	President	August 2021	August 2025
	Guolian Chuangxin	Chairman	July 2025	To present
	Minsheng Securities Investment Company Limited* (民生證券投資有限公司)	Chairman	February 2025	To present
	Zhongmin Chuangxing Private Equity Fund Management Beijing Co., Ltd* (中民創興私募基金管理(北京)有限公司)	Chairman	June 2023	April 2025
	Minsheng Securities	Vice President, Member of Executive Committee	September 2021	August 2025
Hu Youwen	Guolian Fund	Director	August 2025	To present

Section 7 Information of Directors, Senior Management and Staff

Name	Name of other companies	Position held in other companies	Date of commencement of employment	Date of completion of employment
Xu Chun	Guolian Minsheng Investment Banking	Chairman	August 2025	To present
Yang Hai	Minsheng Securities	Vice President and Secretary of the Board	May 2024	June 2025
		Member of Executive Committee	June 2024	June 2025
	Minsheng Securities Investment Company Limited* (民生證券投資有限公司)	Chairman	July 2024	February 2025
	Minsheng Equity Investment Fund Management Co., Ltd.* (民生股權投資基金管理有限公司)	Chairman, President	February 2025	To present
	Zhongmin Chuangxing Private Equity Fund Management Beijing Co., Ltd	Chairman	April 2025	To present
	Guolian Capital	Chairman	July 2025	To present
Wang Jie	Guolian Minsheng Investment Banking	Director	December 2021	To present
	Guolian Securities Assets Management	Supervisor	September 2023	June 2025
Dai Jiechun	Guolian Securities Assets Management	Chief Compliance Officer	September 2023	August 2025
Wu Zherui	Minsheng Securities	Chief Information Officer, Member of Executive Committee	December 2024	To present
	Guolian Securities Assets Management	Chief Information Officer	October 2025	To present
	Guolian Minsheng Investment Banking	Chief Information Officer	October 2025	To present
Explanation of positions held in other companies	Nil			



III. Remuneration Management Information of Directors and Senior Management

(I) Basis of Determination

The remuneration standards for Directors of the Company are determined in accordance with the level of the same industry, market conditions and the practical situation of the Company, while the remuneration of senior management is determined under the remuneration assessment system of the Company, which is linked to the position and performance.

(II) Decision-making Procedures

The non-executive Directors (excluding independent non-executive Directors and employee Directors) of the Company do not receive any remuneration from the Company. The remuneration of independent non-executive Directors is determined after reviewing by the Remuneration and Nomination Committee and the Board and submitting for approval at the General Meetings with reference to industry average norm. The remuneration of employee Director is determined and implemented in accordance with the relevant remuneration management system of the Company based on their specific positions held in the Company and their work contents. The remuneration of executive Directors is determined after reviewing by the Remuneration and Nomination Committee and the Board and submitting for approval at the General Meetings. The remuneration of senior management is determined under the remuneration assessment system of the Company and submitting to the Board of the Company for approval after the consideration and approval of the Remuneration and Nomination Committee of the Board.

(III) Non-cash Remuneration Information

During the Reporting Period and up to the date of this report, no non-cash remuneration was ever received by any Directors or senior management of the Company.

(IV) Information of Remuneration Payment to Directors and Senior Management

For details regarding the information of remuneration payment to Directors and senior management of the Company, please refer to the “Changes in Shareholdings and Remuneration Information of Current and Resigned Directors and Senior Management during the Reporting Period” under this section. The total pre-tax remuneration received from the Company by the Directors and senior management of the Company during the Reporting Period amounted to RMB24,782,200. For the list of top five staff with highest remuneration and the category of remuneration of senior management of the Company, please refer to the Note 12 to the Consolidated Financial Statements of this report.



Section 7 Information of Directors, Senior Management and Staff

IV. Changes of Directors and Senior Management during the Reporting Period

(I) Changes of Directors

On 6 February 2025, the Company convened the first extraordinary general meeting for the year 2025, at which Mr. Gu Wei and Mr. Yang Zhenxing were elected as non-executive Directors of the Company, and Mr. Hua Weirong and Ms. Li Suo ceased to be non-executive Directors of the Company. On 8 August 2025, the Company convened the twenty-seventh meeting of the fifth session of the Board, at which Mr. Gu Wei was elected as the Chairman of the Company, and Mr. Ge Xiaobo ceased to be the Chairman of the Company. On 22 August 2025, the Company convened the second extraordinary general meeting for the year 2025, at which Ms. Hsu Wai Man Helen was elected as an independent non-executive Director of the Company, and Mr. Chu, Howard Ho Hwa ceased to be an independent non-executive Director of the Company.

On 15 December 2025, the Company convened the third extraordinary general meeting for the year 2025, at which Mr. Ge Xiaobo was elected as an executive Director of the sixth session of the Board of the Company, Mr. Gu Wei, Mr. Zhou Weiping, Mr. Wu Weihua and Mr. Yang Zhenxing were elected as non-executive Directors of the sixth session of the Board of the Company, and Mr. Gao Wei, Mr. Guo Chunming, and Ms. Hsu Wai Man Helen were elected as independent non-executive Directors of the sixth session of the Board of the Company. Mr. Chen Xingjun was elected as an employee Director of the sixth session of the Board of the Company through the election at the Company's employee representatives' meeting. Following the completion of re-election of the Board, the Company convened the first meeting of the sixth session of the Board on the same day, at which Mr. Gu Wei was elected as the Chairman of the Company. Upon completion of the re-election, Mr. Liu Hailin ceased to serve as a non-executive Director of the Company.

(II) Changes of Senior Management

On 6 June 2025, the Company convened the twenty-fifth meeting of the fifth session of the Board, at which Mr. Wang Jinling was appointed as executive vice president of the Company, Mr. Wang Wei, Mr. Ren Kaifeng and Mr. Yang Hai were appointed as vice presidents of the Company, and Mr. Wu Zherui was appointed as chief information officer of the Company.

On 8 August 2025, the Company convened the twenty-seventh meeting of the fifth session of the Board, at which Mr. Xiong Leiming was appointed as executive vice president of the Company, and Mr. Zheng Liang and Mr. Hu Youwen were appointed as vice presidents of the Company.

On 15 December 2025, the Company convened the first meeting of the sixth session of the Board, at which Mr. Ge Xiaobo was appointed as president of the Company, Mr. Wang Jinling and Mr. Xiong Leiming were appointed as executive vice presidents of the Company, Mr. Zheng Liang, Mr. Wang Wei, Mr. Yin Lei (concurrently serving as the financial officer), Mr. Li Qin, Mr. Ren Kaifeng, Mr. Hu Youwen, Mr. Xu Chun and Mr. Yang Hai were appointed as vice presidents of the Company, Mr. Jiang Zhiqiang was appointed as chief risk officer of the Company, Mr. Wang Jie was appointed as the secretary to the Board of the Company, Mr. Dai Jiechun was appointed as chief compliance officer of the Company, and Mr. Wu Zherui was appointed as chief information officer of the Company.

On 29 April 2025, Ms. Yin Hongwei ceased to be vice president of the Company due to retirement upon reaching the age limit. On 6 June 2025, Mr. Huang Wei ceased to be chief information officer of the Company due to work adjustment. On 8 August 2025, Mr. Ma Qunxing ceased to be vice president of the Company due to work adjustment.



V. Biographies of Current Directors and Senior Management of the Company

(I) Directors

Mr. Gu Wei (顧偉), born in 1975, Chinese nationality with no right of permanent residency abroad, holds a master's degree in public administration. He is currently the deputy secretary of the Party Committee, director and president of Wuxi Guolian Development (Group) Co., Ltd.* (無錫市國聯發展(集團)有限公司), secretary of the Party Committee and the chairman of the Company, chairman of Minsheng Securities Co., Ltd.* (民生證券股份有限公司), director of Wuxi Guolian Financial Investment Group Co., Ltd.* (無錫國聯金融投資集團有限公司), director of Wuxi Guolian Industrial Investment Group Co., Ltd.* (無錫國聯實業投資集團有限公司), and president of the Jiangsu Securities Industry Association* (江蘇省證券業協會). He previously served as a clerk of Wuxi Finance and Trade Information Center* (無錫市財貿信息中心), deputy director of the Secretariat of Wuxi Finance and Trade Office* (無錫市財貿辦公室秘書處), deputy director of the First Comprehensive Division* (綜合一處) and director of Administration Division* (行政處) of Wuxi Municipal Government Office* (無錫市政府辦公室), vice district chief of Wuxi Nanchang District Government and Liangxi District Government* (無錫市南長區政府、梁溪區政府), director and secretary of the Party group of Wuxi Administrative Approval Bureau* (無錫市行政審批局), director and secretary of the Party group of Wuxi Local Financial Supervision and Administration Bureau* (無錫市地方金融監督管理局) and director of Wuxi Guofa Capital Operation Co., Ltd.* (無錫市國發資本運營有限公司).

Mr. Ge Xiaobo (葛小波), born in 1970, Chinese nationality with no right of permanent residency abroad, holds a master's degree in business administration. He is currently the deputy secretary of the Party Committee, the executive Director and the president of the Company, and concurrently serves as the chairman of Guolian Securities Assets Management Co., Ltd.* (國聯證券資產管理有限公司), the chairman of Guolian Securities (Hong Kong) Limited, and a director of Guolian Fund Management Company Limited* (國聯基金管理有限公司). He previously served as the manager and senior manager of the investment banking department, sponsor representative, deputy director of the A Shares listing office, deputy general manager and executive general manager of the risk control department, administrative person-in-charge of the trading and derivatives department, planning and finance department, risk management department, and overseas business and fixed income business, a member of the executive committee, the person-in-charge of accounting affairs and chief risk officer of CITIC Securities Co., Ltd., director of Zhonghai Fund Management Co., Ltd.* (中海基金管理有限公司), the chairman of Guolian Capital Co., Ltd.* (國聯通實資本投資有限公司), and the chairman of Guolian Minsheng Investment Banking Company Limited* (國聯民生證券承銷保薦有限公司).



Section 7 Information of Directors, Senior Management and Staff

Mr. Zhou Weiping (周衛平), born in 1968, Chinese nationality with no right of permanent residency abroad, holds a master's degree in business administration. He is currently the chairman of the board of Guolian Trust Co., Ltd.* (國聯信託股份有限公司), and concurrently serves as a director of Wuxi Rural Commercial Bank Co., Ltd.* (無錫農村商業銀行股份有限公司), and has been a Director of the Company since June 2016. He previously served as an accountant of Wuxi Mineral Exploration Machinery Factory* (無錫市探礦機械總廠), finance manager of Wuxi Hengda Securities Co., Ltd.* (無錫恒達證券公司), deputy manager of Shanghai Handan Road Branch of Wuxi Trust Investment Co., Ltd.* (無錫市信託投資公司), deputy manager and manager of Kaixin Securities Branch of Wuxi Trust Investment Co., Ltd., general manager of the Brokerage Department of the Company, general manager of Wuxi Guolian Futures Brokerage Co., Ltd.* (無錫國聯期貨經紀有限公司), finance manager of Wuxi Guolian Development (Group) Co., Ltd., chairman of the board of Wuxi Guolian Futures Brokerage Co., Ltd. and executive director, president, interim chief executive officer and interim chief financial officer of Suntech Power Holdings Co., Ltd.

Mr. Wu Weihua (吳衛華), born in 1978, Chinese nationality with no right of permanent residency abroad, holds a master's degree and is an intermediate economist. He is currently the general manager of the strategic development department of Wuxi Guolian Development (Group) Co., Ltd. and concurrently serves as a director of Wuxi Guolian Financial Investment Group Co., Ltd., a director of Guolian Trust Co., Ltd.* (國聯信託股份有限公司), a director of Wuxi Huaguang Environmental & Energy Group Co., Ltd.* (無錫華光環保能源集團股份有限公司), and has been a Director of the Company since October 2022. He previously served as the assistant manager, deputy manager of the investment and development department, deputy director of the office, deputy general manager of the financial investment management department of Wuxi Guolian Development (Group) Co., Ltd., general manager, executive director and chairman of the board of Wuxi Equity Exchange Co., Ltd.

Mr. Yang Zhenxing (楊振興), born in 1979, Chinese nationality with no right of permanent residency abroad, and holds a bachelor's degree. He is currently the chairman of Shanghai Fengquanyu Enterprise Management Co., Ltd.* (上海豐泉峪企業管理有限公司), and concurrently serves as an executive director and the general manager of Hainan Xinchun Airlines Co., Ltd.* (海南新春航空有限公司), an executive director and the general manager of Tianjin Ailin Airplane Rental Co., Ltd.* (天津艾琳飛機租賃有限公司) and the chief representative of the Beijing branch of Cambodian Sky Angkor Airlines* (柬埔寨天空吳哥航空公司), and has been a Director of the Company since February 2025. He previously served as the general manager and chairman of Shandong Bohui Paper Industry Co., Ltd.* (山東博匯紙業股份有限公司), vice chairman of Shandong Bohui Group Co., Ltd.* (山東博匯集團有限公司), and executive director of Jiangsu Haili Chemical Co., Ltd.* (江蘇海力化工有限公司).

Section 7 Information of Directors, Senior Management and Staff



Mr. Chen Xingjun (陳興君), born in 1981, Chinese nationality with no right of permanent residency abroad, holds a bachelor's degree in management and is a senior accountant. He is currently the general manager of the financial and accounting department of the Company, and concurrently serves as a member of executive committee, vice president, financial officer and chief risk officer of Minsheng Securities Co., Ltd.* (民生證券股份有限公司); a director of Minsheng Futures Co., Ltd.* (民生期貨有限公司); a director of Minsheng Equity Investment Fund Management Co., Ltd.* (民生股權投資基金管理有限公司) and a director of Guolian Capital Co., Ltd.* (國聯通寶資本投資有限責任公司), and has been an employee Director of the Company since December 2025. He previously served as the general manager of the risk management department, the person-in-charge of accounting affairs, chief risk officer, and chairman of the supervisory committee of the Company; general manager of the finance department of Guolian Futures Co., Ltd.* (國聯期貨有限責任公司); and assistant to the general manager of the financial and accounting department of Wuxi Guolian Development (Group) Co., Ltd.* (無錫市國聯發展(集團)有限公司).

Mr. Gao Wei (高偉), born in 1966, Chinese nationality with no right of permanent residency abroad, holds a degree of doctor of laws and the Chinese lawyer qualification certificate. He is currently the chief representative of Beijing Representative Office of The Hong Kong Chartered Governance Institute, company secretary of Zhongguancun Science-Tech Leasing Co., Ltd. (01601.HK), independent non-executive director of Best Mart 360 Holdings Limited (02360.HK), independent non-executive director of AK Medical Holdings Limited (01789. HK), arbitrator of China International Economic and Trade Arbitration Commission, China Maritime Arbitration Commission, Beijing Arbitration Commission and Shanghai Arbitration Commission, a member of the Independent Director Committee of China Association for Public Companies, and has been an independent non-executive Director of the Company since October 2022. He previously served as the director, general manager and legal representative of Sinotrans Air Transportation Development Company Limited (600270.SH, delisted), secretary to the board and general counsel of Sinotrans Limited (00598. HK), secretary to the board and financial officer of Zhongguancun Science-Tech Leasing Co., Ltd., the vice chairman of the Board Secretary Committee of China Association for Public Companies and a council member and vice chairman of The Hong Kong Chartered Governance Institute.

Mr. Guo Chunming (郭春明), born in 1975, Chinese nationality with no right of permanent residency abroad, is an associate professor of accounting and holds a doctorate degree in management. He is currently the vice president of Boyalife Stem Cell Technology Co., Ltd.* (博雅幹細胞科技有限公司) and the general manager of Tianjin Boyaleap Technology Co., Ltd.* (天津力牧生物科技有限公司), and has been an independent non-executive Director of the Company since December 2024. He previously served as a lecturer in the Accounting Department of Taiyuan University of Technology, an associate professor in the School of Accounting of Nanjing University of Finance and Economics, the general manager of the audit and compliance department of Wanhua Chemical Group Co., Ltd.* (萬華化學集團股份有限公司) (600309.SH), the chief financial officer of Wanhua Chemical (Ningbo) Co., Ltd.* (萬華化學(寧波)有限公司), and an independent director of Meihua Holdings Group Co., Ltd.* (梅花生物科技集團股份有限公司) (600873. SH).



Section 7 Information of Directors, Senior Management and Staff

Ms. Hsu Wai Man Helen (徐慧敏), born in 1970, a resident of Hong Kong, China, holds a bachelor's degree in business administration from The Chinese University of Hong Kong and is a member of the American Institute of Certified Public Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. She currently serves as an independent non-executive director of Perfect Medical Health Management Limited (01830.HK), an independent non-executive director of Richly Field China Development Limited (00313.HK), an independent non-executive director of China Display Optoelectronics Technology Holdings Limited (00334.HK), an independent non-executive director of Beijing Gas Blue Sky Holdings Limited (06828.HK), an independent non-executive director of Perfect Optronics Limited (08311.HK), and has been an independent non-executive Director of the Company since August 2025. She previously served as an auditor and audit partner of Ernst & Young in Hong Kong.

(II) Senior Management

Mr. Wang Jinling (汪錦嶺), born in 1974, Chinese nationality with no right of permanent residency abroad, holds a doctoral degree in engineering. He is currently the executive vice president of the Company, and concurrently serves as secretary of the Party Committee and chairman of the executive committee of Minsheng Securities Co., Ltd. He previously served as assistant to departmental general manager of PICC Life Insurance Company Limited, researcher of CSRC, departmental executive general manager of CITIC Securities Co., Ltd., chief information officer of Guolian Minsheng Securities Company Limited, assistant to the president of Wuxi Guolian Development (Group) Co., Ltd., and director and president of Minsheng Securities Co., Ltd.

Mr. Xiong Leiming (熊雷鳴), born in 1970, Chinese nationality with no right of permanent residency abroad, holds a master's degree in economics and is a senior accountant. He is currently the executive vice president of the Company, and concurrently serves as director of Minsheng Futures Co., Ltd. and director of Minsheng Securities Investment Company Limited* (民生證券投資有限公司). He previously served as a teacher at Hubei Pharmaceutical Testing College* (湖北藥檢專科學校); general manager of the finance headquarters, special assistant to the president and chief financial officer of Changjiang Securities Co., Ltd.* (長江證券股份有限公司), and vice president, acting president, acting chairman of the executive committee, chief financial officer, chief risk officer, president, and member of the executive committee of Minsheng Securities Co., Ltd.

Mr. Jiang Zhiqiang (江志強), born in 1970, Chinese nationality with no right of permanent residency abroad, holds a master's degree in business administration. He is currently the chief risk officer of the Company, and concurrently serves as a director of Zhonghai Fund Management Co., Ltd. He previously served as the manager of the Securities Investment Department, general manager of the Securities Branches, general manager of Wealth Management Center, the general manager of the Asset Management Department, assistant to the president, vice president, and the chairman of the Supervisory Committee of the Company, a director of Guolian Minsheng Investment Banking Company Limited, and chief risk officer of Guolian Securities Assets Management Co., Ltd.

Section 7 Information of Directors, Senior Management and Staff



Mr. Zheng Liang (鄭亮), born in 1977, Chinese nationality with no right of permanent residency abroad, holds a master's degree in economics. He is currently the vice president of the Company. He previously served as deputy section chief, section chief and deputy division chief in the Securities Crime Investigation Bureau of the Ministry of Public Security, senior vice president, compliance officer, chief risk officer and board secretary of Huabao Securities Co., Ltd.* (華寶證券股份有限公司), and member of the executive committee and vice president of Minsheng Securities Co., Ltd.

Mr. Wang Wei (王衛), born in 1972, Chinese nationality with no right of permanent residency abroad, holds a master's degree in economics. He is currently the vice president of the Company. He previously served as general manager of Chengdu Moneywise Software Co., Ltd.* (成都財智軟件有限公司), vice president of First Capital Securities Co., Ltd.* (第一創業證券股份有限公司), general manager of Shenzhen Lens Technology Co., Ltd.* (深圳市透鏡科技有限公司), general manager of Shenzhen Shanxi Investment Management Co., Ltd.* (深圳山溪投資管理有限公司), general manager of Beijing Jingrong Technology Co., Ltd.* (北京菁融科技有限公司), and member of the executive committee and vice president of Minsheng Securities Co., Ltd.

Mr. Yin Lei (尹磊), born in 1970, Chinese nationality with no right of permanent residency abroad, holds a master's degree in accounting and holds the Chinese Certified Public Accountant Certificate. He is currently the vice president cum financial officer of the Company, and concurrently serves as a director of Guolian Minsheng Investment Banking Company Limited* (國聯民生證券承銷保薦有限公司), a director of Zhonghai Fund Management Co., Ltd.* (中海基金管理有限公司) and a director and the financial officer of Guolian Securities Assets Management Co., Ltd.* (國聯證券資產管理有限公司). He previously served as cashier, audit accountant, accounting officer and executive general manager of the planning and finance department of CITIC Securities Co., Ltd.; general manager and chief financial officer of the planning and finance department of CITIC Jintong Securities Co., Ltd.; assistant president, member of executive committee, vice president and financial officer of Founder Securities Co., Ltd.

Mr. Li Qin (李欽), born in 1976, Chinese nationality with no right of permanent residency abroad, holds a master's degree in economics. He is currently the vice president of the Company, and concurrently serves as a director of Guolian Securities (Hong Kong) Limited. He previously served in the risk management department of CITIC Securities Co., Ltd., deputy general manager and administrative person-in-charge of the risk management department of Founder Securities Co., Ltd., and a director of Wuxi Guolian Chuangxin Capital Company Limited* (無錫國聯創新投資有限公司).



Section 7 Information of Directors, Senior Management and Staff

Mr. Ren Kaifeng (任凱鋒), born in 1978, Chinese nationality with no right of permanent residency abroad, holds a doctorate degree in engineering. He is currently the vice president of the Company, and concurrently serves as chairman of Minsheng Securities Investment Company Limited and chairman of Wuxi Guolian Chuangxin Capital Company Limited. He previously served as assistant to director of the Planning and Economy Committee of Qidong City, Jiangsu Province (secondment), visiting scholar in the Department of Applied Physics at The Hong Kong Polytechnic University, principal staff member (secretary of the Youth League Committee) of the Economic System Reform Division of the Pudong New Area Development and Reform Commission, principal staff member of the General Office (secretary of the general league branch) and deputy director of the Economic and Social Development Service Division (Listed Company Service Division) of Pudong New Area Financial Services Bureau, deputy director and director of the Finance and Shipping Service Division of Shanghai Lujiazui Finance and Trade Zone Management Committee, director of the Finance and Shipping Department of Shanghai Lujiazui Financial City Development Bureau, deputy director and Party group member of Lujiazui Administration Bureau of China (Shanghai) Pilot Free Trade Zone Management Committee, chief investment officer of Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司), vice chairman and chairman of the Lujiazui Financial City Development Foundation, chairman and president of Minsheng Equity Investment Fund Management Co., Ltd.* (民生股權投資基金管理有限公司), and member of the executive committee and vice president of Minsheng Securities Co., Ltd.

Mr. Hu Youwen (胡又文), born in 1985, Chinese nationality with no right of permanent residency abroad, holds a master's degree in science. He is currently the vice president of the Company, and concurrently serves as director of Guolian Fund Management Company Limited* (國聯基金管理有限公司). He previously served as sales trader, computer industry analyst and general manager of the Research Center at Essence Securities Co., Ltd. * (安信證券股份有限公司), and member of the executive committee and vice president of Minsheng Securities Co., Ltd.

Mr. Xu Chun (徐春), born in 1987, Chinese nationality with no right of permanent residency abroad, holds a master's degree in science, a non-practice membership certificate of the Chinese Institute of Certified Public Accountants and a legal professional qualification certificate. He is currently the vice president of the Company, and concurrently serves as the chairman of Guolian Minsheng Investment Banking Company Limited* (國聯民生證券承銷保薦有限公司). He previously served as an industry researcher, deputy general manager and general manager of the Research Institute in Changjiang Securities Co., Ltd.* (長江證券股份有限公司) and the general manager of the Research Institute of the Company.

Section 7 Information of Directors, Senior Management and Staff



Mr. Yang Hai (楊海), born in 1971, Chinese nationality with Hong Kong residency, holds a master's degree in economics and an EMBA. He is currently the vice president of the Company, and concurrently serves as chairman and president of Minsheng Equity Investment Fund Management Co., Ltd. * (民生股權投資基金管理有限公司) and chairman of Guolian Capital Co., Ltd.* (國聯通實資本投資有限責任公司). He previously served as executive general manager of Investment Banking at CITIC Securities Co., Ltd., managing director of Investment Banking at CITIC Securities International Limited, managing director of Direct Investment at CLSA Limited, general manager of Guolian Capital Co., Ltd., assistant to the president of Wuxi Guolian Development (Group) Co., Ltd., chairman of Minsheng Securities Investment Company Limited, and member of the executive committee, vice president and board secretary of Minsheng Securities Co., Ltd.

Mr. Wang Jie (王捷), born in 1970, Chinese nationality with no right of permanent residency abroad, holds a master's degree in economics. He is currently the secretary to the Board of the Company, and concurrently serves as a director of Guolian Minsheng Investment Banking Company Limited. He previously served as the director of the human resources department, executive general manager, managing director and head of department administration of CITIC Securities Co., Ltd., assistant to general manager of the president office of CITIC Holdings Co., Ltd., director of human resources in CITIC Securities (Shandong) Co., Ltd., senior partner of Shanghai Corplution Enterprise Management Consulting Co., Ltd.* (上海愷訊企業管理諮詢有限公司) and the general manager of the Human Resources Department of the Company.

Mr. Dai Jiechun (戴潔春), born in 1976, Chinese nationality with no right of permanent residency abroad, holds a master's degree in business administration and is an certified internal auditor, international certified risk manager and senior accountant. He is currently the chief compliance officer of the Company. He previously served as an audit staff of Jiangsu Accounting Firm* (江蘇會計師事務所) (now known as Talent Certified Public Accountants), grade-five assistant of the Institutional Supervision Division of the Nanjing Special Office of the CSRC* (中國證監會南京特派辦機構監管處), grade-five assistant and clerk of the Institutional Supervision Division of Jiangsu Securities Regulatory Bureau* (江蘇證監局機構監管處), and staff member, senior staff member and principal staff member of the Inspection Division of Jiangsu Securities Regulatory Bureau* (江蘇證監局稽查處), principal staff member, associate researcher and deputy director of the First Division of Listed Company Supervision of Jiangsu Securities Regulatory Bureau* (江蘇證監局上市公司監管一處), deputy director of Corporate Supervision Division of Jiangsu Securities Regulatory Bureau* (江蘇證監局公司監管處), deputy director and grade-two researcher of Accounting Supervision Division of Jiangsu Securities Regulatory Bureau* (江蘇證監局會計監管處).

Mr. Wu Zherui (吳哲銳), born in 1981, Chinese nationality with no right of permanent residency abroad, holds a master's degree in business administration. He is currently the chief information officer of the Company, and concurrently serves as member of the executive committee and chief information officer of Minsheng Securities Co., Ltd. He previously served as head of the Asian Emerging Markets Development Team at Morgan Stanley Management Services (Shanghai) Co., Ltd.* (摩根士丹利管理服務(上海)有限公司) and head of the Shanghai R&D Center in the Information Technology Department of Huatai Securities Co., Ltd.

Section 7 Information of Directors, Senior Management and Staff

VI. Information about Staff and Remuneration of the Company and Major Subsidiaries

(I) Staff

Items	Number of Staff (Headcount)
Number of employees in parent company	2,244
Number of employees in major subsidiaries	3,261
Total number of employees	5,505
Number of retired employees whose parent company and major subsidiaries undertake the expenses	383

Category of Professional Structure	Number of Professional Structure
Brokerage business	2,457
Investment banking business	1,125
Assets management business	183
Proprietary trading business	171
Credit transaction business	20
Research business	216
Institutional sales business	62
Information technology	299
Planning and finance	81
Other business and administration staff	891
Total	5,505

Category of Education Background	Number of Staff (Headcount)
Doctoral Degree	43
Master's Degree	2,473
Bachelor's Degree	2,800
College Degree and below	189
Total	5,505

Section 7 Information of Directors, Senior Management and Staff



(II) Staff Remuneration and Welfare Policy

The Company deeply embedded the cultural concepts of “compliance, integrity, professionalism and stability” into its compensation management system. Through the establishment of a compensation and performance management system that takes into account work performance, honesty in practice, compliance and integrity in practice, risk management, and fulfilment of the industry and the Company’s cultural concepts, the Company ensures that employee compensation is closely linked to the Company’s economic performance, compliance and risk control effectiveness, and performance of their positions. The remuneration structure for the Company’s employees consists of salary, performance rewards, insurance benefits, and allowances. The Company is constantly committed to optimising and refining its salary system. Salary is determined by considering the importance of employees’ positions, their level of professional expertise, their value contribution, and current market remuneration trends, ensuring remuneration’s competitiveness and reasonableness. The application of incentive policies in performance rewards will integrate multiple factors, including performance, individual performance, compliance practice, risk control, honesty in practice, professional ethics, and the building of corporate culture, striving to achieve a scientific, comprehensive, fair and prudent remuneration incentive mechanism, implement effective personnel incentives and exit mechanisms, and maintain the vitality and stability of its talent team. The Company steadfastly complies with relevant laws and regulations, and strictly implements deferred remuneration policies, ensuring the compliance of compensation arrangements while maximizing long-term incentive effects. In addition, the Company has established a comprehensive compensation recovery and clawback mechanism. For senior management and relevant responsible personnel who fail to fulfill their duties diligently or whose illegal or non-compliant actions lead to excessive risk exposure or losses for the Company, the Company may, depending on the severity of the circumstances, suspend payments of remuneration, recovery and claw back remuneration, and terminate long-term incentives, so as to integrate incentives with constraints, motivate and enhance employees’ work enthusiasm, prevent operational risks, and promote the Company’s sound development.

The Company has always concerned about the physical and mental health and well-being of its employees, and constantly improved the welfare protection system. In strict compliance with national laws and regulations, the Company ensures timely and full payment of all statutory social insurance and housing provident fund contributions for employees. Additionally, it offers benefits such as corporate annuity plan and supplementary medical insurance, further enhancing the employee security system and fostering a warm and harmonious work and living environment.



Section 7 Information of Directors, Senior Management and Staff

(III) Training Plan

Based on years of practice in talent development, the Company has explored and established a tiered and categorized training system covering employees across different business lines, positions, levels and age groups. Under the overall coordination of the Human Resources Department and in collaboration with respective departments, the Company integrates internal and external resources to implement a multi-dimensional talent development and training system that “covers the entire career lifecycle of employees, is built on general programs as a foundation, matches differentiated series of programs based on the dual dimensions of ‘employee tier – business category’, and flexibly applies diverse forms and means”, with a view to achieve the training objectives of regulating employees’ professional conduct, communicating and implementing management requirements, addressing skill gaps, promoting cross-functional collaboration, driving potential business development, and fostering cultural consensus.

In 2025, the Company closely aligned with its talent development strategy, integrated internal and external training resources, and employed diversified training methods to comprehensively empower business development and talent growth. Firstly, in terms of internal training system construction and internal resource development, focusing on the three core areas of experience extraction, course development and incentive mechanisms, the Company organized experience extraction workshops to capture high-quality internal course resources, cultivated a team of internal trainers, and gradually built a sustainable internal talent development ecosystem. Secondly, the Company established open learning platforms across departments and business lines, launched a weekly collaborative empowerment program, promoted management experience exchange, business knowledge sharing and expertise inheritance, and facilitated the accumulation of organizational knowledge assets and talent integration. Thirdly, through integrated internal and external efforts to enhance the comprehensive competence of all employees, the Company focused on key business areas and adopted a combination of internal and external approaches to deliver over ten specialized training programs covering areas such as asset allocation and publicly offered REITs innovation, empowering core professionals enhance their expertise and broaden industry vision. For all employees, the Company organized general training covering over 50 topics across workplace effectiveness, compliance and risk control, and business knowledge, utilizing a hybrid online and offline approach to effectively enhance employees’ foundational professional competencies and comprehensive capabilities.

(IV) Gender Diversity of the Employees

The Company attaches great importance to the gender diversity of employees. As of the end of the Reporting Period, the proportions of male employees and female employees (including senior management) of the Company were 55.37% and 44.63% respectively, and the gender diversity of the employees (including senior management) of the Company has been achieved. The Company will continue to implement measures to support gender diversity of employees.

Section 8 Corporate Governance Report



The Company has adopted various policies to ensure compliance with the code provisions in force of CG Code under Appendix C1 of the Listing Rules.

I. Corporate Governance Overview

As a company with its A Shares listed in the PRC and its H Shares listed in Hong Kong, the Company has operated in strict compliance with laws, regulations and normative documents at the places of listing, and kept committed to maintaining and improving its sound social image. The Company adheres to the business philosophy of “compliance, stability, integrity and innovation” and the corporate vision of “establishing a leading modern investment bank that earns the trust of clients, featured with technological innovation, driven by industry, and possesses international influence and core competitiveness” to better serve the real economy and social wealth management, actively fulfills corporate social responsibility, incorporates culture building into the Company’s Articles of Association and corporate governance, protects the legitimate rights and interests of investors and seeks to maximize the long-term interests of shareholders. Pursuant to the Company Law, the Securities Law and other applicable laws, regulations and regulatory provisions, the Company has formed a corporate governance structure under which the General Meeting, the Board and the management have their powers separated for checks and balances and perform their respective duties, so as to ensure regulated operation of the Company. During the Reporting Period, the Company, in accordance with the requirements of the Company Law, the Guidelines on the Articles of Association for Listed Companies, and the Relevant Transitional Arrangements for the Implementation of Supporting Systems and Rules for the New Company Law 《關於新〈公司法〉配套制度規則實施相關過渡期安排》, and taking into account the Company’s actual situation, abolished the Supervisory Committee. The functions and powers of the Supervisory Committee as stipulated by laws and regulations were assumed by the Audit Committee under the Board of the Company. The Company strictly complies with all requirements of its corporate governance system, ensuring that the convening, holding, and voting procedures of the General Meeting and the Board are lawful and compliant; ensuring disclosure of information in a timely and fair manner, and guaranteeing the authenticity, accuracy, and completeness of the information disclosed; and valuing the protection of investor’s rights and interests, striving to provide comprehensive and effective investor relations services. Furthermore, the Company strictly complies with the HK Stock Exchange’s CG Code and has satisfied with the requirements for most of the code provisions and recommended best practices specified in Part 2 of the CG Code.



Section 8 Corporate Governance Report

II. Board of Directors

Composition of the Board

As at the end of the Reporting Period, the sixth session of the Board of the Company comprised nine Directors, including one executive Director, namely Mr. Ge Xiaobo (President), four non-executive Directors, namely Mr. Gu Wei (Chairman), Mr. Zhou Weiping, Mr. Wu Weihua and Mr. Yang Zhenxing, one employee Director, namely Mr. Chen Xingjun, and three independent non-executive Directors, namely Mr. Gao Wei, Mr. Guo Chunming and Ms. Hsu Wai Man Helen.

All of the Directors possess the skills, experience and expertise either in the industry or relevant to the management of the business of the Company.

(I) Chairman and President

Pursuant to Code Provision C.2.1 in Part 2 of the CG Code, the role of chairman and president should be segregated and should not be performed by the same individual. During the Reporting Period, Mr. Ge Xiaobo served as both the chairman and president of the Company, which enhanced the execution of the Company's development strategy and facilitated the communication between the Board and senior management, despite deviating from Code Provision C.2.1 in Part 2 of the CG Code, under the supervision of the Board which comprises of one executive Director, five non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. On 8 August 2025, Mr. Ge Xiaobo has tendered his resignation as the Chairman, chairman of the Risk Control Committee of the Board and chairman of the Strategy and ESG Committee of the Board of the Company due to work adjustments. He will continue to serve as an executive Director, the president, the member of the Risk Control Committee of the Board and the member of the Strategy and ESG Committee of the Board. On the same day, the Company convened the twenty-seventh meeting of the fifth session of the Board of the Company, which considered and approved the Resolution on the Election of the Chairman of the Company (《關於選舉公司董事長的議案》), electing Mr. Gu Wei as the Chairman of the Company. As of the end of the Reporting Period, the Chairman of the Company is Mr. Gu Wei, and the President is Mr. Ge Xiaobo, which complies with the provisions of Code Provision C.2.1 of Part 2 of the CG Code.

Section 8 Corporate Governance Report



(II) Confirmation of Independence of Independent Non-executive Directors

The Company confirmed that it had received annual confirmations issued by each independent non-executive Director in respect of their independence according to Rule 3.13 of the Listing Rules. The Company further confirmed that each independent non-executive Directors is independent of the Company.

(III) Relationship Between Board Members

None of the Directors and senior management of the Company has any relationship (including financial, business, family or other material/relevant relations) between each other.

(IV) Roles and Responsibilities of the Board

The Board is responsible for the leadership, control and promotion of success of the Company by directing and supervising its business operations in the interests of the shareholders through the ways of formulating strategic directions and monitoring the financial and management performance of the Company.



Section 8 Corporate Governance Report

(V) Respective Duties of the Board and the Management

The powers and duties of the Board and the management have been clearly specified to ensure adequate check and balance for sound corporate governance and internal control. The Board is primarily responsible for the following duties: convening a General Meeting, and reporting work thereon; implementing the resolutions of the General Meeting; resolving on the Company's business plans and investment plans; reviewing the Company's annual report; formulating the Company's profit distribution proposal and loss recovery proposal; formulating proposals for the increase or reduction of the Company's registered capital and for the issuance and listing of the debentures or other securities; drawing up plans for any substantial acquisition, re-purchasing the shares of the Company; developing plans for the merger, division, transformation and dissolution of the Company; deciding the Company's issuance of bonds, foreign investment, acquisition and sale of assets, pledge of assets, entrusted wealth management, related transactions, external donations and other matters within the scope of authorization of the General Meeting; deciding on the setup of the Company's internal management bodies and branches; deciding on the appointment or dismissal of the Company's manager, secretary of the Board, chief compliance officer and chief risk officer based on the nominations of the chairman, and determine their remunerations and penalties; deciding on the appointment or dismissal of the deputy manager, chief financial officer, chief information officer and other senior management who is appointed by the Board to perform management duties or actually perform the abovementioned duties based on the nominations of the manager and determine their remunerations and penalties; formulating the proposals for the allowance standard of the independent Directors of the Company; formulating the basic management system of the Company, etc.

The management is primarily responsible for organizing the implementation of the production, operation and management works of the Company, organizing the implementation of the resolutions of the Board and reporting work to the Board; organizing the implementation of the Company's annual business plans and investment plans; formulating the Company's specific rules; proposing wages, benefits, incentives and punishments for the Company's employees; and determining the appointment and dismissal of the Company's employees, etc.

The Company has formulated internal policies (including but not limited to the Articles of Association, the Rules of Procedures of the Board and the Rules of Procedures of each Board Committee) to ensure that the Board has access to independent views and opinions. These policies cover the Company's procedures and selection criteria for the election and appointment of Directors (including independent non-executive Directors), the abstention mechanism for voting on relevant resolutions of the Board by related Directors, and the special authorities of the independent appointment of external auditor and consulting agencies by independent Directors, etc. Upon reviewing the implementation of the aforesaid mechanisms, the Board considers that the aforesaid mechanisms are able to effectively ensure that the Board is provided with independent views and opinions.

Section 8 Corporate Governance Report



(VI) Directors' Performance during the Reporting Period

1. Directors' attendance at the meetings

The attendance of Directors at the meetings during the year is set out below:

Name of Directors	Meetings attended/held during the term of office							General Meetings Attendance Rate
	Board Attendance		Remuneration and				General Meetings	
	Board	Rate	Audit Committee	Nomination Committee	Risk Control Committee	Strategy and ESG Committee		
Gu Wei	11/11	100%	N/A	6/6	4/4	2/2	3/3	100%
Ge Xiaobo	12/12	100%	N/A	N/A	4/4	2/2	4/4	100%
Zhou Weiping	12/12	100%	N/A	N/A	4/4	2/2	4/4	100%
Wu Weihua	12/12	100%	N/A	N/A	N/A	2/2	4/4	100%
Yang Zhenxing	11/11	100%	N/A	N/A	N/A	N/A	3/3	100%
Chen Xingjun	2/2	100%	N/A	N/A	1/1	N/A	0/0	-
Gao Wei	12/12	100%	6/6	8/8	N/A	N/A	4/4	100%
Guo Chunming	12/12	100%	6/6	7/7	4/4	N/A	4/4	100%
Hsu Wai Man Helen	5/5	100%	3/3	1/1	N/A	1/1	1/1	100%
Hua Weirong (resigned)	1/1	100%	N/A	2/2	0/0	0/0	1/1	100%
Li Suo (resigned)	1/1	100%	N/A	N/A	N/A	N/A	1/1	100%
Liu Hailin (resigned)	10/10	100%	N/A	N/A	3/3	N/A	4/4	100%
Chu, Howard Ho Hwa (resigned)	7/7	100%	3/3	N/A	N/A	1/1	3/3	100%

- Notes:
- Mr. Gu Wei has been the chairman of the Risk Control Committee and the chairman of the Strategy and ESG Committee since 8 August 2025, and Mr. Ge Xiaobo ceased to be the chairman of the Risk Control Committee and the chairman of the Strategy and ESG Committee.
 - Mr. Gao Wei is the chairman of the Remuneration and Nomination Committee.
 - Mr. Guo Chunming is the chairman of the Audit Committee.

2. Directors' Voting

The Directors agreed that, during the Reporting Period, they had not voted against or abstained from voting on all the resolutions of the Board and resolutions of committees in which they cast their votes.



Section 8 Corporate Governance Report

3. *Performance of Directors*

During the Reporting Period, the independent non-executive Directors of the Company complied with the relevant requirements under laws, regulations and the Articles of Association, and had adequate time and commitment to perform their duties. The independent non-executive Directors were not affected by the Substantial Shareholders of the Company and other interested units or individuals of the Company when making their independent judgements in the decision-making of the Company and did their best to protect the interest of the minority shareholders of the Company and exercised their duties and authorizations as independent non-executive Directors.

During the Reporting Period, the independent non-executive Directors did not object to any relevant matters of the Company.

After reviewing (a) the annual confirmation of the time commitment contributed by each Director; (b) the directorships and major commitments of each Director; and (c) the attendance rate of each Director at the Board meetings and the respective Board committee meetings as well as General Meetings, the Board is satisfied that all Directors have contributed sufficient time in performing their responsibilities during the year.

(VII) **Insurance Coverage of Directors**

The Company had arranged appropriate insurance coverage in relation to any legal actions which may arise against the Directors.

(VIII) **Training for Directors**

The Directors have confirmed that they had complied with Code Provision C.1.4 in Part 2 of the CG Code in relation to the training of Directors. As of the date of this report, Mr. Gu Wei, Mr. Ge Xiaobo, Mr. Zhou Weiping, Mr. Wu Weihua, Mr. Yang Zhenxing, Mr. Chen Xingjun, Mr. Gao Wei, Mr. Guo Chunming and Ms. Hsu Wai Man Helen attended the guided training under the compliance operation of listed companies.

Mr. Gu Wei, Mr. Yang Zhenxing, Ms. Hsu Wai Man Helen and Mr. Chen Xingjun have confirmed that they have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 6 February 2025, 27 January 2025, 21 August 2025 and 12 December 2025, respectively, and understand their responsibilities as Directors of the Company.



(IX) Board Meetings and Procedures

During the Reporting Period, the Board convened a total of 12 Board meetings. The chairman of the Board convenes regular Board meetings and the notices of Board meetings shall be sent to all Directors in writing 10 working days before the meetings. A regular Board meeting does not include the practice of obtaining consent from the Board through circulating written resolutions.

The Directors may, before the meeting, inquire about the information needed for decision making from relevant persons or institutions such as the office of the Board, the convener of the meeting, the president and other senior management members, committees, accounting firm and law firm, or may, while the meeting is underway, suggest to the chairman of the meeting that the aforesaid persons or representatives of institutions to attend at the meeting to make relevant explanations, at the expense of the Company.

For a regular Board meeting, the Secretary to the Board (or the competent office of the Board) is responsible for collecting draft proposals, which shall be submitted by proponents 14 days before the date of the meeting together with explanatory materials. After summarising relevant materials, the Secretary to the Board shall submit the time, place and agenda of the Board meeting to the Chairman. Before giving the notice on convening a regular Board meeting, the Board of Directors Office shall fully consult all Directors to form the initial proposal and then submit it to the Chairman for finalizing the proposal. The Chairman, if necessary, shall consult the president and other senior management personnel before finalizing the proposal.

For a special meeting of the Board, it shall give a meeting notice in writing to all Directors 5 days before the meeting. When a special meeting needs to be held as early as possible in case of emergency, the meeting notice is allowed to be given by telephone or otherwise verbally at any time provided that the convener makes necessary explanations at the meeting.

When a Director and the legal persons and natural persons involved in the resolutions of the Board meeting have certain interests or connection, such Director shall not exercise his/her voting rights on such resolutions nor can he/she exercise any voting rights on behalf of other Directors. Such Board meeting may be held if it is attended by more than one half of the unconnected and uninterested Directors, and the resolutions of the Board meeting shall be passed by more than one half of the unconnected and uninterested Directors.

The Secretary to the Board shall arrange the Board of Directors Office staff to keep the minutes of the Board meeting. A Director present at the meeting shall have the right to require an explanatory note to be made in the minutes in respect of his speech at the meeting. The minutes of Board meeting shall be kept by the secretary to the Board as files of the Company in accordance with laws. The Secretary to the Board shall make the minutes of meetings openly available for inspection in any reasonable period of time by any Director, who has made a reasonable notice in respect thereto.



Section 8 Corporate Governance Report

III. Board Committees

For the purpose of corporate governance, the corporate governance policies formulated by the Company shall state clearly that the Board is responsible for formulating and reviewing corporate governance policies and practices of the Company; reviewing and monitoring training and continuous professional development of the Directors and senior management of the Company; reviewing and monitoring policies and practices of the Company in compliance with laws and regulatory requirements; formulating, reviewing and monitoring the code of conduct and compliance manual for employees and the Directors of the Company; and reviewing the compliance by the Company with the CG Code as set out in Appendix C1 of the Listing Rules and the disclosures in the Corporate Governance Report.

To assist the Board in executing its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Audit Committee, Remuneration and Nomination Committee, Strategy and ESG Committee and Risk Control Committee.

Clear written terms of reference of all the Board Committees are provided to respective members of these committees. Details of the Board Committees are set out as follows:

(I) Audit Committee

The Audit Committee comprises three non-executive Directors, namely Mr. Guo Chunming (chairman), Mr. Gao Wei and Ms. Hsu Wai Man Helen, being independent non-executive Directors.

The specific written terms of reference of the Audit Committee are available on the websites of Stock Exchange and the Company for reference. The main responsibilities of the Audit Committee are:

1. to make recommendations to the Board on the appointment, re-appointment and replacement of the external auditors, and to make recommendations to the Board on the service fee and terms of engagement of the external auditors;
2. to assess and monitor the external auditors' independence and objectivity, professionalism and the effectiveness of the audit process, and to discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;
3. to develop and implement policy on non-audit services provided by the external auditors to the Company. The Audit Committee should report to the Board, identifying any matters where action or improvement is needed and making recommendations as to the steps to be taken;

Section 8 Corporate Governance Report



4. to audit the Company's financial information and its disclosure. To monitor the completeness of the Company's financial statements, annual report and accounts, half-year report and quarterly reports, and to review significant financial reporting judgments contained in them.
5. to review the fairness of connected transactions and make disclosures in accordance with the Listing Rules and accounting standards;
6. to monitor and evaluate the effectiveness of financial controls and internal controls systems;
7. to discuss the internal control system with the management to ensure that the management has performed its duty to establish an effective internal control system;
8. to exercise the powers of the Supervisory Committee as stipulated in the Company Law; and
9. other responsibilities as required in the Rules of Procedures of the Audit Committee.

During the Reporting Period, the Audit Committee convened a total of 6 meetings. The Audit Committee mainly discussed and made recommendations to the Board in relation to the Company's financial reports, the engagement of audit institution, approval of connected transactions, monitoring of internal control, and amendment of the committee's rules of procedures, ensuring the integrity, transparency and consistency of financial reporting disclosures. At the same time, the Audit Committee also performed its duty on reviewing the 2025 annual results and performed other responsibilities as set out in the CG Code. In addition, the Company, in accordance with the requirements of the Company Law, the Guidelines on the Articles of Association for Listed Companies, and the Relevant Transitional Arrangements for the Implementation of Supporting Systems and Rules for the New Company Law 《關於新〈公司法〉配套制度規則實施相關過渡期安排》, and taking into account the Company's actual situation, abolished the Supervisory Committee. The functions and powers of the Supervisory Committee as stipulated by laws and regulations were assumed by the Audit Committee under the Board of the Company.

(II) Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises three members, namely Mr. Gao Wei (chairman), being an independent non-executive Director, Mr. Gu Wei, being a non-executive Director and Ms. Hsu Wai Man Helen, being an independent non-executive Director.

The specific written terms of reference of the Remuneration and Nomination Committee are available on the websites of the Stock Exchange and the Company for reference. The main responsibilities of the Remuneration and Nomination Committee are:

1. to consult the chairman and/or chief executive officer about the remuneration proposals for other executive Directors;



Section 8 Corporate Governance Report

2. to formulate and implement the performance appraisal system, remuneration policy, rewards and penalty incentives, and to make recommendations to the Board on the policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
3. to formulate appraisal criteria for directors and senior management, to review the performance of the Company's directors and senior management and to conduct annual performance appraisals on them; and to consider the management's remuneration proposals in accordance with the Company's objectives as approved by the Board;
4. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The remuneration packages should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
5. to review and/or approve matters relating to share schemes as referred to in Chapter 17 of the Hong Kong Listing Rules;
6. to review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
7. to prepare criteria and procedures for the selection of directors and senior management and to make recommendations to the Board;
8. to recommend candidates for Directors and senior management, to review the qualifications for appointment of the proposed candidates and to form a clear opinion on the review;
9. to assess the independence of independent non-executive Directors of the Company;
10. to make recommendations to the Board on the appointment or re-appointment of Directors and succession plan for Directors, especially for chairman and chief executive officer; and
11. other responsibilities as required in the Rules of Procedures of the Remuneration and Nomination Committee.

During the Reporting Period, the Remuneration and Nomination Committee convened a total of 8 meetings. The Remuneration and Nomination Committee mainly discussed and made recommendations to the Board in relation to the performance appraisal plan and assessment report of senior management, amendment of the committee's rules of procedures and appointment of Directors and senior management. For the Board diversity policy of the Company, please refer to the relevant contents in the 13th paragraph of this section.



(III) Strategy and ESG Committee

The Strategy and ESG Committee comprises five Directors, namely Mr. Gu Wei (chairman), being a non-executive Director, Mr. Ge Xiaobo, being an executive Director, Mr. Zhou Weiping and Mr. Wu Weihua, being non-executive Directors, and Ms. Hsu Wai Man Helen, being an independent non-executive Director.

The specific written terms of reference of the Strategy and ESG Committee are available on the websites of Stock Exchange and the Company for reference. The main responsibilities of the Strategy and ESG Committee are:

1. to understand and keep abreast of the basic operation of the Company;
2. to study and keep abreast of the latest development of the domestic and international industries and relevant national policies;
3. to study and review the strategic development plans of the Company and to make recommendations to the Board;
4. to provide advice on major decisions such as major capital operation, major investment and financing, and major reforms of the Company;
5. to conduct research on the Company's ESG governance and provide advice on decision-making, including ESG governance vision, objectives, policies, ESG risks and major issues; and
6. other responsibilities as required in the Rules of Procedures of the Strategy and ESG Committee.

During the Reporting Period, the Strategy and ESG Committee convened a total of 2 meetings. The Strategy and ESG Committee mainly discussed and made recommendations to the Board in relation to the capital allocation, ESG governance and amendment of rules of procedures of the Company.



Section 8 Corporate Governance Report

(IV) Risk Control Committee

The Risk Control Committee comprises five Directors, namely Mr. Gu Wei (chairman), being a non-executive Director, Mr. Ge Xiaobo, being an executive Director, Mr. Zhou Weiping, being a non-executive Director, Mr. Guo Chunming, being an independent non-executive Director, and Mr. Chen Xingjun, being an employee Director.

The specific written terms of reference of the Risk Control Committee are available on the websites of the Stock Exchange and the Company for reference. The main responsibilities of the Risk Control Committee are:

1. to review and give opinion on the overall objectives and basic policies of compliance management and risk management;
2. to review and give opinion on the establishment of specific departments and their duties of compliance management and risk management;
3. to evaluate and give opinion on the risks of the major decisions required to be approved by the Board and solutions to solve such major risks;
4. to review and give opinion on regular compliance reports and risk evaluation reports required to be approved by the Board; and
5. to oversee the design, implementation and monitoring of the risk management system by the management, to discuss the risk management system with the management, to ensure that the management has performed its responsibilities to establish and maintain an effective system, and to ensure that the effectiveness of risk management system of the Company (including the Company's subsidiaries) is reviewed at least once a year, and to assess the Company's risk profile, risk control capability and the resources allocation of risk management;
6. to conduct research on its own initiative or as delegated by the Board on the findings of major investigations on risk management matters and management's response to the findings;
7. other responsibilities as required in the Rules of Procedures of the Risk Control Committee.

During the Reporting Period, the Risk Control Committee convened a total of 4 meetings. The Risk Control Committee mainly discussed and made recommendations to the Board in relation to review of policies and practices related to legal and regulatory requirements and the amendment of the committee's rules of procedure. At the same time, the Risk Control Committee also performed its duty on review of risk management, revision of the risk preference and improvement of the responsibilities of internal control system and internal audit function.



IV. Securities Transactions of Directors, Supervisors and Relevant Employees

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors, Supervisors and relevant employees' securities transactions. Having made specific enquiries with all Directors, Supervisors and relevant employees, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code as of the end of the Reporting Period.

V. Remuneration of Senior Management

For details of the emoluments of senior management as disclosed by the Company by remuneration range during the Reporting Period, please refer to section 7 "I. Changes in Shareholdings and Remuneration Information of Current and Resigned Directors and Senior Management during the Reporting Period" of this report.

VI. Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining and reviewing the effectiveness of the Company's risk management and internal control system. The risk management and internal control systems are implemented to minimize the risks to which the Company is exposed as much as possible and used as a management tool for the day-to-day operation of business. These systems aim to manage rather than eliminate the risk of failing to achieve the business objectives and only provide reasonable but not absolute assurance of not having any material misrepresentation or losses. At the same time, the Audit Committee and the Risk Control Committee of the Company are responsible for its internal audit.

The management is primarily responsible for the design, implementation and maintenance of the risk management and internal control system to safeguard the shareholders' investment interests and assets of the Company. The management monitors the business activities closely and reviews the financial results of operations against budgets/forecast on a monthly basis. Proper controls are in place for the recording of complete, accurate and timely accounting and management information. Reviews and audits are carried out at least annually to ensure that the consolidated financial statements are prepared in accordance with generally accepted accounting principles, the Company's accounting policies and applicable laws and regulations.



Section 8 Corporate Governance Report

During the Reporting Period, the management conducted reviews on the effectiveness of the Company's risk management and internal control system with a view to identify any areas that need improvement. The approach of the review included conducting interviews with relevant management and staff members, reviewing relevant documentation of the risk management and internal control system and evaluating findings on any deficiencies in the design of the risk management and internal controls. The reviews covered major operating aspects of the business of the Company, including brokerage and wealth management business, assets management business, credit trading business and proprietary trading business of the Company and other operating segments. Proper management of risks, including credit risk, market risk, liquidity risk, operational risk, reputation risk and compliance risk, is also important to the business of the Company. The Company has implemented policies and procedures on these segments and continuous revisions on the relevant policies and procedures will be made from time to time. Monitoring of the internal control system and risk management mainly rests on Compliance and Legal Department, Risk Management Department and Auditing Department.

The Company has established related anti-fraudulent management system, which clearly states the concept and form of fraud, responsibility body and regular department, responsibility attribution, fraud prevention and control, and listed the critical information like whistleblowing hotline, whistleblowing mailbox, fraud whistleblowing, investigation, reporting process and remedial measures and punishment. The anti-fraudulent mainly rests on the Auditing Department, Compliance and Legal Department, the Party Committee office and other departments.

The Company has established related information disclosure management system, which clearly stated the basic principles of information disclosure, content, disclosure management procedures and confidentiality measures, etc. The system also explicitly defined the procedures of disclosing inside information and made the information that may need to be disclosed into written documents for relevant person in charge to review their truth, accuracy and completeness. Upon confirmation, the documents shall be submitted to the Secretary to the Board and the Company Secretary for further review as soon as possible. The information must be strictly confidential in the process. If the necessary confidentiality cannot be ensured, or the information has been leaked, public disclosure would be made in a timely manner. The Company appointed the Secretary to the Board and the Company Secretary to be responsible for the information disclosure of the Company, and the Board of Directors Office is the specific executive body responsible for the information disclosure of the Company.

The Company has established related party transaction management system, which clearly stated the definition of connected persons under the Listing Rules, as well as explained the definition and type of related party transactions under the Listing Rules. It standardized review and approval body for related party transactions, reporting process, auditing supervision, legal liability and punishment requirements. The Secretary to the Board of the Company shall be responsible for managing the files for related persons and collection, disclosure, reporting of Connected Transactions and their submission for approval. The Company Secretary shall assist the Secretary to the Board or, under delegation of the Secretary to the Board, to conduct related matters. The Board of Directors Office is the specific executive body.

The Company has established the relevant system for external investment, which clearly specifies the decision authority for external investment, daily management, transfer and recovery, major events reporting and information disclosure, etc. At the same time, the respective audit department of the Company will monitor and rectify investment projects according to their responsibilities and report the same to the project investment approval authority for discussion and handling.

Section 8 Corporate Governance Report



The Company has established the relevant system for external guarantee, which clearly specified the review and approval procedures for external guarantee object, management, information disclosure and the responsibilities of the person-in-charge, etc. At the same time, any department and person-in-charge involved in the guarantee issues of the Company has the obligation to report the external guarantee to the Secretary to the Board in a timely manner, and provides the documents required for information disclosure.

The Board and the Audit Committee have conducted a review on the effectiveness of risk management and internal control system of the Company. The review covered all significant supervision and control, including financial, operational and compliance controls, risk management functions, resources of the Company's accounting and financial reporting function, staff qualifications and experience, staff training programs and the adequacy of relevant budget. The Board considered that the Company's risk management and internal control system are effective and adequate.

VII. Communication with Shareholders

The General Meetings shall be the highest authority of the Company. All shareholders exercise their power through the General Meetings. The Company formulates Rules of Procedure of General Meeting to ensure the compliance of the convening and holding of General Meetings. The Company explicitly specifies shareholders' rights in the Articles of Association to ensure the rights of shareholders, especially the right to be informed of the minority shareholders. The Company treats all shareholders impartially.

There are persons specially designated for contacting with Shareholders. The Company attaches great importance to their opinions and suggestions and tries to meet their reasonable requests in time. The Company sets up "Investor Relations" column on its website www.glms.com.cn for publishing such information as announcements and financial data of the Company. Shareholders can also call the Company directly to inquire about relevant information, and the Company will deal with such inquiry in a timely and proper manner.

The Company welcomes all Shareholders to attend General Meetings and facilitates their attendance to the range permitted. The Company's Directors and senior management will attend General Meetings. According to Code Provision F.1.3 in Part 2 of the CG Code, chairman and chairperson of the Audit Committee, Remuneration and Nomination Committee, and other committees of the Board shall attend the annual general meeting and answer questions at the meeting. The management of the Company shall ensure external auditors to attend the annual general meeting and answer relevant questions put forward by Shareholders.

Upon implementing and reviewing the aforesaid measures, the Company considers that the existing shareholder communication policy is adequate and effective.



Section 8 Corporate Governance Report

VIII. Shareholders' Rights

The Company convenes and holds General Meetings strictly according to the Articles of Association and Rules of Procedure for General Meetings to guarantee the equal status and full exercise of rights for all Shareholders, especially the minority Shareholders. All of the Company's Directors and senior management shall attend General Meetings in accordance with Articles of Association and answer questions from shareholders.

Procedures of convening General Meetings and proposing resolutions at the General Meeting

Pursuant to the procedures set out in Article 8.08 of the Articles of Association which states that "Shareholder(s) severally or jointly holding more than 10% shares of the Company shall have the right to request the Board to convene an extraordinary General Meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to the relevant laws, administrative regulations and the Articles of Association, give a written reply stating its consent or rejection for the convening of the extraordinary General Meeting within 10 days after receiving the proposal. If the Board agrees to convene the extraordinary General Meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the Board does not agree to hold the extraordinary General Meeting or fails to give any reply within 10 days after receiving the proposal, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary General Meeting, and shall put forward such request to the Audit Committee in writing. If the Audit Committee agrees to convene the extraordinary General Meeting, it shall serve a notice of such meeting within 5 days after receiving the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. In the case of failure to issue the notice for the General Meeting within the stipulated term, the Audit Committee shall be deemed as failing to convene and preside over the General Meeting. As a result of its failure to do so, the shareholder(s) severally or jointly holding more than 10% shares of the Company for more than 90 consecutive days may convene and preside over such meeting by itself/themselves." and Article 8.20 "Where the Company convenes a general meeting, the Board, the Audit Committee, and shareholder(s) severally or jointly holding more than 1% shares of the Company may make proposals to the Company, and the Company shall place the proposal on the agenda for the said meeting and submit the proposal for consideration at a general meeting if the said proposal falls within the functions and powers of general meetings. Shareholder(s) severally or jointly holding more than 1% shares of the Company may submit written provisional proposals to the convener 10 (ten) days before a general meeting is convened. The convener shall issue a supplementary notice of the general meeting to give details of the provisional proposals within 2 (two) days after the receipt thereof, and publish the contents of provisional proposals and submit the provisional proposals to the shareholders' general meeting for consideration, except for any proposal that violates the provisions of laws, administrative regulations, or the Articles of Association, or any proposal that falls outside the purview of the shareholders' general meeting. Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of the general meeting or add any new proposal after the said notice is served.", the shareholders may convene an extraordinary General Meeting or shareholders' class meeting and propose resolutions at such General Meetings. The shareholders may attend General Meetings and exercise voting rights either in person or by proxy. The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the Company's premises. Shareholders may have access to copies of the minutes free of charge during the office hours of the Company. The Articles of Association has been disclosed on the websites of the Company and the Stock Exchange. The Company encourages shareholders to attend the General Meeting, and make suggestions by the following ways: make direct questions with the Board and the Board committees on the matters in relation to operation and governance at the General Meetings, or submit the company secretary such suggestions by the following manners: (i) to deliver in writing with the address of office of the Company in the PRC: No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC; Postal Code: 214000, or (ii) Email: ir@glms.com.cn.



IX. Amendments to the Articles of Association

During the Reporting Period, a total of three rounds of amendments to the Articles of Association were made and were approved at the General Meeting held on 6 February 2025, 10 June 2025 and 15 December 2025 respectively. Details of the amendments are stated in the circular published on the Company's website and the HKEXnews website of the Stock Exchange on 17 January 2025, 15 May 2025 and 21 November 2025.

X. Corporate Cultural Development

Closely adhering to the industry cultural concepts of "compliance, integrity, professionalism, and stability", the Company, under the leadership of its cultural development leading group, continuously advanced the implementation of the Action Outline for Further Consolidation and Promotion of the Cultural Development (《進一步鞏固推進文化建設的行動綱要》), revised and improved documents including the Corporate Cultural Development Management System (《企業文化建設管理制度》), the Implementation Rules for Reputation Risk Emergency Management (《聲譽風險应急管理實施細則》), and the New Media Management Measures (《新媒體管理辦法》). The Company published an annual report on cultural development, strengthened special assessments and recognition of excellence in cultural development, and further consolidated and promoted cultural development by continuously improving and implementing various cultural development organizational mechanisms, thereby enhancing the Company's cultural soft power and competitiveness.

During the Reporting Period, the Company focused on integrated development, driving deeper advancement of cultural development initiatives. It prioritised the refinement of its shared values, promoted the deep integration of advantageous cultural elements, and shaped new cultural image aligned with the future development strategy. Through cultural integration, it fostered cohesion, mechanism innovation, and business synergy, and continuously improved the quality and effectiveness of cultural development, providing ideological assurance, value guidance, and spiritual impetus for the Company's high-quality development.

XI. Investor Relationship

The Company places great emphasis on investor relations management and has built communication bridges with investors through multiple channels, platforms and methods to foster positive interaction between the Company and its investors. To ensure authentic, effective, and timely communication of company information with investors, an investor relations section has been established on the Company's official website, disclosing the investor relations service hotline and email address. The Company continuously strengthened communication and exchanges with investors through various channels including the investor hotline, SSE e-interaction, results briefings, and General Meetings. It actively conveyed the Company's business strategies, management initiatives and achievements, responded to investor concerns in a timely manner, treated all investors equally, and ensured that all shareholders could fully exercise their rights.



Section 8 Corporate Governance Report

During the Reporting Period, the Company disclosed information in a truthful, accurate, complete and timely manner in strict accordance with laws, regulations and regulatory provisions, to ensure that investors are able to know about the Company's material matters in time and thereby protecting their interests to the greatest extent.

XII. Company Secretary

Mr. Wang Jie, the Secretary to the Board of the Company, is responsible for making recommendations to the Board for the corporate governance and ensuring the policies and procedures of the Board, applicable laws, rules and regulations are observed. In order to maintain sound corporate governance and comply with the Listing Rules and applicable Hong Kong laws, the company secretary of the Company assists Mr. Wang Jie in fulfilling the duties as the Secretary to the Board of the Company. During the Reporting Period, Ms. Hui Yu (惠宇) and Ms. Zhang Xiao (張瀟) were the joint company secretaries. On 30 December 2025, Ms. Zhang Xiao resigned as the joint company secretary of the Company, and Ms. Hui Yu assumed the role of the sole company secretary. As required by Rule 3.29 of the Listing Rules, they have attended not less than 15 hours of relevant professional training during the year 2025.

XIII. Board Diversity Policy

The Company has adopted the Board diversity policy according to provisions of the CG Code. The Company's Board diversity policy can be summarized as follows: the Company recognizes the importance of Board diversity to corporate governance and the Board's effectiveness. The Board diversity policy established by the Company is to set out the basic principles to be followed to ensure that the members of the Board have the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effective operation of the Board and to maintain high standards of corporate governance. The nomination and appointments of members of the Board will continue to be made on a merit basis based on the Company's daily business needs from time to time while taking into account the benefits of Board diversity. Selection of the Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industrial experience and professional experience. The Company offers advices to the Board in respect of the appointment or reappointment of Directors and the Director succession plans through the Remuneration and Nomination Committee, and the advice will take effect after being reviewed and passed by the Board and the General Meeting successively.

The following measurable objectives have been adopted for the implementation of the Board diversity policy: 1) election of Directors should be ensured irrespective of gender, age, cultural background and educational background, and the Board understands the particular importance of gender diversity and strives to increase gender diversity on the Board; 2) candidates for Directors should possess diverse industry experience; and 3) possessing of skills, knowledge and professional experience in different sectors. As of the end of the Reporting Period, these measurable objectives have been achieved.

Section 8 Corporate Governance Report



As of the end of the Reporting Period, the composition of the Board of the Company was as follows:

Indicators	Unit	2025
By age group:		
50 or below	Employees	4
51-55	Employees	2
56-60	Employees	3
By gender:		
Male	Employees	8
Female	Employee	1
By types of Directors:		
Executive Directors	Employee	1
Non-executive Directors	Employees	4
Employee Director	Employee	1
Independent Non-executive Directors	Employees	3

The Directors possess diverse professional backgrounds in fields such as economics, business administration and law, as well as work experience in legal compliance and financial auditing.

XIV. Responsibilities of Directors Concerning Financial Statements

The declarations of the responsibilities of Directors concerning financial statements set out hereinafter and the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” in the Independent Auditor’s Report of this report shall be read jointly. The declarations of the responsibilities of the same shall be understood severally.

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

XV. Audit Committee

The Audit Committee of the Board of the Company has reviewed the annual results of the Company and the Group for the year 2025, as well as the audited consolidated financial statements for the year 2025 prepared in accordance with IFRS.



Section 8 Corporate Governance Report

XVI. Auditor's Independence and Remuneration

The Audit Committee is mandated to review and monitor the independence of the auditors to ensure objectivity and effectiveness of the financial statements during the audit process in accordance with applicable standards. The Audit Committee was of the view that the Company's auditor, SHINEWING (HK) CPA Limited is independent and made certain recommendations to the Board.

During the Reporting Period, SHINEWING (HK) CPA Limited has rendered services to the Company and the remuneration paid/payable by the Company to it is set out as follows:

Service rendered	Fees paid/payable (in RMB ten thousand)
Audit services	29
Non-audit services	–
Review of the interim financial report	16

XVII. Other Matters

(I) Internal Control

1. Responsibility statement on internal control

It is the responsibility of the Board of the Company to establish a comprehensive and effectively implemented internal control, evaluate its effectiveness, and truthfully disclose the internal control evaluation reports in accordance with the requirements of the enterprise internal control regulated system. The Board, Directors and senior management of the Company warrant that the contents of internal control report do not contain any false representation, misleading statement or material omission, and jointly and severally accept the legal responsibility regarding the truthfulness, accuracy and completeness of the content of the report.

Section 8 Corporate Governance Report



2. Basis of establishment of internal control and development of internal control system

The Company emphasized the development of internal rules and regulations and management system. A comprehensive corporate internal control system has been established by the Company in accordance with the Company Law, Securities Law, Fundamental Norms on Enterprise Internal Control and its supporting guidance and the supervision requirements on internal control from the CSRC, and the Company places the development of internal control throughout the operation and development of the Company, and adheres to the principles of giving priority to system procedures (制度流程先行) during the business operation, constantly perfect the internal control system, regulate system enforcement, enhance supervision and inspection and promote the continuous and sound development for the Company.

The Company has established an internal control system which covers environment control, business control, capital management and accounting control, information system control, human resources and remuneration management, compliance management and risk control. The internal control set up by the Company includes various mechanisms such as prior prevention, supervision when an incident occurred and post examination, which formed a comprehensive and systematic internal control system with check and balance among different internal positions in a department and different departments, and have independent supervision by the Compliance and Legal Department, Risk Management Department, and Auditing Department.

3. Related information on the internal control auditing report

ShineWing Certified Public Accountants LLP engaged by the Company has given an audit opinion on the effectiveness of the internal control over the financial reporting of the Company and issued the Internal Control Auditing Report for the Year 2025 of Guolian Minsheng Securities Company Limited (《國聯民生證券股份有限公司2025年度內部控制審計報告》), which is of the opinion that the Company has maintained effective internal control over financial reporting in all material aspects as of 31 December 2025 in accordance with the Fundamental Norms on Enterprise Internal Control and relevant regulations. The Company disclosed the Internal Control Evaluation Report for the Year 2025 of Guolian Minsheng Securities Company Limited (《國聯民生證券股份有限公司2025年度內部控制評價報告》) and the Internal Control Auditing Report for the Year 2025 of Guolian Minsheng Securities Company Limited (《國聯民生證券股份有限公司2025年度內部控制審計報告》) when disclosing this report, and there was no disagreement.



Section 8 Corporate Governance Report

(II) Building of Compliance Management System and Compliance Inspection

1. Building of compliance management system

Under the leadership of the Board, the Company has established a compliance management framework system comprising four tiers, namely chief compliance officer, compliance management staff of the Compliance and Legal Department, as well as departments and branches.

The Board and senior management of the Company attach importance to the compliance of the Company's operations, assume the responsibility of effectively managing corporate compliance risks, actively practice and promote a compliance culture, and promote the Company's compliance operations.

The compliance management system with the chief compliance officer as the core has an independent position in the corporate organizational system, and can independently perform compliance management functions without external interference from business departments and operating management.

Section 8 Corporate Governance Report



The chief compliance officer, a compliance head of the Company, is directly accountable to the Board, and is responsible for reviewing, supervising and examining the compliance of the operations, management and business activities carried out by the Company and its employees. Under the leadership of the Board, the Company has established the Compliance and Legal Department, which is accountable to the chief compliance officer and assists in the specific work of the corporate compliance management. The main duties of the Compliance and Legal Department are to draft the basic system of compliance management and other compliance management system and compliance management policies of the Company, and urge and guide the implementation of such system by all subordinate entities. It provides compliance review opinions on internal regulations and systems, significant decisions, new products and new businesses programmes, and conduct compliance review on application documents or reports submitted to external parties as required. It carries out compliance inspections of various business operation and management departments, and monitor the securities investment activities of staff. It guides and supervises the relevant departments of the Company to deal with the complaints and reports on the conduct of the Company and the personnel of the Company violating the laws and regulations. It organizes and implements special compliance management working mechanisms such as information screening wall, related party transaction and conflict of interest management, anti-money laundering and abnormal transaction management, and monitor improper behaviors such as insider trading and market manipulation. It supervises the implementation of relevant measures such as protecting customers' rights, fair trading, maintaining market order, and preventing illegal securities activities. It assists the establishment of a compliance management organization system covering all subordinate entities of the Company, implements the compliance assessment of all subordinate entities and related personnel of the Company in accordance with regulations, and organizes the implementation of set-up, management and assessment of compliance management personnel. It provides compliance consulting for the senior management and all subordinate entities of the Company, and provides written responses to compliance consultations on important issues. It formulates the compliance management manual of the Company, organizes compliance training, urges and guides the implementation of the compliance promotion and training work of various departments, and facilitates the construction of the compliance culture of the Company.

The Company has appointed compliance management personnel in its headquarters' departments and in major branches. Under the guidance and supervision of the Compliance and Legal Department, the compliance management personnel of each department assist the heads of the departments to organize compliance management work such as compliance review, compliance inspection, compliance training, complaint handling and regulatory cooperation, and assume corresponding management responsibility. The number, proportion and qualifications of compliance management personnel were in compliance with the requirements of regulatory authorities.



Section 8 Corporate Governance Report

The Company has integrated subsidiaries at all levels into a unified compliance management system, implemented unified compliance management standards, and ensured the consistency of compliance culture. According to the regulations of the CSRC and SAC, the subsidiaries have established compliance management departments or assigned full-time compliance management personnel. The Compliance and Legal Department of the Company is responsible for providing guidance on the compliance management of subsidiaries, reviewing the basic system of compliance management and some major issues of the subsidiaries, identifying the compliance management matters reported by the subsidiaries to the Company, and forming an information communication mechanism based on the regular reports and major events reports of the compliance management personnel of the subsidiaries, so as to guarantee the timeliness and completeness of information transmission and ensure that the compliance management of subsidiaries was in compliance with the requirements.

Moreover, the Compliance and Legal Department, Risk Management Department, Auditing Department and other functional management departments of the Company have established work coordination mechanisms, including laws and regulations tracking, reporting on changes in regulatory policies, sharing monitoring and early warning information, risk management coordination mechanisms, and joint inspection and evaluation mechanisms. Relevant departments cooperate with one another to perform their respective duties to prevent compliance risks.

2. Compliance inspection

The Compliance and Legal Department organized compliance inspections on business departments, branches and subsidiaries in accordance with the supervision requirements and inspection plans. In 2025, the Compliance and Legal Department conducted compliance inspections on Research Institute, Capital Operation Department, Guolian Capital and other departments/subsidiaries. It implemented special inspection on the suitability management, fund investment advisory business of the Company. It implemented compliance inspections on branches under the Nanjing Branch Office (南京分公司), Wuxi Branch Office (無錫分公司), Shenzhen Branch Office (深圳分公司) and Zhejiang Branch Office (浙江分公司). It implemented special inspections on anti-money laundering in Suzhou Branch Office (蘇州分公司) and Shanghai Branch Office (上海分公司). Comments or suggestions regarding the problems identified during the inspection were put forward by the Compliance and Legal Department, which required the inspected department to conduct proactive rectification and give feedback and implement subsequent follow-up works.

As of the end of the Reporting Period, the Company's compliance management was operating effectively, and various businesses developed in a steady and orderly manner.



(III) Working Information of the Auditing Department

In 2025, the Company's Auditing Department closely aligned with the Company's overall strategic requirements, deepened its risk orientation, kept abreast of regulatory developments, strictly adhered to compliance bottom line, focused on key areas, and advanced various audit work in a coordinated manner. It fully completed the annual audit work plan and effectively fulfilled the oversight and safeguarding function of internal audit as the "third line of defence". On this basis, the Department further consolidated the primary responsibility for audit rectification, improved the closed-loop management mechanism for issues identified in audits, effectively contributing to the modernisation of the Company's governance system and governance capabilities. During the Reporting Period, a total of 99 auditing reports under different aspects were completed by the Auditing Department, including 58 resignation audits, 23 mandatory off-duty audits, 17 special inspections and 1 in-office audit of senior management. The audit projects covered brokerage business, agency sales of financial products, investment banking business, credit transaction business, information technology management, risk management, compliance management and internal control. The audit works were conducted through the combination approach of on-site audit and off-site audit, in which they can objectively reflect the conditions of implementing national laws and regulations, industry standards and corporate system of the auditee and also the operation management conditions. Regarding the problems and deficiencies discovered during the audit, the department provides audit rectification measures and suggestions in time, and strives to urge the implementation of audit rectification issues, thereby promoting and supporting the regulated development of the different businesses of the Company.



Section 9 Environmental and Social Responsibility

I. Environmental Information

The Company is fully aware of its environmental responsibilities during the development process. It conducts its production and business operations in compliance with the Environmental Protection Law of the People's Republic of China and other relevant laws and regulations, actively responds to the national and industry green development strategies, advocates a low-carbon and environmentally friendly approach to operations, and strives to minimise the negative impact of its business activities on the environment. During the Reporting Period, the Company incurred no violations related to environmental protection.

As a financial services institution, the Company's industry nature does not involve the discharge of industrial wastewater or exhaust gas. The waste generated primarily consists of hazardous waste such as ink cartridges and batteries, as well as office waste including discarded paper from office processes and renovation wastes. Energy consumption mainly comes from electricity and a small amount of natural gas that is consumed in daily operations and gasoline consumed by its official vehicles. Water consumption mainly comes from office activities, with municipal tap water serving as the main source. The Company has implemented a series of water conservation measures to ensure the effective utilisation of water resources. During the Reporting Period, the Company continued to integrate the concept of green office into all aspects of its operations and management, adopting practices such as paperless office to demonstrate its commitment to low-carbon operations.

For details, please refer to the Sustainability Report of Guolian Minsheng Securities Company Limited for the Year 2025 (《國聯民生證券股份有限公司2025年度可持續發展報告》) disclosed on the HK Stock Exchange at the same time as this report.

II. Social Responsibility

(I) Whether the social responsibility report, sustainability report or ESG report is disclosed separately

For details, please refer to the Sustainability Report of Guolian Minsheng Securities Company Limited for the Year 2025 (《國聯民生證券股份有限公司2025年度可持續發展報告》) disclosed on the HK Stock Exchange at the same time as this report.

Section 9 Environmental and Social Responsibility



(II) Specific details of social responsibilities

External donations, public welfare projects	Quantity/contents	Descriptions
Total investment (In RMB ten thousand)	32.89	
Of which: Funds (In RMB ten thousand)	32.89	The Company donated a total of RMB275,700 to the “Red Cross Humane Ten Thousand People Donation”; and donated a total of RMB53,200 to the “Charity Day Donation”.
Equivalent value of materials (In RMB ten thousand)	0	
Number of beneficiaries (persons)	Over 5,000	

In June, the Company actively participated in the “Red Cross Humane Ten Thousand People Donation” jointly initiated by six municipal departments including the Wuxi Municipal Red Cross Society, Municipal Civilisation Office, Municipal Labour Committee of Municipal Party Committee to name a few, with a total donation of RMB275,700 to support efforts in life care, emergency rescue, disaster relief, and assistance to the vulnerable and impoverished, bringing together the power of humanitarianism and writing a chapter of fraternal love.

In September, the Company organized its employees to participate in the “Charity Day Donation” activities jointly advocated by nine municipal departments including the Propaganda Department of the Municipal Party Committee, the Municipal Civilisation Office and the Municipal Charity Federation of Wuxi to name a few, and donated a total of RMB53,200 to assist the works in the protection and improvement of people’s livelihood, promotion of common prosperity and social civilisation.



Section 9 Environmental and Social Responsibility

(III) Specific details of consolidating and expanding the achievements in poverty alleviation and rural revitalisation

Poverty alleviation and rural revitalisation projects	Quantity/contents	Descriptions
Total investment (In RMB ten thousand)	449.60	
Of which: Funds (In RMB ten thousand)	449.16	RMB575,100 was invested in five counties under the pairing assistance and RMB600,000 was invested in collaboration in eastern and western China cooperation projects, whose purpose was to get out of poverty by carrying out public welfare assistance moves in the aspects of intellectual assistance, public welfare assistance, cultural assistance, ecological assistance, financial assistance, etc. RMB2,616,500 was spent on purchasing agricultural products in Qinghai, Shaanxi, Xinjiang and other regions under pairing assistance, and actively carrying out consumption assistance. RMB100,000 was invested to support the home-warming project of the Municipal Disabled Persons' Federation. A grant of RMB100,000 was appropriated to the "Friends of Tsinghua University – Talents of Guolian Minsheng Securities Scholarship" to support research on topics such as the green finance practices and ESG concepts. RMB500,000 was donated to the Jiangsu Jinke Digital and Technology Finance Research Institute (江蘇省金科數字與科技金融研究院) to support the public welfare promotion of the digital Renminbi.
Equivalent value of materials (In RMB ten thousand)	0.44	165 eye protection lamps, with a total value of more than 4,400, were donated to Akqi, Xinjiang.
Number of beneficiaries (persons)	Over 10,000	
Forms of assistance (e.g. industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)		Intellectual assistance, consumption assistance, cultural assistance, ecological assistance, public welfare assistance, financial assistance

Section 9 Environmental and Social Responsibility



In 2025, the Company actively implemented the national rural revitalisation strategy, responding to the association's initiative of "consolidating and expanding the achievements of paired assistance and undertaking the new mission of promoting rural revitalisation", and continuing its efforts in rural revitalisation. Focusing on the core areas of the "One Company, One County" initiative, the eastern and western China cooperation projects, and the "Promotion of Rural Revitalisation Public Welfare Action by the Securities Industry (證券行業促進鄉村振興公益行動)", the Company carried out a series of assistance programs such as intellectual, public welfare, culture, ecology, consumption, and finance in five counties under the pairing assistance as well as in regions including Akqi in Xinjiang, Yan'an in Shaanxi, and Haidong in Qinghai.

(I) Continuing the "One Company, One County" paired assistance

1. Intellectual assistance: The Company offered support to the Youth Entrepreneurship Association of Susong County, Anhui Province (安徽宿松青年創業協會) in carrying out the "Youth Contribution Campaign for Rural Revitalisation (鄉村振興青春建功行動)". Through activities including the Youth Federation Ideological Exchange Session (青聯思想匯), hometown observation and exchange, the "Youth Entrepreneurship Talks (青創說) themed salon, and inspection tours in the Yangtze River Delta, it injected development momentum into youth entrepreneurship. It collaborated with the Poyang Public Welfare Association of Jiangxi Province (江西鄱陽公益協會) to conduct the "Bringing Technology to Greenhouses (送技術進大棚)" training at the grape planting base in Gaojialing Town, providing assistance for local villagers to improve industrial skills. It also offered assistance to the Physically Disabled Persons' Association of Badong County, Hubei Province (湖北巴東肢體殘疾人協會) in carrying out skills training for individuals with disabilities, thereby broadening employment channels for them.
2. Public welfare assistance: The Company assisted the Susong County Committee of the Communist Youth League of Anhui Province in launching the "Guolian Minsheng • Youth Education Aid (國聯民生 • 青春助學)" programme to alleviate the schooling financial pressure on disadvantaged students. It offered summer public welfare daycare classes and "Colorful Holiday (七彩假期)" public welfare training courses to address the "childcare difficulties" faced by families with special difficulties and young employees' families during summer vacation. It assisted the implementation of the "Care for the Elderly and Children" initiative in Baihua Community, Pingchang County, Sichuan, to provide targeted services for the elderly and children and conveyed social warmth. It supported the installation of classroom seating to improve the teaching environment and enhance basic schooling conditions at Tianba Primary School in Hezhang County, Guizhou. It assisted in the renovation of the dining conditions at Dongqiao Primary School in Poyang County, Jiangxi, to improve the student dining environment. It also assisted the Badong County Charity Federation and Women's Federation in Hubei in carrying out the "Warm Hearts • Accompanying Growth (暖童心 • 伴成長)" activity to enrich the spiritual lives of children in difficult situations.



Section 9 Environmental and Social Responsibility

3. Cultural assistance: The Company assisted the organization of Wen Nan Ci (文南詞) operas training activities for adolescents in Susong County, Anhui, where over 30 young people were gathered together to immerse themselves in the unique charm of this national-level intangible cultural heritage, injecting youthful vitality into the inheritance of traditional opera. It assisted the creation of cultural sentiment in Puya Community, Pingchang County, Sichuan, to strengthen the grassroots cultural front. It assisted in the construction of a rural cultural corridor in Shuilu Village, Hezhang County, Guizhou, to enrich the cultural life of the community. It also funded the inheritance and promotion of the intangible cultural heritage, the fishing drum (漁鼓) culture in Poyang County, Jiangxi.
4. Ecological assistance: The Company assisted in the ecological renovation of Liangting Village in Pingchang County, Sichuan, to empower green rural development. It supported the installation of solar streetlights in Zhongjing Village, Hezhang County, Guizhou, to improve the rural nighttime living environment. It also promoted the construction of an “Ecologically Beautiful Village” in Badong County, Hubei, to optimize the rural living environment.
5. Financial assistance: The Company successfully established the Guolian – CD Finance Microfinance First Tranche of Asset-Backed Special Plan (Rural Revitalisation) (國聯—中和農信小額貸款1期資產支持專項計劃(鄉村振興)). It assisted AnHui FuYin New Materials (安徽富印新材料), an enterprise from a poverty-alleviated county, in listing on the NEEQ, injecting strong momentum into the high-quality development of enterprises from poverty-alleviated counties. It assisted Yangcheng State-owned Investment (陽城國投) in successfully issuing the “2025 Rural Revitalisation Corporate Bond (First Tranche) Privately Issued to Professional Investors”. It assisted Huantai County Jinfeng Industrial Development Investment Group (桓台縣金豐產業發展投資集團) in successfully issuing the “2025 Rural Revitalisation Corporate Bond (First Tranche) Privately Issued to Professional Investors”. It assisted Chongqing Wanzhou Economic and Technological Development Group (重慶萬州經濟技術開發集團) in successfully issuing the third and fourth tranches of the “2025 Corporate Bonds Privately Issued to Professional Investors”. It assisted Jishi Media in successfully issuing the “2025 Rural Revitalisation Corporate Bond (First Tranche) Privately Issued to Professional Investors”. It also assisted Laiyang City Wulong Industrial Development Co., Ltd. in successfully issuing the “2025 Rural Revitalisation Corporate Bond (First Tranche) Privately Issued to Professional Investors”. The aforesaid projects represent important financial practices of the Company in deeply implementing the rural revitalisation strategy and the “Five Major Initiatives in Finance)” deployment.

Section 9 Environmental and Social Responsibility



(II) Collaboration in Eastern and Western China Cooperation Projects

The Company actively implemented the spirit of General Secretary Xi Jinping's important instructions on deepening eastern and western China cooperation and targeted assistance, and invested a total of RMB2,616,500 to purchase agricultural products from counterpart assistance regions such as Akqi in Xinjiang, Yan'an in Shaanxi and Haidong in Qinghai. This consumption assistance initiative helped consolidating the achievements in poverty alleviation.

In addition, in Akqi County in Xinjiang, the Company collaborated with party-building co-construction units such as Hyatech to participate in the "Big Hands Holding Small Hands and Small Hands Hand in Hand (大手牽小手·小手手拉手) pairing and co-construction campaign with Akqi County, initiating heartfelt dialogue through children's wish cards and blessing videos. It donated books and eye-protecting lamps to students in Akqi County to help improving the campus learning and living environment, consolidating and deepening Wuxi City's achievements in counterpart assistance to Xinjiang. It carried out "Elderly Health Equipment Assistance Project (老年健康設備援助項目)", distributing blood pressure monitors and oxygen concentrators to low-income elderly groups and offering guidance on their use to build a strong health defence line. It donated 5,000 books to the county library to support cultural enrichment in Xinjiang, and provided assistance for the implementation of the ecological restoration project along the roads of Aketala Village to improve the living environment.

In Yan'an City, Shaanxi Province, the Company donated laptop computers to the High-tech School in Baota District, Yan'an City, to address shortcomings in information technology-based teaching. It also participated in supporting the training for the inheritance of Ansai waist drum (安塞腰鼓), an intangible cultural heritage.

In Haidong City, Qinghai Province, the Company collaborated with the assisting Qinghai expert medical team from Wuxi at the Second People's Hospital of Haidong City to launch a subsidy programme for urological surgeries for families in need. It provided special coaching for the career planning competition at Qinghai Higher Vocational and Technical College. Additionally, it supported the premium training for municipal choir and Qin Opera (秦腔) troupes to empower cultural development.



Section 9 Environmental and Social Responsibility

(III) Public Welfare Actions for Rural Revitalisation

1. Serving rural revitalisation: It assisted the Susong County Committee of the Communist Youth League in organizing a series of lectures on adolescent growth and self-exploration, helping young people to establish a positive mindset and enhance self-awareness.
2. Practicing new development concepts: It further strengthened and advanced the school-enterprise cooperation project with Tsinghua University social practice base. Through the Guolian Minsheng Securities Charitable Trust, a grant of RMB100,000 was allocated to the “Talents Scholarship” to support exploratory research and talent cultivation in fields such as green finance practices, ESG principles, and financial innovation businesses, thereby better implementing the new development philosophy and serving cultural construction practices. It also donated RMB500,000 to Jiangsu Jinke Digital and Technology Finance Research Institute (江蘇省金科數字與科技金融研究院) to support the public welfare promotion of the digital Renminbi.
3. Conducting charitable public welfare activities: It donated RMB100,000 to assist the Wuxi Caring Service Centre for the Disabled in constructing the “Give One a Warm Home” home-warming project, and developed tailored environmental improvement plans for families with disabilities, gradually improving their home environment. In addition, it mobilized all cadres and employees of the Company to actively participate in voluntary blood donation at the Wuxi Central Blood Station, fulfilling original aspiration and mission, and demonstrating the responsibility of a state-owned enterprise.



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF GUOLIAN MINSHENG SECURITIES CO., LTD.

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

Opinion

We have audited the consolidated financial statements of Guolian Minsheng Securities Co., Ltd., (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 177 to 352, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (the “IESBA Code”) as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Hong Kong. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Independent Auditor's Report

Key Audit Matters – continued

Goodwill impairment assessment

Refer to note 22 to the consolidated financial statements and the accounting policies on page 194.

Key audit matter

We identified goodwill impairment assessment as a key audit matter due to its significance to the financial statements, and the management of the Group exercises significant judgements and estimation to the assessment.

Management performs goodwill impairment assessment annually on the goodwill arising on acquisition of Guolian Fund Management Co., Ltd. (“Guolian Fund”) and Minsheng Securities Co., Ltd. (“Minsheng Securities”). In performing an impairment assessment, management calculates the recoverable amount, being the higher of the fair value less costs of disposal (“FVL COD”) for the Group’s cash generating units (“CGUs”) and value in use (“VIU”).

As at 31 December 2025, the carrying amount of goodwill was RMB14,071,922 thousands, as disclosed in Note 22 to the consolidated financial statements.

How the matter was addressed in our audit

Our procedures in relation to this key audit matter included:

- Understanding the management’s process in relation to the goodwill impairment assessment and assessing management’s identification of CGU based on prevailing accounting standards;
- Evaluating the appropriateness of market approach which the management used for determining the recoverable amount of Guolian Fund and Minsheng Securities and the appropriateness of the key assumptions and judgments applied in the market approach including selection of comparable companies, market transaction price undertaken, estimated cost of disposal and reference to valuation multiples. These key assumptions and judgments applied with the involvement of our internal experts based on our understanding of the business and industry knowledge; and
- Testing the accuracy of the management’s calculation of goodwill impairment assessment.

Key Audit Matters – continued

Consolidation of structured entities

Refer to note 59 to the consolidated financial statements and the accounting policies on pages 189 to 193.

Key audit matter

We identified consolidation of structured entities as a key audit matter due to the significant judgements exercised by the management of the Group in assessing and concluding whether the Group controls the structured entities and the significance of the impact arising from consolidating these structured entities to the financial statements.

The Group consolidated the structured entities which it controlled. 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 held interests as investor and/or acted as investment manager in various structured entities including collective asset management schemes and investment funds. The Group considered its power, arising from the rights entitled directly or indirectly, over the structured entities, and assessed whether the combination of investments it held together with its remuneration created exposure to variability of returns from the structured entities that are of such significance that it indicated the Group controlled the structured entities and should consolidated these structured entities.

How the matter was addressed in our audit

Our procedures in relation to this key audit matter included:

- Understanding and evaluating the key controls over the management's process in relation to the determination of consolidation scope using the principle of control, and testing the operating effectiveness of these controls;
- Selecting samples to perform the following audit procedures:
 - inspecting agreements relating to the structured entity and understanding the purpose of its set up; assessing the appropriateness of the Group's judgement on the power the Group had over the structured entity according to the Group's rights and obligations under different transaction structures and its involvement with the structured entity;
 - verifying the analysis on the Group's variable return which included, but was not limited to, fixed management fees and performance fees obtained through acting as asset manager, as well as the returns obtained from holding an interest in a structured entity;



Independent Auditor's Report

Key Audit Matters – continued

Consolidation of structured entities – continued

Key audit matter

The carrying amount of the interests in unconsolidated structured entities held by the Group was disclosed in Note 59 to the consolidated financial statements, whilst the carrying amount of the Company's investments in consolidated structured entities was presented in Note 62 to the consolidated financial statements.

How the matter was addressed in our audit

- Selecting samples to perform the following audit procedures: – continued
 - analysing the scope of the Group's decision making power over the structured entity, the substantive rights held by other participants, the level of remuneration obtained from providing asset management services and the risk of variable return borne by holding other interests in the structured entity and, checking the Group's analysis on the magnitude and variability of variable return, assessing whether the Group acts as principal or agent in the structured entities; and
 - assessing the management's judgment on the consolidation of structured entities through carrying out the above procedures.



Key Audit Matters – continued

Expected credit loss assessment of margin accounts receivable and equity securities held under resale agreements

Refer to notes 29 and 35 to the consolidated financial statements and the accounting policies on pages 217 to 223.

Key audit matter

We identified the expected credit loss (“ECL”) assessment of margin accounts receivable and equity securities held under resale agreements as a key audit matter as these financial assets are material to the Group, and the management of the Group exercises significant judgements and estimation to assess and measure ECL.

Significant judgements exercised by the Group in ECL measurement includes assessing whether the credit risk of an asset has significantly increased since initial recognition and whether an asset is credit-impaired, using appropriate models and assumptions, determining the key inputs. Key inputs used in the ECL model including probability of default (“PD”), loss given default (“LGD”) and forward-looking information for Stage 1 and 2 financial assets; the determination of recoverable amount in respect of Stage 3 financial assets are based on value of collateral and repayment ability of borrowers.

As at 31 December 2025, the Group held margin accounts receivable of RMB23,826,864 thousands, less impairment allowance of RMB16,213 thousands as disclosed in Note 35 to the consolidated financial statements and equity securities held under resale agreements of RMB901,025 thousands, less impairment allowance of RMB353 thousands as disclosed in Note 29 to the consolidated financial statements.

How the matter was addressed in our audit

Our procedures in relation to this key audit matter included:

- Understanding and evaluating the management’s process and key controls over the measurement of ECL, and testing the operating effectiveness of these controls;
- Evaluating the appropriateness of the ECL model, the critical assumptions and parameters used in the model, in particular the PD, LGD and forward-looking information with the involvement of our internal experts;
- Reviewing the parameters and judgement made by the management on a sample basis including the determination of the stages of the financial assets, PD and LGD, expected future cash flows, financial condition of counterparties and guarantors, and the realisation of collateral held, as appropriate; and
- Testing the mathematical accuracy of the calculation of ECL.



Independent Auditor's Report

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements – continued

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Pang Wai Hang.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Pang Wai Hang

Practising Certificate Number: P05044

Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025



	NOTES	2025 RMB'000	2024 RMB'000
Revenue			
– Commission and fee income	6	4,937,846	2,003,864
– Interest income under effective interest method	7	1,920,493	1,221,518
Net investment gains	8	3,457,597	976,211
Other income	9	9,665	13,340
Total revenue, net investment gains and other income		10,325,601	4,214,933
Commission and fee expenses	10	(978,214)	(220,516)
Interest expenses	11	(1,741,038)	(1,321,469)
Staff costs	12	(3,606,676)	(1,422,068)
Depreciation and amortisation	13	(455,249)	(306,236)
Other operating expenses	14	(1,134,249)	(614,921)
Reversal of impairment losses under expected credit loss model (“ECL”), net	15	13,736	20,456
Total expenses		(7,901,690)	(3,864,754)
Total revenue, net investment gains and other income less total expenses		2,423,911	350,179
Share of results of the associate and joint venture		205	1,590
Other gains, net	16	45,954	21,036
Profit before income tax		2,470,070	372,805
Income tax (expense)/credit	17	(439,347)	33,429
Profit for the year		2,030,723	406,234
Attributable to:			
Shareholders of the Company		2,008,916	397,419
Non-controlling interests		21,807	8,815
		2,030,723	406,234
Earnings per share (Expressed in RMB per share)			
– Basic	18	0.36	0.14



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Profit for the year	2,030,723	406,234
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value gain on:		
– investments in equity instruments at fair value through other comprehensive income	1,213,808	1,070,743
Income tax relating to items that will not be reclassified subsequently to profit or loss	(303,322)	(267,686)
	910,486	803,057
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(5,509)	3,924
Fair value (loss)/gain on:		
– debt instruments measured at fair value through other comprehensive income	(70,274)	25,307
Impairment loss for debt instruments at fair value through other comprehensive income included in profit or loss	(4,598)	(7,500)
Income tax relating to items that may be reclassified subsequently to profit or loss	18,718	(4,452)
	(61,663)	17,279
Other comprehensive income for the year, net of tax	848,823	820,336
Total comprehensive income for the year	2,879,546	1,226,570
Attributable to:		
Shareholders of the Company	2,853,217	1,217,755
Non-controlling interests	26,329	8,815
	2,879,546	1,226,570

Consolidated Statement of Financial Position

As at 31 December 2025



	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property and equipment	20	479,632	101,126
Right-of-use assets	21	541,278	241,153
Goodwill	22	14,071,922	1,142,579
Intangible assets	23	640,476	513,261
Interests in an associate and a joint venture	25	75,645	77,370
Equity instruments at fair value through other comprehensive income	26	12,892,606	5,200,853
Debt instruments at fair value through other comprehensive income	27	451,311	3,178,389
Financial assets at fair value through profit or loss	28	2,793,490	976,390
Financial assets held under resale agreements	29	30,040	–
Derivative financial assets	30	123,747	492,501
Deferred tax assets	31	720,243	40,014
Refundable deposits	32	3,970,200	369,915
Construction in progress		48,230	14,075
Other non-current assets	33	1,854,506	713,275
Total non-current assets		38,693,326	13,060,901
Current assets			
Other current assets	34	5,725,160	1,732,094
Margin accounts receivable	35	23,810,651	11,551,337
Financial assets held under resale agreements	29	13,270,799	10,473,607
Debt instruments at fair value through other comprehensive income	27	158,647	2,382,647
Financial assets at fair value through profit or loss	28	75,204,838	36,944,261
Derivative financial assets	30	171,920	430,689
Clearing settlement funds	36	6,279,329	5,220,252
Cash held for brokerage clients	37	30,578,763	11,096,743
Cash and bank balances	38	9,324,843	4,315,613
Total current assets		164,524,950	84,147,243
Total assets		203,218,276	97,208,144
Equity and liabilities			
Equity			
Share capital	39	5,680,593	2,831,773
Share premium	40	36,755,158	8,189,045
Reserves	40	5,495,638	4,034,274
Retained earnings		4,558,907	3,529,242



Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Equity attributable to shareholders of the Company		52,490,296	18,584,334
Non-controlling interest		382,097	363,682
Total equity		52,872,393	18,948,016
Non-current liabilities			
Deferred tax liabilities	31	679,834	717,208
Bonds in issue	41	22,032,351	18,799,316
Lease liabilities	42	422,836	133,890
Derivative financial liabilities	30	112,281	66,654
Financial liabilities at fair value through profit or loss	43	3,870,860	70,321
Other non-current liabilities	44	3,456,359	5,333,240
Total non-current liabilities		30,574,521	25,120,629
Current liabilities			
Other current liabilities	45	5,814,801	4,013,347
Current income tax liabilities		210,116	46,868
Bonds in issue	41	16,109,245	6,003,157
Lease liabilities	42	142,909	107,171
Contract liabilities	47	61,799	18,123
Due to financial institutions	48	24,055,584	9,972,283
Derivative financial liabilities	30	227,506	299,611
Financial assets sold under repurchase agreements	49	25,222,253	17,349,424
Financial liabilities at fair value through profit or loss	43	7,585,523	764,348
Accounts payable to brokerage clients	50	40,341,626	14,565,167
Total current liabilities		119,771,362	53,139,499
Total liabilities		150,345,883	78,260,128
Total equity and liabilities		203,218,276	97,208,144

The consolidated financial statements on pages 177 to 352 were approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on behalf by:

Gu Wei

Chairman of the Board and Non-Executive Director

Yin Lei

Vice president, and Financial Officer

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025



	Notes	Attributable to shareholders of the Company										Total equity
		Reserves									Non-controlling interest	
		Share capital	Share premium	Surplus reserve	General reserve	Revaluation reserve	Translation reserve	Other reserve	Retained earnings	Sub-total		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2025		2,831,773	8,189,045	847,080	2,059,761	1,141,655	595	(14,817)	3,529,242	18,584,334	363,682	18,948,016
Profit for the year		-	-	-	-	-	-	-	2,008,916	2,008,916	21,807	2,030,723
Other comprehensive income for the year		-	-	-	-	849,810	(5,509)	-	-	844,301	4,522	848,823
Total comprehensive income for the year		-	-	-	-	849,810	(5,509)	-	2,008,916	2,853,217	26,329	2,879,546
Dividends recognised as distribution	19	-	-	-	-	-	-	-	(318,113)	(318,113)	-	(318,113)
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	(38,001)	-	-	38,001	-	-	-
Shares issued	39	208,551	1,762,344	-	-	-	-	-	-	1,970,895	-	1,970,895
Acquisition of a subsidiary	60	2,640,269	26,803,769	-	-	-	-	-	-	29,444,038	123,477	29,567,515
Appropriation to surplus reserve		-	-	135,032	-	-	-	-	(135,032)	-	-	-
Appropriation to general reserve		-	-	-	564,107	-	-	-	(564,107)	-	-	-
Acquisition of non-controlling interests		-	-	-	-	-	-	(39,835)	-	(39,835)	(131,406)	(171,241)
Other equity movement of an associate		-	-	-	-	-	-	(6,123)	-	(6,123)	-	(6,123)
Others		-	-	-	-	-	-	1,883	-	1,883	15	1,898
Balance at 31 December 2025		5,680,593	36,755,158	982,112	2,623,868	1,953,464	(4,914)	(58,892)	4,558,907	52,490,296	382,097	52,872,393
Balance at 1 January 2024		2,831,773	8,189,045	822,080	1,934,458	324,521	(3,329)	(14,817)	3,684,960	17,768,691	354,867	18,123,558
Profit for the year		-	-	-	-	-	-	-	397,419	397,419	8,815	406,234
Other comprehensive income for the year		-	-	-	-	816,412	3,924	-	-	820,336	-	820,336
Total comprehensive income for the year		-	-	-	-	816,412	3,924	-	397,419	1,217,755	8,815	1,226,570
Dividend paid	19	-	-	-	-	-	-	-	(402,112)	(402,112)	-	(402,112)
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	722	-	-	(722)	-	-	-
Appropriation to surplus reserve		-	-	25,000	-	-	-	-	(25,000)	-	-	-
Appropriation to general reserve		-	-	-	125,303	-	-	-	(125,303)	-	-	-
Balance at 31 December 2024		2,831,773	8,189,045	847,080	2,059,761	1,141,655	595	(14,817)	3,529,242	18,584,334	363,682	18,948,016



Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit before income tax		2,470,070	372,805
Adjustments for:			
Depreciation and amortisation		455,249	306,236
Reversal of impairment losses under expected credit loss model, net		(13,736)	(20,456)
Net (gains)/losses on disposal of property and equipment, intangible assets and other non-current assets, net		(26,016)	5,291
Unrealised fair value change of financial instruments at fair value through profit or loss		311,449	977,525
Provision on contingent liabilities		13,820	–
Foreign exchange losses		3,324	1,653
Share of results of the associate and joint venture		(205)	(1,590)
Interest income from debt instruments at fair value through other comprehensive income		(86,137)	(140,626)
Realised gains from disposal of debt instruments at fair value through other comprehensive income		(31,563)	(27,173)
Dividends from equity instruments at fair value through other comprehensive income		(836,871)	(363,654)
Interest expense of bonds in issue		872,541	830,403
Interest expense of lease liabilities		11,947	8,920
Operating cash flows before movements in working capital		3,143,872	1,949,334
Net increase in margin accounts receivable		(6,773,439)	(1,422,784)
Net (increase)/decrease in financial assets at fair value through profit or loss		(13,119,163)	1,217,534
Net decrease in financial assets held under resale agreements		1,001,789	10,060
Net (increase)/decrease in refundable deposits		(1,431,185)	96,039
Net decrease/(increase) in cash held for brokerage clients		7,886,918	(4,446,314)
Net increase in clearing settlement funds		(150,140)	(1,429,580)
Net (increase)/decrease in other assets		(4,218,030)	2,472,021
Net (decrease)/increase in accounts payable to brokerage clients		(4,675,769)	5,519,068
Net increase in financial assets sold under repurchase agreements		1,326,109	2,927,860
Net increase in due to financial institutions		5,104,798	4,658,269
Net (decrease)/increase in contract liabilities		(10,418)	571
Net decrease in other liabilities		(2,053,158)	(3,032,151)
Net increase/(decrease) in financial liabilities at fair value through profit or loss		4,375,207	(299,916)
Cash (used in)/generated from operations		(9,592,609)	8,220,011
Income taxes paid		(583,352)	(42,754)
Net cash (used in)/from operating activities		(10,175,961)	8,177,257

Consolidated Statement of Cash Flows

For the year ended 31 December 2025



	NOTES	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Dividends received from investments		585,968	332,262
Interest received from investments		86,137	140,626
Proceeds on disposal of property and equipment, intangible assets and other long-term assets		47,801	44
Purchase of property and equipment, intangible assets and other long-term assets		(282,892)	(154,528)
Cash paid for purchase of			
– debt instruments at fair value through other comprehensive income		(3,662,162)	(4,581,434)
– equity instruments at fair value through other comprehensive income		(3,963,887)	(4,455,433)
Cash received from disposal of			
– debt instruments at fair value through other comprehensive income		8,542,965	6,166,756
– equity instruments at fair value through other comprehensive income		1,654,034	3,925,479
Net of cash acquired from the acquisition of a subsidiary	60	5,948,943	–
Net cash from investing activities		8,956,907	1,373,772
Cash flows from financing activities			
Interest paid for bonds in issue		(916,112)	(886,007)
Dividends paid	19	(318,113)	(402,112)
Repayment of lease liabilities		(205,977)	(139,445)
Acquisition of non-controlling interests		(171,241)	–
Cash received from issuance of new shares	39	1,923,128	–
Cash received from additional bonds in issue		21,399,697	11,633,033
Cash paid for repayment of bonds in issue		(12,778,486)	(12,466,992)
Net cash from/(used in) financing activities	54	8,932,896	(2,261,523)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(8,834)	2,207
Net increase in cash and cash equivalents		7,713,842	7,289,505
Cash and cash equivalents at the beginning of the year		14,612,717	7,321,005
Cash and cash equivalents at the end of the year	51	22,317,725	14,612,717
Net cash from operating activities including:			
Interest received		2,990,396	1,183,450
Interest paid		(854,232)	(480,878)
Dividends received		156,129	72,235



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. General Information and Basis of Preparation

Guolian Minsheng Securities Co., Ltd. (國聯民生證券股份有限公司), (the “Company”) is a joint stock financial institution incorporated in Jiangsu Province, the People’s Republic of China (the “PRC”).

The Company, originally named as Wuxi Securities Company (無錫市證券公司), was set up upon approval from the People’s Bank of China in November 1992 as a collectively owned enterprise with an initial registered capital of RMB32,000 thousand. On 8 January 1999, the Company was converted to a limited liability company and was renamed as Wuxi Securities Co., Ltd. (無錫證券有限責任公司). On 16 May 2008, Wuxi Securities Co., Ltd. was converted to a joint-stock company upon approval by the China Securities Regulatory Commission (the “CSRC”) with a registered capital of RMB1,500,000 thousand and was renamed as Guolian Securities Co., Ltd. (國聯證券股份有限公司).

The Company completed its initial public offering of overseas-listed foreign shares (“H” shares) on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 6 July 2015. Under the offering, the Company issued a total of 402,400 thousand shares with a nominal value of RMB1 per share. After this public offering, total share capital of the Company increased to RMB1,902,400 thousand.

The Company completed its initial public offering of A shares on the Shanghai Stock Exchange on 31 July 2020. Under this offering, the Company issued a total of 475,719 thousand shares with a nominal value of RMB1 per share. After this public offering, total share capital of the Company increased to RMB2,378,119 thousand.

On July 27, 2021, the Company received the approval for the non-public offering issued by the CSRC, according to which the Company could issue 453,654 thousand ordinary shares (A-shares) to 23 specific investors. On October 15, 2021, the newly issued shares have been registered in China Securities Depository & Clearing Co., LTD. Shanghai Branch (the “CDB Shanghai Branch”). After the non-public offering, total share capital of the Company increased to RMB2,831,773 thousand.

On 27 December 2024, the Company received the Reply on Approving the Acquisition of Assets by Issuing A Shares and Raising Supporting Funds of Guolian Securities Co., Ltd., Ratifying the Change of Substantial Shareholders of Guolian Securities Co., Ltd. and Minsheng Securities Co., Ltd. and the Change of Actual Controller of Minsheng Fund Management Co., Ltd. and Minsheng Futures Co., Ltd. (Zheng Jian Xu Ke [2024] No. 1911) issued by the China Securities Regulatory Commission. In respect of the acquisition of 99.26% shares of the Minsheng Securities Co., Ltd., the Company would issue 2,640,269 thousand ordinary shares (A Shares).

In January 2025, the registration with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the new A Shares in respect of the acquisition of the Minsheng Securities Co., Ltd. by issuing shares has been completed.



1. General Information and Basis of Preparation – continued

On 7 February 2025, the Company completed the registration procedures for the industrial and commercial changes of the company name and registered capital, and obtained the business license issued by the Wuxi Data Bureau. The name of the Company was changed from Guolian Securities Co., Ltd. (國聯證券股份有限公司) to Guolian Minsheng Securities Co., Ltd. (國聯民生證券股份有限公司), and the registered capital was changed from RMB2,831,773 thousand to RMB5,472,042 thousand. The other contents of the business licence remain unchanged.

On 10 March 2025, the Company completed the registration procedures to further change from RMB5,472,042 thousand to RMB5,680,593 thousand after the new issuance of ordinary share (A-Share). The other contents of the business licence remain unchanged.

As at 31 December 2025, the registered capital of the Company is RMB5,680,593 thousand.

The Company holds the securities institution licence and business license No.91320200135914870B. The registered address of the Company is No.8 Jinrong One Street, Wuxi, Jiangsu Province, PRC.

The Company's ultimate holding company is Wuxi Guolian Development (Group) Co., Ltd. (collectively referred to as "Guolian Group" together with its subsidiaries). Guolian Group is a PRC enterprise regulated and directly managed by Wuxi State-Owned Assets Supervision and Administration Committee ("Wuxi SASAC"). Wuxi SASAC is the actual controller of the company.

The Company and its subsidiaries (the "Group") are engaged in the following principal activities: securities brokerage, investment consultancy and financial advisory services related to securities trading and securities investment, proprietary trading, asset management, agency sale of financial products, margin financing and securities lending, introducing broker for futures companies, investment management, proprietary investment in venture capital, industrial investment, equity investment, securities underwriting and sponsorship of stocks (including RMB ordinary shares and foreign shares) and bonds (including government bonds and corporate bonds), fund raising, fund sales, and specific customer asset management, fund asset management and other businesses approved by the CSRC (projects in accordance with the law and approved by relevant departments).

As of 31 December 2025, the Company has established 170 securities brokerage business branches, including 47 branch offices and 123 securities branches, which are mainly located in Jiangsu province and Henan province.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as functional currency of the Company and has been rounded to the nearest thousands, except when otherwise indicates.

These consolidated financial statements were authorised for issue by the Board of Directors (the "Board") on 27 March 2026.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. Application of New and Amendments to IFRS Accounting Standards and Changes in Other Accounting Policies

Amendments to IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standard issued by the International Accounting Standards Board (“IASB”), for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 Lack of Exchangeability

The application of the amendments to IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective.

IFRS 18	Presentation and Disclosure in Financial Statements ²
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.



2. Application of New and Amendments to IFRS Accounting Standards and Changes in Other Accounting Policies – continued

New and amendments to IFRS Accounting Standards in issue but not yet effective – continued

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

The amendments include requirements on classification of financial assets with environmental, social or governance targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature. The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The directors of the Company are currently assessing the impact of these amendments.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made. IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

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 consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future consolidation financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. Application of New and Amendments to IFRS Accounting Standards and Changes in Other Accounting Policies – continued

New and amendments to IFRS Accounting Standards in issue but not yet effective – continued

Annual Improvements to IFRS Accounting Standards – Volume 11

IFRS 7 Financial Instruments: Disclosures: The amendments remove an obsolete reference to paragraph 27A and update the wordings in paragraph B38 of IFRS 7 regarding “unobservable inputs” to be consistent with IFRS 13. The amendments to the accompanying guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, as well as update the wordings in paragraph IG14 of IFRS 7 regarding “fair value” consistent with other standards. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

IFRS 9 Financial Instruments: The amendments address a conflict between IFRS 9 and IFRS 15 over the initial measurement of trade receivables, and how a lessee accounts for the derecognition of a lease liability under HKFRS 9. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as de facto agents. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

IAS 7 Statement of Cash Flows: The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.1 Basis of preparation of consolidated financial statements – continued

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities (“SEs”)) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its 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.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Basis of consolidation – continued

When the Group has decision-making rights (a decision maker) over a structured entity, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the structured entity.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the structured entity, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreement(s); and
- the Group's exposure to variability of returns from other interests that it holds in the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Basis of consolidation – continued

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Business combinations

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Business combinations – continued

Optional concentration test – continued

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “Conceptual Framework”) except for transactions and events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Business combinations – continued

Optional concentration test – continued

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less any accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). The carrying amount of the cash-generating unit (or groups of cash-generating units) including the allocated goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Investment in an associate

An associate is an entity over which the investor 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.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Investment in an associate – continued

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate, and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Interest in a joint venture

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

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An interest in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the interest in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Interest in a joint venture – continued

The Group applies IFRS 9, including the impairment requirements, to long-term interests in a joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of IFRS 9 Financial Instruments (“IFRS 9”), the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant joint venture.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Property and equipment

Property and equipment are tangible assets that are held for use in the supply of services, or for administrative purpose (other than construction in progress). Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress for supply of service or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such assets are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property and equipment.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Property and equipment – continued

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The estimated residual value rates and useful lives of each class of property and equipment are as follows:

Classes	Estimated residual value rates	Useful lives
Buildings	0 – 5%	20 – 40 years
Motor vehicles	0 – 5%	2 – 10 years
Electronics and other equipment	0 – 5%	4 – 10 years

Intangible assets

Intangible assets acquired separately

The estimated useful lives of each class of intangible assets are as follows:

Trading rights shall be amortised over 10 years while computer software and others shall be amortised over 2-5 years, and customer relationships shall be amortised over expected beneficial life.

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Intangible assets – continued

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Intangible assets – continued

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss in the period when the asset is derecognised.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Leases – continued

The Group as a lessee – continued

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of buildings/motor vehicles 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 lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Leases – continued

The Group as a lessee – continued

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Leases – continued

The Group as a lessee – continued

Lease liabilities – continued

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review or expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Leases – continued

The Group as a lessee – continued

Lease modifications – continued

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term. Variable lease payments for operating leases that depend on an index or a rate are included in the total lease payments using the index or rate as at the commencement date. Variable lease payments that do not depend on an index or a rate are excluded and are recognised as income when they are earned.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Leases – continued

The Group as a lessor – continued

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies *IFRS 15 Revenue from Contracts with Customers* (“IFRS 15”) to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For rent concession under which the Group legally releases the lessee from its obligation to make specifically identified lease payment, of which some of these lease payments are contractually due but not paid and some of them are not yet contractually due, the Group accounts for the portions which have been recognised as operating lease receivables (i.e. the lease payments which are contractually due but not paid) by applying the ECL and derecognition requirements under IFRS 9 and applies lease modification requirements for the forgiven lease payments that the Group has not recognised (i.e. the lease payments which are not yet contractually due) as at the effective date of modification.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other gains, net”.

Employee benefits

In the reporting period in which an employee has rendered services, the Group recognises the employee benefits expenses for those services in profit or loss.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Social welfare

Social welfare expenditure refers to payments for employees’ social welfare system established by the Government of the PRC, including social insurance, housing funds and other social welfare contributions. The Group contributes on a regular basis to these funds based on certain percentage of the salaries of the employees and the contributions are recognised 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 are limited to the contribution payable in the reporting period.

Contributions to pension schemes and annuity plans

Payments to defined contribution retirement benefits plan are recognised as an expense when employees have rendered service entitling them to the contributions.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Employee benefits – continued

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Taxation – continued

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in an associate and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Taxation – continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entity at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Classification and subsequent measurement of financial assets – continued

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

If the fair value is evidenced by Level 1 inputs or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day 1 P&L). In other circumstances, the day 1 P&L is deferred.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Classification and subsequent measurement of financial assets – continued

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that involved have been recognized in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Classification and subsequent measurement of financial assets – continued

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "net investment gains" line item in profit or loss.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "net investment gains" line item.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including bank balances, cash held for brokerage clients, clearing settlement funds, financial assets held under resale agreements, debt instruments at fair value through other comprehensive income, margin accounts receivable, accounts receivable and other receivables in other current assets and refundable deposits), and other items (loan commitments) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for accounts receivable. The ECL on account receivables are assessed individually for debtors with significant balances and/or collectively using a provision matrix with aging groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 – continued

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forwarding information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- debtor fails to pay the principal and interest as per the due date of the contract and the number of days overdue;
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 – continued

- (i) Significant increase in credit risk – continued
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;
 - significant deterioration in the value of collateral or quality of guarantee or credit enhancements provided by a third party. These changes are expected to reduce the debtor's financial incentive to repay the debt within the time limit specified in the contract or affect the probability of default.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 – continued

(i) Significant increase in credit risk – continued

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

For margin accounts receivable and financial assets held under resale agreement, the Group considers that default has occurred when the loan-to-collateral ratio reaches the liquidation line or expect there would be loss after closing the position mandatorily.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 – continued

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or originate a financial asset at a substantial discount, which reflects the fact that a credit loss has occurred.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 – continued

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 – continued

(v) Measurement and recognition of ECL – continued

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments including account receivables are grouped based on shared credit risk characteristics. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For undrawn loan commitments, the loss allowances are the present value of the difference between:

- (a) the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan; and
- (b) the cash flows that the Group expects to receive if the loan is drawn down.

Except for investments in debt instruments that are measured at FVTOCI and loan commitments, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of account receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the revaluation reserve without reducing the carrying amounts of these debt instruments. Such amount represents the changes in the revaluation reserve in relation to accumulated loss allowance.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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

Financial assets sold subject to repurchase agreements, which do not result in derecognition of the financial assets, are continued to be recorded as financial assets at FVTPL or debt instruments measured at amortised cost as appropriate. The corresponding liability is included in “financial assets sold under repurchase agreements”. Consideration paid for financial assets held under agreements to resell are recorded as “financial assets held under resale agreements”. Financial assets sold under repurchase agreements and financial assets held under resale agreements are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial assets – continued

Securities lending

When the Group lends securities to clients, the cash collateral balances required under the securities lending agreements and the interest arising from the cash collateral are included in “accounts payable to brokerage clients”. For those securities held by the Group that are lent to clients, they are not derecognised and are continued to be recorded as financial assets at FVTPL.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Financial liabilities – continued

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Financial liabilities – continued

Financial liabilities at FVTPL – continued

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including due to financial institutions, accounts payable to brokerage clients, other payables, bonds in issue and financial assets sold under repurchase agreements are subsequently measured at amortised cost, using the effective interest method.

Derecognition and substantial modification of financial liabilities

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

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability.

Except for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform in which the Group applies the practical expedient, when the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Financial liabilities and equity instruments – continued

Derecognition and substantial modification of financial liabilities – continued

If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Non-substantial modifications of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Financial instruments – continued

Derivative financial instruments – continued

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Revenue from contracts with customers – continued

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of discounts and variable consideration.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Revenue from contracts with customers – continued

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Revenue from contracts with customers – continued

Principal versus agent – continued

The Group's revenue mainly comes from the following types of business:

Commission and fee income

- (a) Commission and fee income arising from securities and futures brokerage services is recognised at a point in time on the executive date of the securities transaction;
- (b) Commission and fee income arising from underwriting is recognised at a point in time; Revenue from sponsorship, financial advisory and investment consultancy is recognised when the contractual obligations are fulfilled;
- (c) Commission and fee income arising from asset management services is recognised in accordance with the conditions and proportions agreed in the contract when management services meets the relevant revenue recognition conditions.

Other income

Other income is recognised when the contractual obligations are fulfilled.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Impairment on property and equipment, right-of-use assets and intangible assets other than goodwill and financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.



3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information – continued

3.2 Material accounting policy information – continued

Impairment on property and equipment, right-of-use assets and intangible assets other than goodwill and financial assets – continued

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Group reviewed the estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty – continued

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. For goodwill arising on the acquisition of Guolian Fund in 2023 and Minsheng Securities Co., Ltd. in 2025, the cash-generating unit to which goodwill has been allocated is tested for impairment at year end. This requires an estimation of the recoverable amount of the CGU or group of CGUs to which the goodwill is allocated. The recoverable amount has been determined based on value in use calculations or fair value less costs of disposal. These calculation require the use of judgments and estimates.

Judgment is required to identify any impairment indicators existing for any of the Group's goodwill, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment review purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated statement of profit or loss.

Consolidation of structured entities

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 held interests as investor or acted as investment manager in various structured entities including collective asset management schemes and investment funds. The Group considered its power, arising from the rights entitled directly or indirectly, over the structured entities, and assessed whether the combination of investments it held together with its remuneration created exposure to variability of returns from the structured entities that are of such significance that it indicated the Group controlled the structured entities and should consolidated these structured entities.



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty – continued

Expected credit losses of margin accounts receivable, financial assets held under resale agreements and debt instruments at fair value through other comprehensive income

The Group estimates the amount of loss allowance for ECL on its margin accounts receivable, financial assets held under resale agreements and debt instruments at fair value through other comprehensive income. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of margin accounts receivable, financial assets held under resale agreements and debt instruments at fair value through other comprehensive income. The assessment of the credit risk of margin accounts receivable, financial assets held under resale agreements and debt instruments at fair value through other comprehensive income involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly. Details on ECL are included in Note 56 to the consolidated financial statements.

The following significant judgements and estimation are required in applying the accounting requirements for measuring the ECL:

Significant increase of credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. 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. Details of advances to customers are set out in Notes 29 and 35.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty – continued

Expected credit losses of margin accounts receivable, financial assets held under resale agreements and debt instruments at fair value through other comprehensive income – continued

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 move 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 ECL changes because the credit risk of the portfolios differ.

Models and assumptions used

The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of assets, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Forward-looking information

When measuring ECL 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)

PD constitutes a key input in measuring ECL. 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)

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 Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty – continued

Fair value of financial instruments

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 and discounted cash flow analysis. To the extent practical market observable inputs and data, such as interest rate yield curves, 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.

Income taxes

There are certain transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax and deferred tax in the period during which such a determination is made.

The realisation of a deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future.

In cases where it becomes probable that sufficient profits or taxable temporary differences are expected to be generated, deferred tax assets would be recognised in profit or loss in that period. On the contrary, 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. Details of the deductible temporary differences are disclosed in Note 31.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. Segment Analysis

The Group manages the business operations by the following segments in accordance with the nature of the operations and the services provided:

- (a) Brokerage and wealth management: securities and futures trading and brokering services, sales of wealth management products, investment consulting, and asset allocation;
- (b) Credit transaction: providing financial leverage for brokerage clients, securities-backed lending and securities repurchase businesses;
- (c) Investment banking: corporate finance and financial advisory services to institutional clients and market maker business;
- (d) Proprietary trading: trading in financial products;
- (e) Asset management and investment: direct investments and funds related business, in addition to portfolio management and maintenance, investment advisory and transaction execution services;
- (f) Other businesses: including headquarters operations and interest income and expenses relating to working capital in general.

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 year ended 31 December 2025.

Minsheng Securities Co., Ltd., the subsidiary acquired in during the year ended 31 December 2025, is included in all of above segments.

The Group mainly operates in Jiangsu Province and Henan Province, the PRC. Almost all of the revenue and other income of the Group are generated in the PRC.

Almost all of non-current assets of the Group are located in the PRC.

No income from any single customer contributed over 10% of the total revenue and other income of the Group.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



5. Segment Analysis – continued

Year ended 31 December 2025

	Brokerage and wealth management	Credit transaction	Investment banking	Proprietary trading	Asset management and investment	Other business	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total revenue, net investment gains and other income	3,688,878	1,044,028	991,086	3,026,291	747,193	912,300	(84,175)	10,325,601
Commission and fee income								
– external	3,177,589	–	963,243	33,897	763,117	–	–	4,937,846
– internal	38,319	–	8,118	943	1,726	–	(49,106)	–
Interest income								
– external	472,229	1,044,028	6,848	112,277	23,470	261,641	–	1,920,493
– internal	–	–	–	–	–	8,469	(8,469)	–
Net investment gains/(losses)								
– external	414	–	12,877	2,879,167	(41,120)	606,259	–	3,457,597
– internal	–	–	–	–	–	26,600	(26,600)	–
Other income								
– external	327	–	–	7	–	9,331	–	9,665
– internal	–	–	–	–	–	–	–	–
Total expenses (including reversal of impairment losses)	(2,725,180)	(389,185)	(1,085,578)	(1,422,905)	(707,637)	(1,630,231)	59,026	(7,901,690)
Operating profit/(loss)	963,698	654,843	(94,492)	1,603,386	39,556	(717,931)	(25,149)	2,423,911
Other gains or (losses)								
– external	8,178	–	(11,708)	(13,816)	13,902	49,398	–	45,954
– internal	–	–	658	–	–	–	(658)	–
Share of results of the associate and joint venture	–	–	–	–	–	205	–	205
Profit/(loss) before income tax	971,876	654,843	(105,542)	1,589,570	53,458	(668,328)	(25,807)	2,470,070
Total assets	36,969,506	29,055,627	533,845	78,037,240	5,290,377	88,760,433	(35,428,752)	203,218,276
Total liabilities	41,608,343	15,954,098	712,173	65,843,777	385,617	26,007,376	(165,501)	150,345,883
Supplemental information								
Interests in an associate and a joint venture	–	–	–	–	–	75,645	–	75,645
Capital expenditure	75,190	172	13,412	18,438	15,485	584,153	–	706,850
Depreciation and amortisation	132,483	2,182	23,609	13,798	74,879	208,298	–	455,249
(Reversal)/provision of impairment losses under expected credit loss model, net	(2,287)	(6,014)	2,716	(34,005)	8,544	17,310	–	(13,736)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. Segment Analysis – continued

Year ended 31 December 2024

	Brokerage and wealth management	Credit transaction	Investment banking	Proprietary trading	Asset management and investment	Other business	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total revenue, net investment gains and other income	1,205,410	596,551	350,882	907,511	718,521	493,394	(57,336)	4,214,933
Commission and fee income								
– external	992,457	–	332,886	25,966	652,555	–	–	2,003,864
– internal	16,432	–	5,620	–	900	–	(22,952)	–
Interest income								
– external	196,068	596,551	7,177	141,350	18,923	261,449	–	1,221,518
– internal	–	–	–	–	–	9,384	(9,384)	–
Net investment gains								
– external	–	–	5,199	735,429	46,142	214,441	(25,000)	976,211
– internal	–	–	–	–	–	–	–	–
Other income								
– external	453	–	–	4,766	1	8,120	–	13,340
– internal	–	–	–	–	–	–	–	–
Total expenses (including reversal of impairment losses)	(905,337)	(346,722)	(349,765)	(820,854)	(581,644)	(900,191)	39,759	(3,864,754)
Operating profit/(loss)	300,073	249,829	1,117	86,657	136,877	(406,797)	(17,577)	350,179
Other gains or (losses)								
– external	5,449	–	2,287	(1,495)	9,728	5,067	–	21,036
– internal	–	–	–	–	–	–	–	–
Share of profit of investment in an associate	–	–	–	–	–	1,590	–	1,590
Profit/(loss) before income tax	305,522	249,829	3,404	85,162	146,605	(400,140)	(17,577)	372,805
Total assets	12,581,044	15,088,900	769,786	48,162,321	4,733,462	20,433,089	(4,560,458)	97,208,144
Total liabilities	14,426,638	10,009,063	410,562	37,043,171	321,862	16,036,377	12,455	78,260,128
Supplemental information								
Interests in an associate and a joint venture	–	–	–	–	–	77,370	–	77,370
Capital expenditure	89,209	–	26,279	2,143	31,512	141,655	–	290,798
Depreciation and amortisation	124,102	1,104	23,697	4,817	87,028	65,488	–	306,236
(Reversal)/provision of impairment losses under expected credit loss model, net	–	(12,387)	(930)	(7,500)	144	217	–	(20,456)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



6. Commission and Fee Income

	2025	2024
	RMB'000	RMB'000
Revenue from contracts within the scope of IFRS 15:		
Securities brokerage	2,390,297	916,762
Futures brokerage	613,863	–
Underwriting and sponsorship	845,581	287,887
Investment consultancy and financial advisory	266,645	139,020
Asset management (Note a)	782,898	660,195
Others	38,562	–
	4,937,846	2,003,864

Disaggregation of revenue from contracts with customers by time of recognition:

	2025	2024
	RMB'000	RMB'000
Timing of revenue recognition		
Point in time	4,104,824	1,325,514
Overtime	833,022	678,350
	4,937,846	2,003,864

Note a: The Group provides asset management services in respect of various asset management schemes. Performance obligation is satisfied over the term of respective asset management schemes. Management fees of asset management schemes are recognised to the extent that it is highly probable that such recognition will not result in a significant revenue reversal in the future when the uncertainty associated with the quantum of management fees is subsequently resolve. Therefore, management fees of asset management schemes can only be recognised when they are determinable based on actual performance measurement.

As at 31 December 2025 and 2024, the Group expected that performance obligations would be satisfied within one year for most existing contracts.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. Interest Income Under Effective Interest Method

	2025	2024
	RMB'000	RMB'000
Interest income from margin financing	978,897	527,528
Interest income from bank deposits and clearing settlement funds	635,745	364,443
Interest income from financial assets held under resale agreements	219,610	188,921
Interest income from debt instruments at fair value through other comprehensive income	86,137	140,626
Others	104	–
	1,920,493	1,221,518

8. Net Investment Gains

	2025	2024
	RMB'000	RMB'000
Realised gains from disposal of financial assets at fair value through profit or loss	946,286	317,173
Realised gains from disposal of financial liabilities at fair value through profit or loss	155,743	502
Realised gains from disposal of debt instruments at fair value through other comprehensive income	31,563	27,173
Net realised gains from derivative financial instruments	488,961	302,789
Interest income from financial instruments at fair value through profit or loss	182,273	811,111
Dividends from financial assets at fair value through profit or loss	1,127,349	131,334
Dividend income from equity instruments at fair value through other comprehensive income (note)	836,871	363,654
Unrealised fair value change of financial instruments at fair value through profit or loss		
– Financial assets at fair value through profit or loss	(79,698)	(80,923)
– Derivative financial instruments	(294,105)	(832,309)
– Financial liabilities at fair value through profit or loss	62,354	(64,293)
	3,457,597	976,211

Note: During the year ended 31 December 2025, the dividend income from equity instruments at fair value through other comprehensive income relating to the investments derecognised during the year and held at the end of the reporting period are RMB86,897 thousand (2024: RMB5,830 thousand) and RMB749,974 thousand (2024: RMB357,824 thousand) respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



9. Other Income

	2025	2024
	RMB'000	RMB'000
Rental income	8,631	8,000
Others	1,034	5,340
	9,665	13,340

10. Commission and Fee Expenses

	2025	2024
	RMB'000	RMB'000
Securities brokerage	516,109	198,658
Futures brokerage	385,231	–
Underwriting and sponsorship	68,693	11,657
Others	8,181	10,201
	978,214	220,516

11. Interest Expenses

	2025	2024
	RMB'000	RMB'000
Interest expense on bonds in issue	872,541	830,403
Interest expense on financial assets sold under repurchase agreements	502,761	379,342
Interest expense on accounts payable to brokerage clients	37,752	20,841
Interest expense on due to financial institutions	275,705	81,963
Interest expense on lease liabilities	11,947	8,920
Others	40,332	–
	1,741,038	1,321,469



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. Staff Costs

	2025	2024
	RMB'000	RMB'000
Salaries and bonus	2,925,003	1,057,439
Pension	300,786	186,088
Other social security	274,109	120,130
Labour union funds and employee education funds	31,434	15,129
Other welfares	75,344	43,282
	3,606,676	1,422,068

The Group has provided a pension plan for full-time employees in Mainland China as required by the government, including basic pension insurance and corporate annuity plan. Namely, the Group pays endowment insurance premiums to the social insurance institution designated by the government on a monthly basis, which account for a certain percentage of the total salaries of the staff. After the retirement of the employees, the government is obliged to pay the pensions to them. According to the aforesaid defined contribution plan, the Group shall not be liable for the post-retirement benefits beyond the above contributions. Contributions to the plan will be included in the cost at the time of occurrence.

In addition, the Group provides relevant defined contribution plan for its qualified employees outside of Mainland China in accordance with local labour laws.

The Group did not forfeit any retirement benefit plan contributions, and there are no forfeited contributions under the Group's retirement benefit plans that can be used to deduct the contributions payable in future years.



12. Staff Costs – continued

12.1 The five highest paid individuals

The five highest paid employees of the Group during the year included nil director (2024: nil director), details of whose remuneration are set out in Note 12.2. Details of the remuneration accrued and paid during the year of the remaining five (2024: five) highest paid employees who are neither a director nor supervisor of the Company are as follows:

	2025	2024
	RMB'000	RMB'000
Salaries, allowances and other welfares	7,446	8,521
Bonus	33,637	13,128
	41,083	21,649

During the year ended 31 December 2025, the Company paid accrued remuneration which was deferred to 2025 in previous years to the remaining five (2024: five) highest paid employees amounted to RMB6,237 thousand (During the year ended 31 December 2024: RMB942 thousand).

The number of the highest paid employees who are not the directors of the Company is as follows:

	Number of employees	
	2025	2024
	RMB'000	RMB'000
RMB3,000,001 to RMB5,000,000	–	1
RMB5,000,001 to RMB7,000,000	2	4
RMB7,000,001 to RMB10,000,000	3	–
	5	5

The Group has not provided any compensations to any of the directors and supervisors of the Company or the five highest paid individuals as incentive for them to join the Group, rewarding for joining the Group or for leaving the Group.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. Staff Costs – continued

12.2 Directors' and supervisors' emoluments

The remuneration of directors and supervisors of the Company is set out below:

For the year ended 31 December 2025

Names	Fees RMB'000	Salaries RMB'000	Housing allowance RMB'000	Pension RMB'000	Other welfares RMB'000	Annual bonus RMB'000	Total RMB'000
Executive director							
Ge Xiaobo ⁽¹⁾	-	1,435	51	68	103	600	2,257
Non-executive directors							
Gu Wei ⁽²⁾ (Chairman)	-	-	-	-	-	-	-
Zhou Weiping	-	-	-	-	-	-	-
Wu Weihua	-	-	-	-	-	-	-
Yang Zhenxing ⁽³⁾	-	-	-	-	-	-	-
Hua Weirong ⁽⁴⁾	-	-	-	-	-	-	-
Li Suo ⁽⁴⁾	-	-	-	-	-	-	-
Liu Hailin ⁽⁵⁾	-	-	-	-	-	-	-
Employee Director							
Chen Xingjun ⁽⁶⁾	-	50	4	6	9	44	113
Independent non-executive directors							
Gao Wei	180	-	-	-	-	-	180
Guo Chunming	180	-	-	-	-	-	180
Hsu Wai Man Helen ⁽⁷⁾	60	-	-	-	-	-	60
Chu, Howard Ho Hwa ⁽⁸⁾	120	-	-	-	-	-	120
	540	1,485	55	74	112	644	2,910



12. Staff Costs – continued

12.2 Directors' and supervisors' emoluments – continued

The remuneration of directors and supervisors of the Company is set out below: – continued

For the year ended 31 December 2024

Names	Fees RMB'000	Salaries RMB'000	Housing allowance RMB'000	Pension RMB'000	Other welfares RMB'000	Annual bonus RMB'000	Total RMB'000
Executive director							
Ge Xiaobo (Chairman)	–	961	50	66	100	474	1,651
Non-executive directors							
Hua Weirong	–	–	–	–	–	–	–
Zhou Weiping	–	–	–	–	–	–	–
Wu Weihua	–	–	–	–	–	–	–
Li Suo	–	–	–	–	–	–	–
Liu Hailin	–	–	–	–	–	–	–
Independent non-executive directors							
Wu Xingyu ⁽⁹⁾	180	–	–	–	–	–	180
Chu, Howard Ho Hwa	180	–	–	–	–	–	180
Gao Wei	180	–	–	–	–	–	180
Guo Chunming ⁽¹⁰⁾	–	–	–	–	–	–	–
Supervisors							
Xu Faliang	–	360	16	15	34	54	479
Xu Kan	–	–	–	–	–	–	–
Xu Jingyan	–	–	–	–	–	–	–
Xue Chunfang ⁽¹¹⁾	–	270	21	20	36	–	347
Wu Lingyun	–	407	49	47	44	100	647
Zhou Min	–	337	49	47	42	100	575
	540	2,335	185	195	256	728	4,239

⁽¹⁾ Resigned as Chairman on 8 August 2025.

⁽²⁾ Appointed as non-executive director on 6 February 2025 and appointed as Chairman on 8 August 2025.

⁽³⁾ Appointed as non-executive director on 6 February 2025.

⁽⁴⁾ Retired as non-executive director on 6 February 2025.

⁽⁵⁾ Retired as non-executive director on 15 December 2025.

⁽⁶⁾ Appointed as employee director on 15 December 2025.

⁽⁷⁾ Appointed as independent non-executive director on 22 August 2025.

⁽⁸⁾ Retired as independent non-executive director on 22 August 2025.

⁽⁹⁾ Retired as independent non-executive director on 31 December 2024.

⁽¹⁰⁾ Appointed as independent non-executive director on 31 December 2024.

⁽¹¹⁾ Appointed as supervisors on 19 June 2024.

Note: On 15 December 2025, the revised articles of association of the Company were approved, and the Company will no longer appoint supervisors. The staff will no longer serve as supervisors of the Company.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. Staff Costs – continued

12.3 Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company. The non-executive directors' emoluments shown above were for their services as directors of the Company.

In addition to the directors' remuneration disclosed above, certain directors are not paid directly by the Company but receive remuneration from the Company's holding company, in respect of their services to the larger group which includes the Company and its subsidiaries. No apportionment has been made as the qualifying services provided by these directors to the Company and its subsidiaries are incidental to their responsibilities to the larger group.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

13. Depreciation and Amortisation

	2025	2024
	RMB'000	RMB'000
Depreciation of property and equipment	92,084	42,073
Amortisation of intangible assets	143,998	105,978
Amortisation of long-term prepaid expense	46,503	25,161
Depreciation of right-of-use assets	172,664	133,024
	455,249	306,236

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



14. Other Operating Expenses

	2025	2024
	RMB'000	RMB'000
Auditor's remuneration	4,350	3,200
Consulting expenses	104,935	36,562
Conference fee	36,874	27,279
Marketing and distribution expenses	180,095	94,541
Office expenses	142,830	102,986
Postage and communication expenses	139,781	66,955
Professional service expenses	17,681	23,542
Property management expenses	43,607	24,887
Rentals	24,887	2,349
Research expenses	68,739	31,467
Sales service fee	93,744	77,161
Securities investors protection fund	53,939	10,078
Tax and surcharges	58,571	21,312
Travelling expenses	80,275	55,788
Others	83,941	36,814
	1,134,249	614,921



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. Reversal of Impairment Losses under Expected Credit Loss Model, Net

	2025	2024
	RMB'000	RMB'000
Margin accounts receivable	5,014	1,890
Accounts receivable and other receivables	3,123	569
Financial assets held under resale agreements	1,001	10,497
Debt instruments at fair value through other comprehensive income	4,598	7,500
	13,736	20,456

16. Other Gains, Net

	2025	2024
	RMB'000	RMB'000
Foreign exchange losses	(3,324)	(1,653)
Government grants (Note 1)	60,774	20,326
Others	(11,496)	2,363
	45,954	21,036

Note 1: During the current year, the Group recognised government grants of RMB60,774 thousand (2024: RMB20,326 thousand) mainly in respect of the allowance for bank and securities broker companies, the purpose of which is for the company to strengthen its contribution to the local economy.



17. Income Tax (Expense)/Credit

	2025 RMB'000	2024 RMB'000
Current income tax expense		
– Mainland China	(597,125)	(79,552)
– Hong Kong, China	(284)	–
	(597,409)	(79,552)
(Under)/over provision in prior years		
– Mainland China	(57,420)	618
Deferred taxation		
– Mainland China (Note 31)	215,482	112,486
– Hong Kong, China (Note 31)	–	(123)
	215,482	112,363
Income tax (expense)/credit	(439,347)	33,429

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years except mentioned below.

Pursuant to the notices issued by the Ministry of Finance and the State Taxation Administration of the PRC, for an enterprise whose head office is located outside the certain cooperation zone, only the income of its branches located within that cooperation zone and meeting the conditions stipulated in this provision is subject to a tax rate of 15%. In the current reporting period, the effective enterprise income tax rate applied to the branch of Minsheng Securities established in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin was 15%.

Hong Kong Profits tax is calculated at 16.5% on the estimated assessable profit for both years. Hong Kong Profits tax has not been provided as the Group did not incur assessable profits for both years.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. Income Tax (Expense)/Credit – continued

As at 31 December 2025, the Group had unused tax losses of approximately RMB246,106 thousand (2024: RMB62,769 thousand). Estimated tax losses amounted to RMB38,927 thousand has no expiry date and can be carried forward indefinitely subject to the approval of the Inland Revenue Department, estimated tax losses amounted to RMB1,132 thousand, RMB27,026 thousand, RMB25,327 thousand, RMB84,592 thousand and RMB69,102 thousand will be expired by 2026, 2027, 2028, 2029 and 2030, respectively (2024: Estimated tax losses amounted to RMB6,273 thousand, RMB3,525 thousand and RMB8,718 thousand will be expired by 2027, 2028 and 2029 respectively). No deferred tax assets has been recognised in respect of estimated tax losses and temporary difference as it is uncertain whether sufficient future taxable profits will be available in the future to offset the amount.

The taxation for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit before income tax	2,470,070	372,805
Tax calculated at applicable statutory tax rate	(617,518)	(93,201)
Effect of different tax rates of subsidiaries operating in other jurisdictions	913	369
Tax effect of income not taxable for tax purpose	250,358	137,487
Tax effect of expenses not deductible for tax purposes	(20,176)	(15,961)
Utilisation of tax losses previously not recognised	12,595	6,765
Tax effect of tax losses not recognised	(8,403)	(2,648)
Others	304	–
(Under)/over provision in respect of prior years	(57,420)	618
Income tax (expense)/credit for the year	(439,347)	33,429



17. Income Tax (Expense)/Credit – continued

The following amounts relating to tax have been recognised in other comprehensive income:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Before-tax	Tax	Net-of-tax	Before-tax	Tax	Net-of-tax
	amount	(expense) benefit	amount	amount	(expense) benefit	amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Fair value gain on:						
– investments in equity instruments at fair value through other comprehensive income	1,213,808	(303,322)	910,486	1,070,743	(267,686)	803,057
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Fair value (loss)/gain on:						
– debt instruments measured at fair value through other comprehensive income	(28,190)	7,047	(21,143)	61,538	(15,385)	46,153
– Impairment loss for debt instruments at fair value through other comprehensive income included in profit or loss	(4,598)	1,150	(3,448)	(7,500)	1,875	(5,625)
– Release upon disposal reclassified to profit or loss	(42,084)	10,521	(31,563)	(36,231)	9,058	(27,173)
	1,138,936	(284,604)	854,332	1,088,550	(272,138)	816,412



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. Earnings Per Share

18.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
	RMB'000	RMB'000
Profit attributable shareholders of the Company (RMB'000)	2,008,916	397,419
Weighted average number of ordinary shares in issue (in thousand)	5,619,467	2,831,773
Basic earnings per share (in RMB)	0.36	0.14

18.2 Diluted earnings per share

For the year ended 31 December 2025, there were no potential diluted ordinary shares, so the diluted earnings per share were the same as the basic earnings per share (2024: the same).

19. Dividends

	2025	2024
	RMB'000	RMB'000
Dividends recognised as distribution	318,113	402,112

Based on the profit distribution plan considered and approved at the fourth meeting of the sixth session of the Board of Directors of the Company on 27 March 2026, using the Company's existing share capital of 5,680,592,806 ordinary shares as the basis, the Company will distribute a cash dividend of RMB0.60 per 10 shares (taxes inclusive) to all shareholders. The total amount of the dividend will be RMB340,836 thousand. This profit distribution plan will be implemented after it is approved by the Company's shareholders' general meeting for the year 2025.

Pursuant to the resolution of annual general meeting 2024, the Company declared 2024 final dividend of RMB0.56 (taxes inclusive) per share, in an aggregate amount of RMB318,113 thousand, satisfied by cash.

(2024: Pursuant to the resolution of annual general meeting 2023, the Company declared 2023 final dividend of RMB0.142 (taxes inclusive) per share, in an aggregate amount of RMB402,112 thousand, satisfied by cash.)



19. Dividends – continued

Under the “Company Law” of the PRC, the Company’s Articles of Association and in accordance with the requirements of CSRC, the profit after income tax as reported in the PRC statutory financial statements can only be distributed as dividends after allowances for the following:

- (1) Making up cumulative losses from prior years, if any;
- (2) 10% of the Company’s profit is appropriated to the non-distributable statutory surplus reserve;
- (3) 10% of the Company’s profit is appropriated to the non-distributable general reserve;
- (4) 10% of the Company’s profit is appropriated to the non-distributable transaction risk reserve;
- (5) 10% of the Company’s management fee income from the large aggregate asset management plan is appropriated to the non-distributable transaction risk reserve;
- (6) Appropriations to the discretionary surplus reserve with approval from the General Meeting of Shareholders. These funds form part of the shareholders’ equity.

In accordance with the relevant regulations, upon the occurrence of certain events, the net profit after tax of the Group for the purpose of profit distribution is deemed to be the lesser of (1) the retained earnings determined in accordance with the People’s Republic of China Generally Accepted Accounting Principles (“PRC GAAP”) and (2) the retained earnings determined in accordance with IFRS Accounting Standards.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. Property and Equipment

	Buildings	Electronics and other equipment	Motor vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
1 January 2025	107,264	302,591	4,711	414,566
Additions	995	89,667	1,919	92,581
Acquired on acquisition of a subsidiary	337,948	52,157	6,448	396,553
Disposals	(18,443)	(27,951)	(3,686)	(50,080)
Exchange differences	–	(9)	–	(9)
31 December 2025	427,764	416,455	9,392	853,611
Accumulated depreciation				
1 January 2025	(81,367)	(227,817)	(4,256)	(313,440)
Provided for the year	(19,440)	(71,311)	(1,333)	(92,084)
Disposals	13,177	17,835	525	31,537
Exchange differences	–	8	–	8
31 December 2025	(87,630)	(281,285)	(5,064)	(373,979)
Carrying amount				
1 January 2025	25,897	74,774	455	101,126
31 December 2025	340,134	135,170	4,328	479,632

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



20. Property and Equipment – continued

	Buildings	Electronics and other equipment	Motor vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
1 January 2024	107,264	289,559	4,711	401,534
Additions	–	41,894	–	41,894
Disposals	–	(28,869)	–	(28,869)
Exchange differences	–	7	–	7
31 December 2024	107,264	302,591	4,711	414,566
Accumulated depreciation				
1 January 2024	(77,394)	(218,294)	(4,108)	(299,796)
Provided for the year	(3,973)	(37,952)	(148)	(42,073)
Disposals	–	28,432	–	28,432
Exchange differences	–	(3)	–	(3)
31 December 2024	(81,367)	(227,817)	(4,256)	(313,440)
Carrying amount				
1 January 2024	29,870	71,265	603	101,738
31 December 2024	25,897	74,774	455	101,126

For the year ended 31 December 2025, gains from disposal of property and equipment amounted to RMB26,016 thousand (2024: losses from disposal of property and equipment amounted to RMB394 thousand).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. Right-of-Use Assets

	Buildings	Motor vehicles	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
1 January 2025	446,553	1,331	–	447,884
Additions	390,990	366	470	391,826
Acquired on acquisition of a subsidiary	144,585	–	1,419	146,004
Disposals	(214,548)	(994)	–	(215,542)
Exchange difference	(315)	–	–	(315)
31 December 2025	767,265	703	1,889	769,857
Accumulated depreciation				
1 January 2025	(206,130)	(601)	–	(206,731)
Provided for the year	(171,690)	(580)	(394)	(172,664)
Disposals	167,799	795	–	168,594
Others	(18,084)	–	–	(18,084)
Exchange difference	306	–	–	306
31 December 2025	(227,799)	(386)	(394)	(228,579)
Carrying amount				
1 January 2025	240,423	730	–	241,153
31 December 2025	539,466	317	1,495	541,278



21. Right-of-Use Assets – continued

	Buildings RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost			
1 January 2024	561,894	1,741	563,635
Additions	150,830	721	151,551
Disposals	(266,444)	(1,131)	(267,575)
Exchange difference	273	–	273
31 December 2024	446,553	1,331	447,884
Accumulated depreciation			
1 January 2024	(335,121)	(1,050)	(336,171)
Provided for the year	(132,343)	(682)	(133,025)
Disposals	261,547	1,131	262,678
Exchange difference	(213)	–	(213)
31 December 2024	(206,130)	(601)	(206,731)
Carrying amount			
1 January 2024	226,773	691	227,464
31 December 2024	240,423	730	241,153



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. Right-of-Use Assets – continued

The Group leases various buildings and vehicles for its operations. Lease contracts are entered into for term of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

For the year ended 31 December 2025, total cash outflow for leases amounts to RMB230,864 thousand (2024: RMB141,794 thousand).

For the year ended 31 December 2025, expense relating to short-term leases amounts to RMB23,581 thousand (2024: RMB1,752 thousand). Expense relating to leases of low value assets excluding short-term leases of low value assets amounts to RMB1,306 thousand (2024: RMB597 thousand).

As at 31 December 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 14 (31 December 2024: the same).

In addition, as at 31 December 2025, lease liabilities of RMB565,745 thousand (31 December 2024: RMB241,061 thousand) (Note 42) are recognised with related right-of-use assets of RMB541,278 thousand (31 December 2024: RMB241,153 thousand). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

During the year ended 31 December 2025, the Group entered into several new lease agreements and recognised right-of-use assets of and lease liabilities of RMB391,826 thousand (2024: RMB141,502 thousand).

As at 31 December 2025, the Group did not enter into any lease that is not yet commenced (31 December 2024: the same).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



22. Goodwill

	Minsheng Securities RMB'000	Guolian Fund RMB'000	Securities branches RMB'000	Total RMB'000
Cost				
As at 1 January 2025	–	1,142,579	10,316	1,152,895
Arising on acquisition of a subsidiary (Note 60)	12,929,343	–	–	12,929,343
As at 31 December 2025	12,929,343	1,142,579	10,316	14,082,238
Impairment losses				
As at 1 January 2025 and 31 December 2025	–	–	(10,316)	(10,316)
Carrying amount				
As at 1 January 2025	–	1,142,579	–	1,142,579
As at 31 December 2025	12,929,343	1,142,579	–	14,071,922

	Guolian Fund RMB'000	Securities branches RMB'000	Total RMB'000
Cost			
As at 1 January 2024 and 31 December 2024	1,142,579	10,316	1,152,895
Impairment losses			
As at 1 January 2024 and 31 December 2024	–	(10,316)	(10,316)
Carrying amount			
As at 1 January 2024 and 31 December 2024	1,142,579	–	1,142,579



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. Goodwill – continued

Goodwill arising on the acquisition of Minsheng Securities Co., Ltd.

The Group acquired 99.26% of Minsheng Securities Co., Ltd. in 2025 and the goodwill arose on the acquisition amounted to RMB12,929,343 thousand. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets and non-controlling interests acquired as the goodwill of Minsheng Securities Co., Ltd. Details are disclosed in note 60.

Goodwill arose on the acquisition of Minsheng Securities Co., Ltd. because the acquisition included the assembled workforce of Minsheng Securities Co., Ltd. and some potential contracts which are still under negotiation with prospective new customers as at the date of acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Goodwill arising on the acquisition of Guolian Fund

In 2023, the Group acquired 75.50% of Guolian Fund. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of Guolian Fund.

Impairment testing on goodwill

In terms of the goodwill, impairment should be assessed annually. The recoverable amount is the higher of a CGU's fair value less cost of disposal and its value in use.

As at 31 December 2025, the recoverable amount of the CGU is determined based on fair value less cost of the disposal as Level 3 according to the principle set out in Note 3.2. The comparables were chosen based on factors such as market segments, company size, relative risk profile etc. In addition, the fair values of each comparable were based on market transaction price undertaken, estimated costs of disposal and reference to valuation multiples for Guolian Fund and Minsheng Securities respectively.

Market comparison approach (Level 3):

P/AUM index	Range from 2.08% to 23.90%
P/B ratio	Range from 1.59 to 2.01

The higher P/AUM index and P/B ratio, the higher the fair value, and vice versa.



22. Goodwill – continued

Impairment testing on goodwill – continued

The model and key assumptions the management used for the determination of recoverable amount were aligned with the model and key assumptions used in the determination of acquisition price. As at 31 December 2025 and 2024, the recoverable amount exceeded the carrying amount of goodwill, and no impairments were recognised for the goodwill. The management continuously monitored the model and key assumptions used for the impairment testing.

23. Intangible Assets

	Trading rights RMB'000	Computer software RMB'000	Customer relationships RMB'000	Others RMB'000	Total RMB'000
Cost					
1 January 2025	600	478,481	466,294	–	945,375
Additions	496	114,846	–	975	116,317
Acquired on acquisition of a subsidiary	6,020	123,897	–	28,222	158,139
Disposals	–	(6,138)	–	–	(6,138)
31 December 2025	7,116	711,086	466,294	29,197	1,213,693
Accumulated amortisation					
1 January 2025	(600)	(379,704)	(51,810)	–	(432,114)
Provided for the year	(8)	(111,680)	(31,086)	(1,224)	(143,998)
Disposals	–	2,895	–	–	2,895
31 December 2025	(608)	(488,489)	(82,896)	(1,224)	(573,217)
Carrying amount					
1 January 2025	–	98,777	414,484	–	513,261
31 December 2025	6,508	222,597	383,398	27,973	640,476



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. Intangible Assets – continued

	Trading rights RMB'000	Computer software RMB'000	Customer relationships RMB'000	Total RMB'000
Cost				
1 January 2024	600	404,477	466,294	871,371
Additions	–	74,188	–	74,188
Disposals	–	(184)	–	(184)
31 December 2024	600	478,481	466,294	945,375
Accumulated amortisation				
1 January 2024	(600)	(304,995)	(20,724)	(326,319)
Provided for the year	–	(74,892)	(31,086)	(105,978)
Disposals	–	183	–	183
31 December 2024	(600)	(379,704)	(51,810)	(432,114)
Carrying amount				
1 January 2024	–	99,482	445,570	545,052
31 December 2024	–	98,777	414,484	513,261

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



24. Principal Subsidiaries

General information of principal subsidiaries

The following were principal subsidiaries of the Group as at 31 December 2025. The equity interests in these subsidiaries were all ordinary shares held by the Company and the percentage of ownership held by the Group represented the voting rights of the Group. The registered addresses of the principal subsidiaries are also their business locations, except for Guolian Fund Management Co., Ltd. where the business location is Beijing. Except for the Minsheng Securities Co., Ltd. none of the subsidiaries had issued any debt securities at 31 December 2025 and 2024, respectively.

Name of subsidiaries	Type of legal entity registered	Date of establishment	Place of registration	Registered capital (in thousand)	Equity interests held by the Group		Principal activities
					31 December 2025	31 December 2024	
Guolian Fund Management Co., Ltd.	Limited liability company	May 2013	Shenzhen, China	RMB750,000	75.50%	75.50%	Fund raising, fund sales, specific customer asset management and asset management
Guolian (Beijing) Asset Management Co., Ltd.	Limited liability company	September 2013	Beijing, China	RMB200,000	75.50%	75.50%	Asset management
Guolian Minsheng Investment Banking Company Limited	Limited liability Company	April 2011	Shanghai, China	RMB200,000	100.00%	100.00%	Underwriting and sponsor
Guolian Tongbao Capital Investment Co., Ltd.	Limited liability company	January 2010	Wuxi, China	RMB600,000	100.00%	100.00%	Equity investment
Wuxi Guolian Chuangxin Capital Co., Ltd.	Limited liability company	July 2019	Wuxi, China	RMB500,000	100.00%	100.00%	Capital investment
Guolian Securities (H.K.) Co., Ltd.	Limited liability company	April 2020	Hong Kong, China	HKD300,000	100.00%	100.00%	Securities investment, consulting and asset management
Guolian Securities International Capital Co., Ltd.	Limited liability company	April 2020	Hong Kong, China	HKD50,000	100.00%	100.00%	Securities brokerage and investment consultation
Guolian Securities International Capital Market Co., Ltd.	Limited liability company	April 2020	Hong Kong, China	HKD10,000	100.00%	100.00%	Investment banks corporate finance
Guolian Securities International Asset Management Co., Ltd.	Limited liability company	April 2020	Hong Kong, China	HKD5,000	100.00%	100.00%	Asset management
Guolian Securities International Co., Ltd.	Limited liability company	April 2020	Hong Kong, China	HKD8,000	100.00%	100.00%	Investment

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. Principal Subsidiaries – continued

General information of principal subsidiaries – continued

Name of subsidiaries	Type of legal entity registered	Date of establishment	Place of registration	Registered capital (in thousand)	Equity interests held by the Group		Principal activities
					31 December 2025	31 December 2024	
Guolian Global Capital Limited	Limited liability company	January 2021	British Virgin Islands	USD0.001	100.00%	100.00%	Offshore investment management platform
Guolian Securities Global Investment SPC	Limited liability company	January 2021	Cayman Islands	USD0.001	100.00%	100.00%	Offshore private equity fund
Guolian Global Investment Management Co., Limited	Limited liability company	January 2021	British Virgin Islands	USD0.001	100.00%	100.00%	Offshore investment management platform
Guolian Securities Global Equity Select SPC	Limited liability company	January 2021	Cayman Islands	USD0.001	100.00%	100.00%	Offshore private equity fund
Guolian Securities Asset Management Co., Ltd.	Limited liability company	September 2023	Qingdao, China	RMB1,000,000	100.00%	100.00%	Asset management
Minsheng Securities Co., Ltd.	Limited liability company	November 1986	Shanghai, China	RMB11,372,878	99.98%	-	Securities brokerage & Investment consultation
Minsheng Equity Investment Fund Management Co., Ltd.	Limited liability company	March 2012	Beijing, China	RMB600,000	99.98%	-	Investment consultation
Minsheng Securities Investment Company Limited	Limited liability company	May 2013	Shenzhen, China	RMB2,650,000	99.98%	-	Investment
Minsheng Futures Co., Ltd.	Limited liability company	January 1996	Beijing, China	RMB611,000	99.98%	-	Future brokerage
Minsheng Bohai Capital Management Co.,Ltd.	Limited liability company	May 2018	Shanghai, China	RMB122,000	99.98%	-	Asset management
Minsheng Fund Management Co., Ltd.	Limited liability company	June 2020	Beijing, China	RMB200,000	99.98%	-	Capital market service



25. Interests in an Associate and a Joint Venture

Set out below is the associate and joint venture of the Group as at 31 December 2025.

	2025	2024
	RMB'000	RMB'000
Cost of investment in a joint venture, unlisted	–	–
Addition through acquisition of a subsidiary	4,193	–
Share of loss	(1,478)	–
	2,715	–

	2025	2024
	RMB'000	RMB'000
Cost of investment in an associate, unlisted	49,000	49,000
Share of profit	30,053	28,370
Other equity movement of an associate	(6,123)	–
	72,930	77,370



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25. Interests in an Associate and a Joint Venture – continued

Details of principal investment in an associate as at 31 December 2025 and 31 December 2024, which is held directly by the Group.

	Place of business/ country of incorporation	% of ownership interest		Measurement method
		2025/12/31	2024/12/31	
Zhonghai Fund Management Co., Ltd.	China	33.409%	33.409%	Equity

Zhonghai Fund Management Co., Ltd., invested by the Company, provides funds distribution, asset management and other services authorised by the CSRC.

The entity is a private company and there is no quoted market price available for the shares.

There are no contingent liabilities relating to the Group's interest in an associate.

	2025	2024
	RMB'000	RMB'000
Balance at beginning of the year	77,370	75,780
Share of profit	1,683	1,590
Other equity movement of an associate	(6,123)	–
Balance at end of the year	72,930	77,370



25. Interests in an Associate and a Joint Venture – continued

The results of the Group's principal associate, and its aggregated assets and liabilities, are as follows:

	Zhonghai Fund Management Co., Ltd.	
	2025	2024
	RMB'000	RMB'000
Total assets	275,024	310,000
Total liabilities	56,729	68,534
Net assets	218,295	241,466
Revenue	111,182	124,686
Profit for the year	4,439	3,651
Total comprehensive income	4,439	3,651
Net assets of the associate attributable to the Group	218,295	231,585
The Group's share of net assets of the associate	72,930	77,370
Carrying amount in the consolidated financial statements	72,930	77,370

Reconciliation of the above consolidated financial statements to the carrying amount of the interests in the above associate recognised in the consolidated financial statements:

	Zhonghai Fund Management Co., Ltd.	
	2025/12/31	2024/12/31
	RMB'000	RMB'000
Equity attributable to equity holders of the associate	218,295	231,585
Proportion of equity interests held by the Group	33.409%	33.409%
Carrying amount	72,930	77,370



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. Equity Investments at Fair Value through Other Comprehensive Income

Non-current assets

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Equity securities (note)	12,892,606	5,200,853
Analysed as:		
Listed in Hong Kong	9,721,475	4,597,206
Listed outside Hong Kong	3,169,731	603,647
Unlisted	1,400	–
	12,892,606	5,200,853

Note: The above equity investments include common stocks, perpetual bonds and restricted shares of entities listed on the Shanghai Stock Exchange; Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited. These investments are not held for trading, but for long-term strategic purposes. The Group has chosen to designate these investments as equity instruments measured at fair value with changes included in other comprehensive income because the Group considered that the short-term fluctuations in the fair value of such investments recognised in profit or loss will be different from the Group's strategy of holding such investments for long-term purposes, so their performance potential will be recognised from a long-term perspective.

As a result of the change of investment strategies, the Group disposed certain equity instrument at fair value through other comprehensive income, and the corresponding profits of RMB38,001 thousand was reclassified from revaluation reserve to retained earnings (the corresponding losses of 2024 amounted RMB722 thousand).

As at 31 December 2025, the equity instruments at fair value through other comprehensive income amounted to RMB3,990,081 thousand were pledged for swap facilitation business (31 December 2024: RMB164,963 thousand were collateralised for repurchase agreements).



27. Debt Instruments at Fair Value through Other Comprehensive Income

Non-current assets

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Analysed by type of issuers:		
Government	228,789	2,036,214
Financial institutions	169,580	–
Corporate entities	52,942	1,142,175
	451,311	3,178,389
Analysed as:		
Listed outside Hong Kong	–	279,435
Unlisted	451,311	2,898,954
	451,311	3,178,389
Expected credit losses	(66)	(21,705)



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. Debt Instruments at Fair Value through Other Comprehensive Income – continued

Current assets

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Analysed by type of issuers:		
Government	71,337	227,619
Corporate entities	87,310	2,155,028
	158,647	2,382,647
Analysed as:		
Listed outside Hong Kong	1,388	3,050
Unlisted	157,259	2,379,597
	158,647	2,382,647
Expected credit losses	(18,979)	(1,938)



27. Debt Instruments at Fair Value through Other Comprehensive Income – continued

As at 31 December 2025, the fair value of securities of the Group which have been placed as collateral for financial assets sold under repurchase agreements was RMB nil thousand (31 December 2024: RMB4,479,578 thousand), for bond lending was RMB418,946 thousand (31 December 2024: RMB742,463 thousand).

The following table shows reconciliation of loss allowances that have been recognised for debt instruments at fair value through other comprehensive income.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2025	(5,850)	–	(17,793)	(23,643)
Changes in the loss allowances:				
– Credited/(charged) to profit or loss	5,544	–	(946)	4,598
As at 31 December 2025	(306)	–	(18,739)	(19,045)

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	(13,421)	–	(17,722)	(31,143)
Changes in the loss allowances:				
– Credited/(charged) to profit or loss	7,571	–	(71)	7,500
As at 31 December 2024	(5,850)	–	(17,793)	(23,643)



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. Debt Instruments at Fair Value through Other Comprehensive Income – continued

The table below details the credit risk exposures of the debt instruments at fair value through other comprehensive income, which are subject to ECL assessment.

Gross carrying amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 31 December 2025	608,570	–	1,388	609,958
As at 31 December 2024	5,557,702	–	3,334	5,561,036

28. Financial Assets at Fair Value through Profit or Loss

Non-current assets

	2025/12/31 RMB'000	2024/12/31 RMB'000
Financial assets mandatorily measured at fair value through profit or loss		
Investments in unlisted companies	1,355,066	862,291
Private equity funds	1,332,936	–
Investments funds	–	114,099
Collective asset management schemes	105,488	–
Total non-current assets	2,793,490	976,390
Analysed as:		
Unlisted	2,793,490	976,390



28. Financial Assets at Fair Value through Profit or Loss

Current assets

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Financial assets mandatorily measured at fair value through profit or loss		
Debt instrument	56,941,704	23,247,686
Equity securities	2,625,707	1,976,096
Investment funds	5,551,278	4,379,636
Assets backed securities	360,707	1,947,034
Trust schemes	1,405,691	873,990
Collective asset management schemes	1,020,347	1,090,216
Private equity funds	1,141,848	883,023
Commercial papers	–	556,473
Wealth management products	6,157,556	1,990,107
Total current assets	75,204,838	36,944,261
Analysed as:		
Listed in Hong Kong	831,538	62,118
Listed outside Hong Kong	7,565,113	9,052,412
Unlisted	66,808,187	27,829,731
	75,204,838	36,944,261

As at 31 December 2025, financial assets at fair value through profit or loss collateralised for repurchase arrangements, bonds lending, securities lending and futures account deposits amounted to RMB23,825,925 thousand (31 December 2024: RMB14,519,420 thousand), RMB8,823,161 thousand (31 December 2024: RMB451,211 thousand), RMB146,468 (31 December 2024: RMB63,797 thousand) and RMB194,903 thousand (31 December 2024: RMB1,207,581 thousand), respectively.

As at 31 December 2025, the fair value of investment funds and trust schemes which was in the lock-up period and the fair value in structured entities, of which the redemption was restricted due to the Group's participation in the schemes which were managed by the Group, was RMB230,179 thousand (31 December 2024: RMB115,115 thousand).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. Financial Assets Held under Resale Agreements

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Non-current assets		
Analysed by asset type:		
– Equity securities	30,046	–
Less: Impairment allowance	(6)	–
	30,040	–
Analysed by market:		
– Shenzhen Stock Exchange	30,040	–
Current assets		
Analysed by asset type:		
– Equity securities	870,979	1,332,231
– Debt securities	12,400,167	9,142,607
Less: impairment allowance	(347)	(1,231)
	13,270,799	10,473,607
Analysed by market:		
– Interbank market	2,943,059	1,449,781
– Shanghai Stock Exchange	9,476,287	7,871,096
– Shenzhen Stock Exchange	851,453	1,152,730
	13,270,799	10,473,607

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



29. Financial Assets Held under Resale Agreements – continued

The Group received equity securities and debt securities as collateral in connection with the purchase of assets under resale agreements amounted to RMB18,167,244 thousand (2024: RMB16,247,350 thousand). Certain of these collateral can be resold or re-pledged. As at 31 December 2025, there is no collateral accepted by the Group that can be resold or re-pledged for financial assets sold under repurchase agreements (31 December 2024: the same).

The following tables show reconciliation of loss allowances that has been recognised for financial assets held under resale agreements.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2025	(637)	(594)	–	(1,231)
Changes in the loss allowance				
– Credited to profit or loss	284	594	123	1,001
– Others	–	–	(123)	(123)
As at 31 December 2025	(353)	–	–	(353)

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	(1,351)	–	–	(1,351)
Changes in the loss allowance				
– Credited/(charged) to profit or loss	714	(594)	10,377	10,497
– Others	–	–	(10,377)	(10,377)
As at 31 December 2024	(637)	(594)	–	(1,231)

The tables below details the credit risk exposures of the Group's financial assets held under resale agreements, which are subject to ECL assessment.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. Financial Assets Held under Resale Agreements – continued

Gross carrying amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 31 December 2025	13,301,192	–	–	13,301,192
As at 31 December 2024	10,434,576	40,262	–	10,474,838

30. Derivative Financial Instruments

	2025/12/31			2024/12/31		
	Nominal value RMB'000	Assets RMB'000	Liabilities RMB'000	Nominal value RMB'000	Assets RMB'000	Liabilities RMB'000
	Futures contracts ^(a)	11,279,430	–	–	12,500,205	–
Stock options	3,283,552	22,383	(29,933)	1,935,044	14,110	(13,736)
Commodity options	54,100	997	(1,419)	714,066	3,509	(2,570)
OTC options	10,130,016	88,874	(91,498)	9,435,536	684,198	(56,166)
Interest rate swaps	72,855,000	190	(31,759)	57,660,000	–	(30,226)
Return swaps	14,035,447	158,416	(184,640)	12,110,759	194,380	(259,476)
Credit default swap	50,000	24,203	–	50,000	26,257	–
Foreign exchange swaps	35,847	433	(407)	–	–	–
Foreign exchange forward	24,531	171	(131)	35,949	736	(4,091)
	111,747,923	295,667	(339,787)	94,441,559	923,190	(366,265)



30. Derivative Financial Instruments – continued

Analysed for reporting purpose as:

	2025/12/31		2024/12/31	
	Assets	Liabilities	Assets	Liabilities
	RMB'000	RMB'000	RMB'000	RMB'000
Current	171,920	(227,506)	430,689	(299,611)
Non-current	123,747	(112,281)	492,501	(66,654)
	295,667	(339,787)	923,190	(366,265)

(a) Futures contracts

The future contracts of the Group represent treasury futures contracts, commodity futures contracts, foreign exchange futures contracts and stock index futures contracts. The Group settles its gains or losses on treasury future contracts, commodity futures contracts, foreign exchange futures contracts and stock index futures (“SIF”) position on a daily basis. As at 31 December 2025, the total fair value gain of futures contracts amounted to approximately RMB30,184 thousand (2024: fair value loss of approximately RMB187,191 thousand), and the net position of future contract was nil for the years ended 31 December 2025 and 2024.

31. Deferred Tax assets And Liabilities

- (1) For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Deferred tax assets	720,243	40,014
Deferred tax liabilities	(679,834)	(717,208)
	40,409	(677,194)



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. Deferred Tax assets And Liabilities – continued

(2) The gross movements in deferred tax assets and liabilities during the year are as follows:

	Impairment losses RMB'000	Changes in fair value of financial assets/liabilities at fair value through profit or loss RMB'000	Changes in fair value of derivatives RMB'000	Debt instruments at fair value through other comprehensive income RMB'000	Equity instruments at fair value through other comprehensive income RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2024	4,490	(83,772)	(300,404)	(6,636)	(93,751)	(37,105)	(517,178)
(Charged)/credited to profit or loss	(737)	56,653	206,794	(1,875)	–	(148,472)	112,363
Charged to equity for the year	–	–	–	–	(241)	–	(241)
Charged to other comprehensive income	–	–	–	(4,452)	(267,686)	–	(272,138)
As at 31 December 2024 and 1 January 2025	3,753	(27,119)	(93,610)	(12,963)	(361,678)	(185,577)	(677,194)
Credited/(charged) to profit or loss	1,538	18,056	75,283	(1,149)	(1)	121,755	215,482
Credited to equity for the year	–	–	–	–	12,609	–	12,609
Credited/(charged) to other comprehensive income	–	–	–	18,718	(303,322)	–	(284,604)
Addition through acquisition of a subsidiary (Note 60)	113,864	674,729	21,734	–	(186,469)	150,258	774,116
As at 31 December 2025	119,155	665,666	3,407	4,606	(838,861)	86,436	40,409

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



32. Refundable Deposits

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Deposits with stock exchanges		
– Shanghai Stock Exchange	96,462	55,729
– Shenzhen Stock Exchange	95,917	43,176
– China Beijing Equity Exchange	6,138	2,707
Deposits with futures and commodities exchange	3,397,038	268,303
Deposits with securities brokers	374,645	–
	3,970,200	369,915

33. Other Non-Current Assets

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Margin deposits of derivative contracts	1,707,726	652,010
Long-term prepaid assets	146,029	60,737
Others	751	528
	1,854,506	713,275

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Long-term prepaid assets:		
Balance at beginning of the year	60,737	62,733
Additions	106,129	23,165
Acquisition of subsidiaries	25,666	–
Amortisation	(46,503)	(25,161)
	146,029	60,737

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. Other Current Assets

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Margin deposits of derivative contracts	2,099,870	1,394,240
Accounts receivable (Note i)	3,173,527	233,087
Other receivables (Note ii)	521,746	40,581
Dividend receivables	327,718	31,392
Prepaid expenses	25,355	22,341
Others	40,504	15,177
Less: Impairment allowance	(463,560)	(4,724)
	5,725,160	1,732,094

Note i: **Accounts receivable**

The aging analysis of accounts receivable based on the date of rendering services is as follows:

	2025/12/31		2024/12/31	
	Amount	Impairment allowance	Amount	Impairment allowance
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 1 year	3,146,378	(5,741)	227,825	(537)
1 to 2 years	14,831	(11,385)	4,624	(8)
More than 2 years	12,318	(12,318)	638	(638)
	3,173,527	(29,444)	233,087	(1,183)

In accordance with the requirements of IFRS 9, the Group adopts a simplified method to measure the expected credit loss for accounts receivable, that is, the Group always recognises lifetime ECL for accounts receivable. As at 31 December 2025, accounts receivable of the Group which are credit-impaired amount to RMB22,611 thousand, and the credit impairment allowance is RMB22,611 thousand (31 December 2024: accounts receivable of the Group which are credit-impaired amount to RMB638 thousand, and the credit impairment allowance is RMB638 thousand). As at 31 December 2025, the credit risk exposure of accounts receivable amounted to RMB3,174,278 thousand (31 December 2024: RMB233,615 thousand).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



34. Other Current Assets – continued

Note ii: Other receivables

Other receivables of the Group are mainly refundable rental deposits and government grants.

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2025	(295)	(2,225)	(1,021)	(3,541)
Addition through acquisition of a subsidiary	(624)	(5,900)	(437,946)	(444,470)
Changes in the loss allowance:				
– Transfer	293	(18)	(275)	–
– (Charged)/credited to profit or loss	(176)	3,379	10,333	13,536
– Written-off	–	359	–	359
As at 31 December 2025	(802)	(4,405)	(428,909)	(434,116)

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	(430)	(2,112)	(1,938)	(4,480)
Changes in the loss allowance:				
– Transfer	236	475	(711)	–
– (Charged)/credited to profit or loss	(101)	(588)	1,628	939
As at 31 December 2024	(295)	(2,225)	(1,021)	(3,541)

The tables below details the credit risk exposures of the Group's other receivables, which are subject to ECL assessment.

Gross carrying amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 31 December 2025	85,976	7,503	428,267	521,746
As at 31 December 2024	24,061	15,500	1,020	40,581

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. Margin Accounts Receivable

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Margin accounts receivable	23,826,864	11,561,577
Less: impairment allowance	(16,213)	(10,240)
	23,810,651	11,551,337

Margin accounts are the funds the Group lends to the customers in margin financing and securities lending business. As at 31 December 2025, impairment allowance amounting to RMB16,213 thousand was provided (31 December 2024: RMB10,240 thousand).

Margin accounts receivable as at 31 December 2025 is secured by the customers' securities as collateral with undiscounted market value of approximately RMB70,561,291 thousand (31 December 2024: RMB32,116,950 thousand) and cash of RMB3,562,190 thousand (31 December 2024: RMB1,986,071 thousand).

The following tables show reconciliation of loss allowances that has been recognised for margin accounts receivable.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2025	(7,118)	(3,122)	–	(10,240)
Addition through acquisition of a subsidiary	(10,987)	–	–	(10,987)
Changes in the loss allowance:				
– Transfer	(536)	536	–	–
– Credited/(charged) to profit or loss	5,455	(441)	–	5,014
As at 31 December 2025	(13,186)	(3,027)	–	(16,213)



35. Margin Accounts Receivable – continued

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	(3,715)	(8,415)	–	(12,130)
Changes in the loss allowance:				
– Transfer	(2,539)	2,539	–	–
– (Charged)/credited to profit or loss	(864)	2,754	–	1,890
As at 31 December 2024	(7,118)	(3,122)	–	(10,240)

The tables below details the credit risk exposures of the Group's margin accounts receivable, which are subject to ECL assessment.

Gross carrying amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 31 December 2025	19,803,374	4,023,490	–	23,826,864
As at 31 December 2024	11,143,529	418,048	–	11,561,577



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36. Clearing Settlements Funds

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Clearing settlement funds held for clients	4,815,313	3,144,540
Proprietary clearing settlement funds	1,464,016	2,075,712
	6,279,329	5,220,252

37. Cash Held for Brokerage Clients

The Group maintains separate accounts with banks and authorised institutions for clients' monies arising from the normal course of business. The Group records these monies as cash held for brokerage clients under current assets and recognises them as due to clients given that they are held liable for any loss or appropriation of these monies. Cash held for brokerage clients for their transaction and settlement purposes is subject to regulatory oversight by third-party depository institutions as per CSRC regulations or restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

38. Cash and Bank Balances

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Bank balances	9,307,674	4,315,613
Other monetary assets (Note)	17,169	–
	9,324,843	4,315,613

As at 31 December 2025, the restricted bank deposits of the Group were RMB850,409 thousand (31 December 2024: RMB782,023 thousand), mainly includes risk reserve deposits and custody funds.

Note: Other monetary assets of the Group are mainly represented cash deposited in securities and futures companies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



39. Share Capital

All shares issued by the Company are fully paid common shares, with a notional value of RMB1 per share. The number of shares and nominal value of the Company's share capital are as follows:

	Domestic share		H shares		Total	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Registered, issued and fully paid at RMB1.0 per share:						
At 1 January 2024 and 31 December 2024	2,389,133	2,389,133	442,640	442,640	2,831,773	2,831,773
Issuance of A-shares for acquisition of a subsidiary (Note 60)	2,640,269	2,640,269	–	–	2,640,269	2,640,269
Issuance of A shares (Note)	208,551	208,551	–	–	208,551	208,551
At 31 December 2025	5,237,953	5,237,953	442,640	442,640	5,680,593	5,680,593

Note: On 10 March 2025, the Company issued 208,551 thousand A shares to specific subscribers on the Shanghai Stock Exchange with issue price RMB9.59 per share.

The excess of RMB1,762,344 thousand over the par value of RMB208,551 thousand for the 208,551 thousand ordinary issued, net of the relevant incremental costs of RMB29,105 thousand directly contributed to the newly issued shares of the Group, was credited to "share premium".

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40. Share Premium and Reserves

	Share premium	Surplus reserve ⁽¹⁾	General risk reserve ⁽²⁾	Transaction risk reserve ⁽²⁾	Revaluation reserve	Translation reserve	Other reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	8,189,045	847,080	1,090,691	969,070	1,141,655	595	(14,817)	12,223,319
Appropriation to surplus reserve	-	135,032	-	-	-	-	-	135,032
Appropriation to general risk reserve	-	-	317,886	-	-	-	-	317,886
Appropriation to transaction risk reserve	-	-	-	246,221	-	-	-	246,221
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(38,001)	-	-	(38,001)
Debt instruments at FVTOCI								
- Net fair value changes during the year	-	-	-	-	(21,143)	-	-	(21,143)
- Impairment loss for ECL	-	-	-	-	(3,448)	-	-	(3,448)
- Reclassification to profit or loss upon disposal	-	-	-	-	(31,563)	-	-	(31,563)
Equity instruments at FVTOCI								
- Net fair value changes during the year	-	-	-	-	905,964	-	-	905,964
Other equity movement of an associate	-	-	-	-	-	-	(6,123)	(6,123)
Shares issued (Note 39)	1,762,344	-	-	-	-	-	-	1,762,344
Acquisition of a subsidiary (Note 60)	26,803,769	-	-	-	-	-	-	26,803,769
Acquisition of non-controlling interests	-	-	-	-	-	-	(39,835)	(39,835)
Others	-	-	-	-	-	-	1,883	1,883
Translation differences	-	-	-	-	-	(5,509)	-	(5,509)
As at 31 December 2025	36,755,158	982,112	1,408,577	1,215,291	1,953,464	(4,914)	(58,892)	42,250,796
As at 1 January 2024	8,189,045	822,080	994,642	939,816	324,521	(3,329)	(14,817)	11,251,958
Appropriation to surplus reserve	-	25,000	-	-	-	-	-	25,000
Appropriation to general risk reserve	-	-	96,049	-	-	-	-	96,049
Appropriation to transaction risk reserve	-	-	-	29,254	-	-	-	29,254
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	722	-	-	722
Debt instruments at FVTOCI								
- Net fair value changes during the year	-	-	-	-	46,153	-	-	46,153
- Impairment loss for ECL	-	-	-	-	(5,625)	-	-	(5,625)
- Reclassification to profit or loss upon disposal	-	-	-	-	(27,173)	-	-	(27,173)
Equity instruments at FVTOCI								
- Net fair value changes during the year	-	-	-	-	803,057	-	-	803,057
Translation differences	-	-	-	-	-	3,924	-	3,924
As at 31 December 2024	8,189,045	847,080	1,090,691	969,070	1,141,655	595	(14,817)	12,223,319



40. Share Premium and Reserves – continued

(1) Surplus reserve

Pursuant to the Company Law of the PRC, the Company's Articles of Association and resolutions of the Board, the Company is required to appropriate 10% of its profit net of the previous years' losses to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses, or converted into capital of the Company, provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before capitalisation.

(2) General risk reserve and transaction risk reserve

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No.320) issued on 18 December 2007, the Company appropriates 10% of its 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 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates 10% from its profit to the transaction risk reserve and cannot be distributed or transferred to share capital.

Our company, in accordance with the "Interim Measures for the Supervision and Administration of Risk Reserves for Publicly Raised Securities Investment Funds," "Guiding Opinions on Standardizing Financial Institutions' Asset Management Business," and "Measures for the Management of Private Asset Management Business by Securities and Futures Operating Institutions," allocates risk reserves each month by setting aside 10% of the management fee income from fund management, 10% of the management fee income from collective asset management plans, and 10% of the management fee income from private asset management plans.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41. Bonds in Issue

	2025/12/31 RMB'000	2024/12/31 RMB'000
Current		
Corporate bonds with fixed rate – 2025 ^(a)	–	1,000,000
Corporate bonds with fixed rate – 2025 ^(b)	–	1,100,000
Corporate bonds with fixed rate – 2025 ^(c)	–	1,000,000
Corporate bonds with fixed rate – 2026 ^(d)	1,300,000	–
Corporate bonds with fixed rate – 2026 ^(e)	1,500,000	–
Corporate bonds with fixed rate – 2026 ^(f)	2,000,000	–
Corporate bonds with fixed rate – 2026 ^(g)	3,000,000	–
Corporate bonds with fixed rate – 2026 ^(h)	1,000,000	–
Subordinated bonds with fixed rate – 2025 ⁽ⁱ⁾	–	1,000,000
Subordinated bonds with fixed rate – 2025 ^(j)	–	1,500,000
Subordinated bonds with fixed rate – 2025 ^(k)	1,000,000	–
Subordinated bonds with fixed rate – 2025 ^(l)	1,000,000	–
Subordinated bonds with fixed rate – 2025 ^(m)	1,000,000	–
Corporate bonds with fixed rate – 2025 ⁽ⁿ⁾	1,500,000	–
Corporate bonds with fixed rate – 2025 ^(o)	1,500,000	–
Income certificates ^(p)	1,138,355	15,000
Interest payable	170,890	388,157
	16,109,245	6,003,157
Non-current		
Corporate bonds with fixed rate – 2026 ^(f)	–	2,000,000
Corporate bonds with fixed rate – 2026 ^(g)	–	3,000,000
Corporate bonds with fixed rate – 2026 ^(d)	–	1,300,000
Corporate bonds with fixed rate – 2027 ^(q)	1,000,000	1,000,000
Corporate bonds with fixed rate – 2027 ^(r)	1,000,000	1,000,000
Corporate bonds with fixed rate – 2027 ^(s)	1,500,000	1,500,000
Corporate bonds with fixed rate – 2027 ^(t)	2,000,000	2,000,000
Corporate bonds with fixed rate – 2028 ^(u)	1,500,000	–
Corporate bonds with fixed rate – 2028 ^(v)	500,000	–
Corporate bonds with fixed rate – 2028 ^(w)	1,650,000	–
Corporate bonds with fixed rate – 2031 ^(x)	2,000,000	2,000,000
Corporate bonds with fixed rate – 2028 ^(y)	1,500,000	–
Corporate bonds with fixed rate – 2028 ^(z)	1,000,000	–
Corporate bonds with fixed rate – 2028 ^(aa)	2,504,184	–
Corporate bonds with fixed rate – 2028 ^(ab)	1,000,000	–
Subordinated bonds with fixed rate – 2026 ⁽ⁱ⁾	–	1,000,000
Subordinated bonds with fixed rate – 2026 ^(j)	–	1,000,000
Subordinated bonds with fixed rate – 2026 ^(m)	–	–
Subordinated bonds with fixed rate – 2027 ^(ac)	1,499,851	1,499,720
Subordinated bonds with fixed rate – 2027 ^(ad)	1,499,747	1,499,596
Subordinated bonds with fixed rate – 2028 ^(ae)	1,499,544	–
Income certificates ^(p)	70,101	–
Interest payable	308,924	–
	22,032,351	18,799,316
	38,141,596	24,802,473



41. Bonds in Issue – continued

- a) On 24 January 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.14% paid annually.
- b) On 7 June 2022, the Company issued RMB1,100,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.99% paid annually.
- c) On 11 November 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.70% paid annually.
- d) On 25 April 2023, the Company issued RMB1,300,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 1,058 days and a fixed coupon rate of 3.15% paid annually.
- e) On 17 April 2024, Minsheng Securities Co., Ltd. issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 2 years and a fixed coupon rate of 2.45% paid annually.
- f) On 25 August 2023, the Company issued RMB2,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.89% paid annually.
- g) On 20 October 2023, the Company issued RMB3,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.14% paid annually.
- h) On 20 January 2025, Minsheng Securities Co., Ltd. issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 1 years and a fixed coupon rate of 1.94% paid annually.
- i) On 24 February 2022, the Company issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.45% paid annually.
- j) On 11 August 2022, the Company issued RMB1,500,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.10% paid annually.
- k) On 17 April 2023, the Company issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.65% paid annually.
- l) On 21 July 2023, the Company issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.28% paid annually.
- m) On 13 December 2023, Minsheng Securities Co., Ltd. issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 4.20% paid annually.
- n) On 27 October 2025, Minsheng Securities Co., Ltd. issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 1 years and a fixed coupon rate of 1.80% paid annually.
- o) On 8 December 2025, Minsheng Securities Co., Ltd. issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 1 years and a fixed coupon rate of 1.79% paid annually.
- p) As at 31 December 2025, income certificates were with a maturity of 180 days to 727 days and bore interest rates ranging from 1.40% to 3.25% per annum paid at maturity (As at 31 December 2024, income certificates were with a maturity of 362 days and bore interest rates of 1.95% per annum paid at maturity).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41. Bonds in Issue – continued

- q) On 23 March 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 5 years and a fixed coupon rate of 3.80% paid annually.
- r) On 28 April 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 5 years and a fixed coupon rate of 3.60% paid annually.
- s) On 22 January 2024, the Company issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.80% paid annually.
- t) On 13 November 2024, the Company issued RMB2,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.20% paid annually.
- u) On 6 March 2025, the Company issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.13% paid annually.
- v) On 19 May 2025, the Company issued RMB500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 1.89% paid annually.
- w) On 20 March 2025, Minsheng Securities Co., Ltd. issued RMB1,650,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.27% paid annually.
- x) On 1 April 2024, the Company issued RMB2,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 7 years and a fixed coupon rate of 2.79% paid annually.
- y) On 25 July 2025, the Company issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 1.87% paid annually.
- z) On 17 September 2025, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 2 years and a fixed coupon rate of 1.95% paid annually.
- aa) On 17 October 2025, the Company issued RMB2,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 2.5 years and a fixed coupon rate of 2.13% paid annually.
- ab) On 17 December 2025, the Company issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.01% paid annually.
- ac) On 23 February 2024, the Company issued RMB1,500,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.84% paid annually.
- ad) On 4 December 2024, the Company issued RMB1,500,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 1,043 days and a fixed coupon rate of 2.14% paid annually.
- ae) On 20 November 2025, the Company issued RMB1,500,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.11% paid annually.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



42. Lease Liabilities

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	142,909	107,171
Within a period of more than one year but not more than two years	94,221	94,134
Within a period of more than two years but not more than five years	119,767	37,563
Within a period of more than five years	208,848	2,193
	565,745	241,061
Less: Amount due for settlement with 12 months shown under current liabilities	(142,909)	(107,171)
Amount due for settlement after 12 months shown under non-current liabilities	422,836	133,890

The incremental borrowing rates applied to lease liabilities range from 1.80% to 5.30% for the year ended 31 December 2025 (2024: From 2.17% to 5.30%).

43. Financial Liabilities at Fair Value through Profit or Loss

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Interest of other holders in consolidated structured entities (Note 1)	29,166	56,792
Income certificates with variable interests (Note 2)	2,904,893	777,877
Bond lending	7,399,491	–
Debt securities repurchase	1,122,833	–
	11,456,383	834,669
Analysed for reporting purpose as:		
Non-current liabilities	3,870,860	70,321
Current liabilities	7,585,523	764,348
	11,456,383	834,669



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43. Financial Liabilities at Fair Value through Profit or Loss – continued

Note 1: Interests of other holders in consolidated structured entities consist of third-party unit holders' interests in these consolidated structured entities. The Group designates these financial liabilities as financial liabilities at fair value through profit or loss because the financial assets of the consolidated structured entities are mainly measured on a fair value basis, the designation can significantly reduce a measurement or recognition inconsistency that would otherwise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Note 2: Guolian Chengxin series of guaranteed principal floating income income certificates issued by the Group (2024: Guolian Shengxin series of guaranteed principal floating income income certificates and Guolian Hengxin series of non-principal floating income income certificates issued by the Group). The series of income certificates are linked to the contracts of CSI 500 and CSI 300, etc. The Group designates the above embedded derivatives and the main contract of income certificate as financial liabilities measured at fair value.

44. Other Non-Current Liabilities

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Margin deposits of derivative contracts	3,456,359	5,333,240

45. Other Current Liabilities

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Salaries, bonus, allowances and benefit payable (Note 46)	1,815,562	349,868
Accounts payable (Note)	1,114,740	159,678
Other taxes payable	133,332	66,945
Securities investor protection fund	22,213	7,036
Provisions (Note 53)	50,626	1,869
Margin deposits of derivative contracts	2,032,137	3,135,740
Deferred income	56,324	4,258
Others	589,867	287,953
	5,814,801	4,013,347

Note: The amount mainly represented the clearance fee which was subsequently settled within one to three trading days after the transaction date. The ageing analysis does not give additional value in view of the nature of business, no ageing analysis is disclosed in respect of accounts payable.



46. Payroll and Welfare

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Salaries and bonus	1,789,302	349,563
Pension	592	119
Other social security	426	–
Other welfare	3,783	–
Labour union funds and employee education funds	21,459	186
	1,815,562	349,868

The Group has provided a pension plan for full-time employees in Mainland China as required by the government, including basic pension insurance and corporate annuity plan. Namely, the Group pays endowment insurance premiums to the social insurance institution designated by the government on a monthly basis, which account for a certain percentage of the total salaries of the staff. After the retirement of the employees, the government is obliged to pay the pensions to them. According to the aforesaid defined contribution plan, the Group shall not be liable for the post-retirement benefits beyond the above contributions. Contributions to the plan will be included in the cost at the time of occurrence.

In addition, the Group provides relevant defined contribution plan for its qualified employees outside of Mainland China in accordance with local labour laws.

The Group did not forfeit any retirement benefit plan contributions, and there are no forfeited contributions under the Group's retirement benefit plans that can be used to deduct the contributions payable in future years.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

47. Contract Liabilities

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Investment banking service fees received in advance	52,843	4,383
Investment management service fees received in advance	8,956	13,740
	61,799	18,123

As at 1 January 2024, contract liabilities amounted to approximately RMB17,552 thousand.

The contract liabilities represent the service fee receipts in advance from customers. The changes in contract liabilities in 2025 and 2024 were mainly due to the increase in investment banking service fees received in advance before year end.

Revenue recognised during the year ended 31 December 2025 that was included in the contract liabilities as at 1 January 2025 was approximately RMB18,123 thousand. There was no revenue recognised in the current year that related to performance obligations that were satisfied in prior year.

48. Due to Financial Institutions

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Due to banks	20,944,111	9,972,283
Due to China Securities Finance Corporation Limited	3,111,473	–
	24,055,584	9,972,283



49. Financial Assets Sold under Repurchase Agreements

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Analysed by asset type		
– Debt securities	24,777,300	14,472,598
– Funds	444,953	2,316,251
– Commercial papers	–	560,575
	25,222,253	17,349,424
Analysed by market		
– Interbank market	24,327,457	13,868,568
– Shanghai Commercial Paper Exchange	–	560,574
– Shanghai Stock Exchange	–	456,268
– Shenzhen Stock Exchange	601,278	2,209,992
– Others	293,518	254,022
	25,222,253	17,349,424
Analysed by transaction type:		
– Pledged	23,973,414	17,095,402
– Outright	1,248,839	254,022
	25,222,253	17,349,424



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

49. Financial Assets Sold under Repurchase Agreements – continued

As at 31 December 2025 and 2024, the fair value of the financial assets that had been placed as financial assets sold under repurchase agreements of the Group were listed as below:

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Debt securities	27,241,172	20,482,785
Commercial papers	–	556,473
Investment funds	917,356	–
	28,158,528	21,039,258

50. Accounts Payable to Brokerage Clients

Accounts payable to brokerage clients mainly include money held for clients placed 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 balances are repayable on demand except where certain balances represent margin deposits and cash collateral received from clients for their trading activities under the normal course of business. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

As at 31 December 2025, cash collateral received from clients for margin financing and securities lending arrangements amounted to RMB3,562,190 thousand (31 December 2024: RMB1,986,071 thousand), and are included in the Group's accounts payable to brokerage clients.



51. Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include amounts that can be used to meet short-term cash commitments.

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Bank balances (Note)	8,457,265	3,399,448
Proprietary clearing settlements funds	1,464,016	2,075,712
Cash equivalents		
– Financial assets held under resale agreements with original maturity at or less than 3 months	12,396,444	9,137,557
	22,317,725	14,612,717

Note: Bank balances do not include interest receivable from deposits and are all with original maturity of three months or less.

52. Transfer of Financial Assets

In the normal course of business, the Group enters into certain transactions in which it transfers recognised financial assets to third parties or customers. If these transfers qualify for derecognition, the Group derecognises 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 recognise these assets.

(1) Securities lending

Transferred financial assets that do not qualify for derecognition include securities lent to clients for them to sell, for which the clients are required to provide collateral that could fully cover the credit exposure of the securities lent, and have the obligation to return the securities to the Group in accordance with the contracts. In certain circumstances, if the securities increase or decrease in value, the Group may require additional collateral from the clients or have to return part of the collateral it holds to the clients. In these instances, the Group believes that it retains substantially all the risks and rewards of these securities and therefore does not derecognise them.

As at 31 December 2025, the Group's financial assets at FVTPL used for securities lending amounted to RMB146,468 thousand (2024: RMB63,797 thousand).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

52. Transfer of Financial Assets – continued

(2) Repurchase agreements

Sales and repurchase agreements are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities sold. These securities are not derecognised from the financial statements but regarded as “collateral” for the liabilities because the Group retain substantially all the risks and rewards of these securities.

The proceeds from selling such securities are presented as financial assets sold under repurchase agreements. Because the Group sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred securities during the term of the arrangements.

The following table analyses the carrying amount of the above mentioned financial assets transferred to the third parties or customers that did not qualify for derecognition and their associated financial liabilities:

	2025/12/31		2024/12/31	
	Carrying amount of transferred assets RMB'000	Carrying amount of related liabilities RMB'000	Carrying amount of transferred assets RMB'000	Carrying amount of related liabilities RMB'000
Bonds	27,241,172	(24,777,300)	18,607,488	(16,788,850)
Funds	917,356	(444,953)	–	–
Commercial papers	–	–	556,473	(560,574)
	28,158,528	(25,222,253)	19,163,961	(17,349,424)



53. Commitments and Contingent Liabilities

(1) Legal proceedings

- (a) In July 2024, the Company received a summons and litigation materials from Wuxi Intermediate People's Court of Jiangsu Province for case number (2024) Su 02 Min Chu 236. The plaintiff requested the Company to compensate for its losses of RMB425 million and related interest, claiming that the losses arose from a pledged-bond repurchase transaction.

In July 2025, the company received a civil judgment for (2024) Su 02 Min Chu 236 from the Intermediate People's Court of Wuxi City, court dismissed all of the client's claims. The client has filed an appeal on 7 August 2025, and the Jiangsu Provincial Higher People's Court accepted the appeal on 29 August 2025. As of the date of this financial report, the Jiangsu Provincial High Court has not yet held a hearing.

- (b) In June 2021, 15 investors of Shandong Longli Biotechnology Co., Ltd. (hereinafter referred to as "Longli Biotechnology") filed a lawsuit to the Intermediate People's Court of Jinan City, Shandong Province for compensation of the investment loss of RMB2,762 thousand caused by the misrepresentation.

In August 2022, 1,628 investors of Longli Biotechnology claimed for compensation of plaintiff for the investment loss, commission, stamp duty, litigation costs and other fees, caused by the misrepresentation. As the sponsor and securities underwriter of the listing of Longli Biotechnology, Guolian Minsheng Investment Banking Company Limited co-underwent joint and several liability with 12 other natural persons and BDO China Shu Lun Pan Certified Public Accountants LLP.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

53. Commitments and Contingent Liabilities – continued

(1) Legal proceedings – continued

(b) – continued

On 25 August 2025, the Jinan Intermediate People's Court handed down the first-instance judgment on this case. The plaintiff and the representative of the plaintiff are entitled to a total creditor's right amount of RMB274,983 thousand against 15 investors of Longli Biotechnology, covering investment difference losses, notice fees and attorney fees. Among them, Guolian Minsheng Investment Banking Company Limited shall bear joint and several liability within the scope of 5%. Furthermore, the case acceptance fee is RMB1,412 thousand of which Guolian Minsheng Investment Banking Company Limited shall bear the amount within the scope of 5%.

Guolian Minsheng Investment Banking Company Limited filed an appeal with the Jinan Intermediate People's Court. On 27 January 2026, the Jinan Intermediate People's Court has accepted the appeal. Up to report date, the case is still under review.

Up to the report date, the Company has recognised provisions of RMB13,820 thousand in respect of the above case as at 31 December 2025.



53. Commitments and Contingent Liabilities – continued

(1) Legal proceedings – continued

- (c) In September 2011, Bank of Zhengzhou Co., Ltd. filed a lawsuit with Zhengzhou Intermediate People's Court on the grounds of a bond custody contract dispute, claiming Minsheng Securities, Henan Branch of Minsheng Securities (民生證券河南分公司) to return the bonds under their custody and to pay compensation for the principal amount of the bonds of RMB17,670,000 and interest of RMB42,452,900 (provisionally calculated up to 16 September 2011) if the aforesaid bonds are not returned after the due date. The case was heard by Zhengzhou Intermediate People's Court of Henan Province, and no final judgement has been obtained. Subsequent to the date of the reporting period, the case has been under trial.
- (d) In September 2024, a client filed a lawsuit with the court for a tort liability dispute, requesting Minsheng Securities and its subsidiary branch, Minsheng Securities Taiyuan Changzhi Road Branch, to compensate for his investment principal losses and to bear all litigation costs. On 6 February 2025, the People's Court of Xiaodian District, Taiyuan City, Shanxi Province rendered a judgment at first instance, ordering Minsheng Securities and Minsheng Securities Taiyuan Changzhi Road Branch to pay RMB34,903 thousand and dismissing the plaintiff's other claims. Minsheng Securities and Minsheng Securities Taiyuan Changzhi Road Branch subsequently filed an appeal. On 27 August 2025, Minsheng Securities received the civil judgment at second instance from the Intermediate People's Court of Taiyuan City, Shanxi Province, which revoked the first-instance judgment and dismissed all of the plaintiff's claims. On 19 March 2026, Minsheng Securities received a notice of response from the Shanxi Provincial Higher People's Court (Case No. (2026) Jin Min Shen No. 1008). The plaintiff, dissatisfied with the second-instance judgment, applied for a retrial, and the Shanxi Provincial Higher People's Court has accepted the application for review. As of the date of approval of this financial report, the case is still under review.

(2) Guarantee for subsidiaries

The Company's second meeting of the six session of the Board of Directors held on 30 December 2025 approved that the Company will provide a dynamic net capital commitment for Guolian Minsheng Investment Banking Company Limited with a total amount of no more that RMB100 million and the effective date is based on approvals and filings by relevant regulatory authorities, such as the China Securities Regulatory Commission. As at 31 December 2025, the above capital guarantee commitment has not been used.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

54. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bonds in issue RMB'000	Lease liabilities RMB'000	Dividend payable RMB'000	Financial liabilities at fair value through profit or loss – Income certificates with variable interests RMB'000	Total RMB'000
At 1 January 2025	24,802,473	241,061	–	777,877	25,821,411
Financing cash flows					
– Additional bonds in issue	16,320,805	–	–	5,078,892	21,399,697
– Repayment of bonds in issue	(9,793,146)	–	–	(2,985,340)	(12,778,486)
– Repayment of principal of lease liabilities	–	(194,030)	–	–	(194,030)
– Interest paid	(916,112)	(11,947)	–	–	(928,059)
– Dividend paid	–	–	(318,113)	–	(318,113)
Non-cash changes					
– Interest expenses	872,541	11,947	–	–	884,488
– New leases	–	391,826	–	–	391,826
– Changes of fair value	–	–	–	33,464	33,464
– Derecognition of lease liabilities	–	(39,459)	–	–	(39,459)
– Addition through acquisition of a subsidiary	6,855,035	166,347	–	–	7,021,382
– Dividend declared	–	–	318,113	–	318,113
At 31 December 2025	38,141,596	565,745	–	2,904,893	41,612,234
At 1 January 2024	25,318,077	230,084	–	1,087,549	26,635,710
Financing cash flows					
– Additional bonds in issue	10,135,000	–	–	1,498,033	11,633,033
– Repayment of bonds in issue	(10,595,000)	–	–	(1,871,992)	(12,466,992)
– Repayment of principal of lease liabilities	–	(130,525)	–	–	(130,525)
– Interest paid	(886,007)	(8,920)	–	–	(894,927)
– Dividend paid	–	–	(402,112)	–	(402,112)
Non-cash changes					
– Interest expenses	830,403	8,920	–	–	839,323
– New leases	–	141,502	–	–	141,502
– Changes of fair value	–	–	–	64,287	64,287
– Dividend declared	–	–	402,112	–	402,112
At 31 December 2024	24,802,473	241,061	–	777,877	25,821,411



55. Related Party Transactions

55.1 Transactions and balances with the Company's controlling shareholder – Guolian Group

Wuxi Guolian Development (Group) Co., Ltd. (collectively referred to as “Guolian Group” together with its subsidiaries) is a wholly state-owned company established in the PRC with a registered capital of RMB8,689,130 thousand. As at 31 December 2025, Guolian Group directly held 23.86% (31 December 2024: 19.21%) of the equity interest in the Company. In addition, Guolian Group also indirectly held 14.65% (31 December 2024: 29.40%) equity interest in Company through its subsidiaries of Guolian Trust Co., Ltd. (“Guolian Trust”), Wuxi Guolian Municipal Electric Power Company (“Wuxi Electric”), Wuxi Yi Mian Textile Group Co., Ltd. (“Yi Mian Textile”), Wuxi Min Sheng Investment Co., Ltd. (“Min Sheng Investment”) and Wuxi Huaguang Environment&Energy Group Co., Ltd. (“Wuxi Huaguang”).

Guolian Trust is the subsidiary of Guolian Group who directly or indirectly held 91.87% of the equity interest. As at 31 December 2025, Guolian Trust held 6.87% of the equity interest in the Company. (31 December 2024: 13.78%).

Wuxi Electric is an indirectly wholly-owned subsidiary of Guolian Group. As at 31 December 2025, Wuxi Electric held 4.70% of the equity interest in the Company. (31 December 2024: 9.43%)

Yi Mian Textile is a direct wholly-owned subsidiary of Guolian Group. As at 31 December 2025, Yi Mian Textile held 1.28% of the equity interest in the Company. (31 December 2024: 2.57%)

Min Sheng Investment is an indirectly wholly-owned subsidiary of Guolian Group. As at 31 December 2025, Min Sheng Investment held 1.29% of the equity interest in the Company. (31 December 2024: 2.60%)

Wuxi Huaguang is the subsidiary of Guolian Group who directly held 51.95% of the equity interest. As at 31 December 2025, Wuxi Huaguang held 0.51% of the equity interest in the Company. (31 December 2024: 1.03%)



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

55. Related Party Transactions – continued

55.1 Transactions and balances with the Company's controlling shareholder – Guolian Group – continued

Transactions during the year

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Interest expense of lease obligation	10	10
Income from providing bond underwriting services	1,448	1,802

Balances at the end of the year

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Lease liabilities	431	109



55. Related Party Transactions – continued

55.2 Other major related party transactions and balances

The table below lists the Group's other significant related parties as at 31 December 2025

Significant related legal entities	The relationship with the Group
Guolian Futures	Fellow subsidiary
Huaxin Design Group Limited	Fellow subsidiary
Jiangsu Asset Management Co., Ltd.	Fellow subsidiary
Jiangsu Lianjia Asset Management Co., Ltd. ("Lianjia" Asset Management)	Fellow subsidiary
Shanghai Hongmao Properties Co., Ltd.	Fellow subsidiary
Shanghai Xixin Enterprise Management Consulting Co., Ltd. ("Xixin Enterprise Management Consulting")	Fellow subsidiary
Surrich International Company Limited	Fellow subsidiary
Wuxi Guolian Property Management Co., Ltd. ("Guolian Property Management")	Fellow subsidiary
Wuxi Guolian Xincheng Investment Co., Ltd. ("Guolian Xincheng")	Fellow subsidiary
Wuxi Taigong Sanatorium Co., Ltd. ("Taigong Sanatorium")	Fellow subsidiary
Wuxi Union Financing Guarantee Co., Ltd. ("Union Financing Guarantee")	Fellow subsidiary
Wuxi Guolian Integrated Circuit Investment Center LP ("Integrated Circuit Investment Center")	Fellow subsidiary
Wuxi Talent Market Co., Ltd.	Fellow subsidiary
Wuxi Talent Group Co., Ltd.	Fellow subsidiary
Wuxi Yimian Investment Co., Ltd.	Fellow subsidiary
Guolian Xizhou Tongrui Medical Investment (Wuxi) Partnership Enterprise (LP)	Associate invested by the controlling shareholder of the Company
Guolian Life Insurance Co., Ltd.	Associate invested by the controlling shareholder of the Company



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

55. Related Party Transactions – continued

55.2 Other major related party transactions and balances – continued

Transactions during the year

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Income from providing securities brokerage services		
– Guolian Futures	340	823
– Guolian Life Insurance Co., Ltd.	–	12
– Guolian Trust	7,278	1,158
– Jiangsu Asset Management Co., Ltd.	–	60
– Union Financing Guarantee	–	2
– Wuxi Huaguang	26	–
– Others	213	854
Income from providing bond underwriting services		
– Wuxi Culture Tourism Development Group Co., Ltd.	–	453
– Others	557	708
Income from providing financial advisory services		
– Guolian Trust	–	248
– Wuxi Huaguang	236	170
– Others	377	–
Income from providing asset management services		
– Guolian CMS Tech Fund I	–	1,822
– Guolian Life Insurance Co., Ltd.	47	132
– Guolian Trust	439	114
– Jiangsu Asset Management Co., Ltd.	204	200
– “Lianjia” Asset Management	–	437
– Surrich International Company Limited	767	1,747
– Taigong Sanatorium	–	8
– Wuxi Huaguang	341	168
– Guolian Xizhou Tongrui Medical Investment (Wuxi) Partnership Enterprise (LP)	302	–
– Guolian Futures	31	–
– Others	2,897	58



55. Related Party Transactions – continued

55.2 Other major related party transactions and balances – continued

Transactions during the year – continued

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Income from providing investment advisory services		
– Guolian Trust	350	285
– Integrated Circuit Investment Center	1,403	1,458
– Jiangsu Asset Management Co., Ltd.	–	6
– Others	85	91
Expenses for receiving futures investment advisory		
– Guolian Futures	–	311
Rental income		
– Guolian Life Insurance Co., Ltd.	–	484
– Guolian Futures	–	55



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

55. Related Party Transactions – continued

55.2 Other major related party transactions and balances – continued

Transactions during the year – continued

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Interest expense on financial assets sold under repurchase agreements		
– Others	6	1
Interest expense of lease liabilities		
– Guolian Life Insurance Co., Ltd.	16	47
– Guolian Xincheng	85	136
– Shanghai Hongmao Properties Co., Ltd.	1,087	819
Expense for receiving services		
– Guolian Futures	1,569	2,431
– Guolian Life Insurance Co., Ltd.	174	222
– Guolian Property Management	7,110	6,070
– Guolian Xincheng	590	594
– Huaxin Design Group Co., Ltd.	364	1,055
– Xixin Enterprise Management Consulting	7,472	3,585
– Taigong Sanatorium	1,253	265
– Wuxi Talent Market Co., Ltd.	2,550	10
– Shanghai Hongmao Properties Co., Ltd.	64	–
– Union Financing Guarantee Co., Ltd.	214	–
– Others	3,837	1,682
Subscribe to the trust plan		
– Guolian Trust	731,000	–
Distribution of income under the trust plan		
– Guolian Trust	16,618	–
Subscribe for bonds		
– Guolian Trust	150,746	–



55. Related Party Transactions – continued

55.2 Other major related party transactions and balances – continued

Balances at the end of the year

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Accounts payable -		
– Guolian Life Insurance Co., Ltd.	–	50
Lease liabilities		
– Guolian Life Insurance Co., Ltd.	638	1,849
– Shanghai Hongmao Properties Co., Ltd.	29,992	59,227
Other receivable		
– Surrich International Company Limited	761	1,813
Clearing settlement funds and refundable deposits		
– Guolian Futures	57,169	656,848
Received in advance		
– Others	–	1,725
Cash held for brokerage clients		
– Guolian Trust	1,336,097	2,319
– Zhonghai Fund Management Co., Ltd.	–	7
– Others	15,866	163,203



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

55. Related Party Transactions – continued

55.3 Key management personnel

Key management personnel are those persons who have the power to, directly or indirectly, plan, direct and control the activities of the Group, including members of the board of directors and other members of the senior management.

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Short term employee benefits	25,408	15,229
Post-employment benefits	1,977	1,727
	27,385	16,956

In addition to the above paid short-term employee benefits of current year, during the year ended 31 December 2025, the Company accrued remuneration which deferred to future years to directors and senior management personnel amounted to RMB6,368 thousand (During the year ended 31 December 2024, RMB1,502 thousand).

56. Financial Risk Management

56.1 Summary

The Group's risk management objective is to establish a sound risk management system and effective management mechanism to ensure that the risk is controlled under a tolerable level, achieve a sustainable development and reduce the uncertainty of achieving business plans.

Based on the risk management objective, the Group's risk management strategy is to identify and analyse various risks faced by the Group, establish an appropriate risk tolerance bottom line for risk management and measure, monitor, report and respond to various risks in a timely and reliable manner to control risks within the limits set by the Group.

The risks involved in the daily operations of the Group mainly include credit risk, market risk and liquidity risk. The Group has established policies and procedures to identify and analyse these risks, and to set appropriate indicators, limits, policies and internal control processes to manage these risks through continuous monitoring by information systems.



56. Financial Risk Management – continued

56.1 Summary – continued

The Company has formulated the “Basic Principle for Comprehensive Risk Management of Guolian Minsheng Securities Co., Ltd.”, which specifies the Company’s risk management objectives, principles, organizational structure, authorization system, related responsibilities and relevant procedures, etc.; and has formulated the “Liquidity Risk Management Measures of Guolian Minsheng Securities Co., Ltd.”, “Liquidity Risk Contingency Plan of Guolian Minsheng Securities Co., Ltd.”, “Market Risk Management Measures of Guolian Minsheng Securities Co., Ltd.”, “Credit Risk Management Measures of Guolian Minsheng Securities Co., Ltd.”, and “Operational Risk Management Measures of Guolian Minsheng Securities Co., Ltd.” for different types of risks, which standardised the methods and processes for the identification, response and reporting of various risks, to ensure the Company achieves the risk management goal of “measurable, controllable and tolerable”.

The Company has established a comprehensive and multi-level risk management system including the Board of Directors and risk control committee, senior management and risk management committees, risk management departments and other risk management-related functional departments, and risk management organizations set within departments. The Company’s Board of Directors takes the ultimate responsibility for the Company’s risk management and authorizes the risk control committee to fulfil its partial functions regarding comprehensive risk management; the Company’s management assumes the responsibility for organizing and implementing comprehensive risk management tasks in business management, and authorizes the Chief Risk Officer being responsible for leading and organizing the overall risk management work; the Company’s risk management departments includes the Risk Management Department and other risk management functional departments. The risk management departments are responsible for establishment of the Company’s risk management system, identifying and evaluating the risks faced by the Company’s business activities, carrying out daily risk monitoring, inspection and evaluation, and raising recommendation and improving the Company’s risk management system. The Risk Management Department supervises, evaluates and reports on the relevant work of the risk management functional departments and shall be responsible to the Chief Risk Officer for risk management; the Company’s business departments and risk management organizations within its branches are responsible for the specific implementation of risk management.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.2 Credit risk

Credit risk refers to the risk of counterparty's failure or inability to meet its payment obligations, or the risk of loss due to declining credit rating.

The Group's credit risks mainly come from risk of default by the counterparty in fixed-income investment business, margin finance business including margin accounts receivable, equity securities held under resale agreements, and OTC derivative business and etc.

In terms of the fixed-income investment business, the Company has established a pool of target bonds, conducted necessary due diligence and provided internal ratings for the bonds that will be traded or used in spot transactions, repurchase transactions, forwards, and lending transactions. The Company established multi-level mechanism of internal approval. For the pool of target bonds, the Company has established the tracking mechanism on a regular or irregular basis, to continuously track changes in credit status. Meanwhile, the Company has established a credit risk indicator system such as concentration of single issuer, industry concentration and etc.

In terms of the financing business, the Company has established a strict layered review and evaluation mechanism, and formed a multi-level approval and authorization mechanism. The Company assesses the credit standing of the borrower by analysing the shareholder's background, operating conditions, and financial status. As for the evaluation of the collateral to be pledged, the quality of the collateral is analysed through a combination of qualitative and quantitative methods, and based on its liquidity index, market performance and other indicators that can be quantitatively measured. The Company has established a multi-dimensional financing business indicator system, including concentration indicators, loan-to-collateral ratio, early warning of closing position, ceilings of pledge ratio, and facility limit, etc., and manages credit risk exposure through timely mark-to-market method.



56. Financial Risk Management – continued

56.2 Credit risk – continued

In terms of the credit risk of counterparties, the Company has developed rating criteria for counterparties and established a counterparty white list to manage counterparties' facility and limit according to their risk levels. The Company regularly, annually at least, updates the white list of counterparties, and adjusts the ratings of counterparties with consideration of any negative public media reports. In addition, the Company manages the credit risk exposures by means of mark-to-market, margin call or forced liquidation.

The credit risk of the Group also comes from the securities business. If the customer fails to deposit sufficient funds for trading, the Group may need to use its own funds to complete the settlement of the transactions. The Group requires customers to deposit the funds required for transactions in full before settlement to reduce related credit risks.

56.2.1 Expected credit loss

The Group has applied the ECL model to measure the expected credit losses for applicable financial asset.

The Group has used the "3 Stage" ECL model to assess the credit losses when its credit risk has increased significantly since initial recognition.

- An asset is classified as Stage 1 where there has been low risk of default or has not been a significant increase in credit risk. The Group will continuously monitor its credit risk.
- An asset is classified as Stage 2 where there has been a significant increase in credit risk since initial recognition but that are not credit impaired. The Group does not see it as a credit impaired instrument.
- An asset is classified as Stage 3 when it is credit impaired.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.2 Credit risk – continued

56.2.1 Expected credit loss – continued

- The impairment loss for financial instruments in Stage 1 is expected credit losses for the next 12 months, which corresponds to the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. In the Stage 2 or 3, expected credit losses of financial instruments are measured for the entire life time.
- Purchased or originated credit impaired financial assets refer to those with credit impairment since initial recognition. The impairment allowances of these assets are measured as the expected credit loss for the entire life time.

For accounts receivable, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

For the factors the Group considers whether there have been significant increase in credit risk, please refer to Note 3. In particular, for margin accounts receivable and financial assets held under resale agreement, the Group generally believes that when the loan-to-collateral ratio reaches the warning line, the credit risk increases significantly and the relevant asset needs to be transferred to Stage 2, and when the coverage ratio reaches the liquidation line or expect there would be loss after closing the position mandatorily, it will be transferred to Stage 3.

The Group uses Probability of default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) to measure credit risks.

- PD is an estimate of the likelihood of default over a given time horizon the calculation of which includes historical data, assumptions and expectations of future conditions.
- EAD is the amount that the Group should be repaid at the time of default in the next 12 months or throughout the remaining life time.
- 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 Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.



56. Financial Risk Management – continued

56.2 Credit risk – continued

56.2.1 Expected credit loss – continued

The expected credit losses are measured based on the probability weighted result of PD, EAD and LGD.

During the year ended 31 December 2025, no significant changes were made in the techniques of estimation or key assumptions.

The assessment of significant increase in credit risk and the measurement of expected credit losses all involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators affecting the credit risk and expected credit losses of each asset portfolio. Key economic indicators include macroeconomic indicators and indicators that can reflect market volatility. Estimates of the predicted values and the likelihood of occurrence are highly inherently uncertain, so the actual results may differ significantly from the predictions. The Group believes that these projections reflect the best estimates of the Group on the possible results.

For the year ended 31 December 2025, the important macroeconomic assumptions used by the Group in the forward-looking model include the cumulative growth rate of GDP at constant price, the growth rate of the consumer price index, and the China Manufacturing Purchasing Managers' Index.

For the year ended 31 December 2025, the macroeconomic forward-looking adjustment factors used by the Group in the evaluation of the expected credit loss measurement model have considered the impact of the deep adjustment of the real estate market on investment in relevant sectors during the economic recovery, the damage to residents' balance sheets that may inhibit consumption repair, and the exposure of fiscal and financial risks in some areas. To be prudent, the Group has determined a higher weight for the neutral scenario, and the second is pessimistic scenario. Assuming that the weight of pessimistic scenario is reduced by 10% and the weight of benchmark scenario increased by 10%, the Group's credit impairment provision will be reduced by RMB748 thousand (2024: RMB631 thousand).

The Group has classified exposures with similar risk characteristics when calculating expected credit loss impairment in a portfolio. During the classification, the Group obtained sufficient information to ensure its statistical reliability.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.2 Credit risk – continued

56.2.2 Maximum credit risk exposure

Before considering collateral or other credit enhancement methods, the maximum credit risk exposure is the carrying amount of financial assets (net of provisions for impairment). The maximum credit risk exposure of the Group is as follows:

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Refundable deposits	3,970,200	369,915
Other assets	7,367,777	2,347,114
Margin accounts receivable	23,810,651	11,551,337
Financial assets held under resale agreements	13,300,839	10,473,607
Financial assets at FVTPL		
– Debt securities	56,941,704	23,247,686
– Asset backed securities	360,707	1,947,034
– Commercial papers	–	556,473
Debt instrument at FVTOCI	609,958	5,561,036
Derivative financial assets	295,667	923,190
Clearing settlement funds	6,279,329	5,220,252
Cash held for brokerage clients	30,578,763	11,096,743
Cash and bank balances	9,324,843	4,315,613
	152,840,438	77,610,000



56. Financial Risk Management – continued

56.2 Credit risk – continued

56.2.3 Credit rating of debt investments

The Group monitors the credit risk profile of the debt securities portfolio held based on credit ratings, which are obtained from major rating agencies in the PRC where debt issuers are located.

	Debt instruments at FVTOCI RMB'000	Financial assets at FVTPL RMB'000
31 December 2025		
Issuers in Mainland China (Note 1)		
Chinese Treasury bond, Central bank bills, CDB bonds	201,009	15,480,191
Policy financial bonds	–	3,102,374
Local government bonds	217,936	10,740,925
AAA	1,387	23,609,705
AA- to AA+	138,866	3,421,304
Below AA-	–	52,292
Unrated	50,760	49,430
Sub-total	609,958	56,456,221
Issuers in Hong Kong and other regions		
AAA	–	379,627
AA- to AA+	–	236,834
No domestic rating (Note 2)	–	229,729
Sub-total	–	846,190
Total	609,958	57,302,411



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.2 Credit risk – continued

56.2.3 Credit rating of debt investments – continued

	Debt instruments at FVTOCI RMB'000	Financial assets at FVTPL RMB'000
31 December 2024		
Issuers in Mainland China (Note 1)		
Chinese Treasury bond, Central bank bills, CDB bonds	1,728,383	3,317,884
Policy financial bonds	–	473,731
Local government bonds	535,450	611,346
AAA	2,231,503	13,880,773
AA- to AA+	1,012,759	6,408,069
Below AA-	1,506	64,700
Unrated	51,435	195,951
Sub-total	5,561,036	24,952,454
Issuers in Hong Kong and other regions		
AAA	–	345,064
AA- to AA+	–	313,500
No domestic rating (Note 2)	–	140,175
Sub-total	–	798,739
Total	5,561,036	25,751,193

Note 1: AAA-AA- and Below AA-refer to debt ratings. If there is no debt rating or the rating is A-1, the higher one between the principal rating and the guarantee rating will be chosen, with AAA being the highest rating; Unrated means that the credit rating agency has not rated the entity or debt.

Note 2: The domestic rating of the entity is preferred for overseas debt rating. If there is no domestic entity rating, it will be summarized in the "No domestic rating" column.



56. Financial Risk Management – continued

56.3 Market risk

Market risk is the risk of loss arising from adverse change in fair value or movement in cash flows in respect of financial instruments, due to interest rate risk, exchange rate risk or price risk.

56.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group utilises sensitivity analysis as the main tool for monitoring interest rate risk and measuring the impact of a reasonable and possible change of interest rate on its total profit and equity, assuming all other variables remain unchanged.

The table below presents the residual maturities of the Group's financial assets and liabilities before their contractual re-pricing dates or their maturity dates (whichever are earlier):



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.3 Market risk – continued

56.3.1 Interest rate risk – continued

As at 31 December 2025

	Within 3 months RMB'000	3 months to 1 year RMB'000	1-5 years RMB'000	More than 5 years RMB'000	Non-interest bearing RMB'000	Total RMB'000
Financial assets						
Refundable deposits	3,392,380	-	-	-	577,820	3,970,200
Other assets	-	-	-	-	7,367,777	7,367,777
Margin accounts receivable	9,716,043	14,094,608	-	-	-	23,810,651
Financial assets held under resale agreements	12,582,782	688,017	30,040	-	-	13,300,839
Financial assets at FVTPL	1,166,816	13,708,458	22,216,701	19,969,724	20,936,629	77,998,328
Debt instruments at FVTOCI	83,319	70,507	440,727	-	15,405	609,958
Equity instruments at fair value through other comprehensive income	-	-	-	-	12,892,606	12,892,606
Financial derivative assets	-	-	-	-	295,667	295,667
Clearing settlement funds	6,279,329	-	-	-	-	6,279,329
Cash held for brokerage clients	11,497,648	19,081,115	-	-	-	30,578,763
Cash and bank balances	9,324,843	-	-	-	-	9,324,843
	54,043,160	47,642,705	22,687,468	19,969,724	42,085,904	186,428,961
Financial liabilities						
Bonds in issue	2,431,646	13,612,481	20,055,428	2,042,041	-	38,141,596
Other liabilities	-	-	-	-	7,190,568	7,190,568
Financial assets sold under repurchase agreements	25,221,783	470	-	-	-	25,222,253
Financial liabilities at FVTPL	8,522,324	-	-	-	2,934,059	11,456,383
Financial derivative liabilities	-	-	-	-	339,787	339,787
Accounts payable to brokerage clients	40,341,626	-	-	-	-	40,341,626
Lease liabilities	30,572	110,898	215,426	208,849	-	565,745
Due to financial institutions	21,850,977	2,204,607	-	-	-	24,055,584
	98,398,928	15,928,456	20,270,854	2,250,890	10,464,414	147,313,542
Interest rate sensitivity gap	(44,355,768)	31,714,249	2,416,614	17,718,834	31,621,490	39,115,419



56. Financial Risk Management – continued

56.3 Market risk – continued

56.3.1 Interest rate risk – continued

As at 31 December 2024

	Within 3 months RMB'000	3 months to 1 year RMB'000	1-5 years RMB'000	More than 5 years RMB'000	Non-interest bearing RMB'000	Total RMB'000
Financial assets						
Refundable deposits	-	-	-	-	369,915	369,915
Other assets	-	-	-	-	2,347,114	2,347,114
Margin accounts receivable	4,396,588	7,154,749	-	-	-	11,551,337
Financial assets held under resale agreements	9,309,173	1,164,434	-	-	-	10,473,607
Financial assets at FVTPL	749,214	10,862,719	12,026,306	1,778,313	12,504,099	37,920,651
Debt instruments at FVTOCI	356,154	1,956,366	2,541,853	633,203	73,460	5,561,036
Equity instruments at fair value through other comprehensive income	-	-	-	-	5,200,853	5,200,853
Financial derivative assets	-	-	-	-	923,190	923,190
Clearing settlement funds	5,220,252	-	-	-	-	5,220,252
Cash held for brokerage clients	11,096,743	-	-	-	-	11,096,743
Cash and bank balances	3,399,448	916,165	-	-	-	4,315,613
	34,527,572	22,054,433	14,568,159	2,411,516	21,418,631	94,980,311
Financial liabilities						
Bonds in issue	2,058,817	3,655,839	17,045,776	2,042,041	-	24,802,473
Other liabilities	-	-	-	-	8,921,454	8,921,454
Financial assets sold under repurchase agreements	17,349,424	-	-	-	-	17,349,424
Financial liabilities at FVTPL	-	-	-	-	834,669	834,669
Financial derivative liabilities	-	-	-	-	366,265	366,265
Accounts payable to brokerage clients	14,565,167	-	-	-	-	14,565,167
Lease liabilities	31,316	75,856	131,696	2,193	-	241,061
Due to financial institutions	9,972,283	-	-	-	-	9,972,283
	43,977,007	3,731,695	17,177,472	2,044,234	10,122,388	77,052,796
Interest rate sensitivity gap	(9,449,435)	18,322,738	(2,609,313)	367,282	11,296,243	17,927,515

Sensitivity analysis

The following table illustrates the potential impact, of a parallel upward or downward shift of 25 basis points in interest rate curves on the Group's net profit and other comprehensive income for the next twelve months from the reporting date, based on the Group's positions of interest-earning assets and interest-bearing liabilities at the end of the reporting period.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.3 Market risk – continued

56.3.1 Interest rate risk – continued

Sensitivity analysis – continued

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Net profit after tax		
Increase by 25 bps	(1,340,027)	(82,655)
Decrease by 25 bps	1,396,367	83,896
Other comprehensive income		
Increase by 25 bps	(1,559)	(20,265)
Decrease by 25 bps	1,571	20,577

The sensitivity analysis on net profit and other comprehensive income is based on reasonably possible changes in interest rates with the assumption that the structure of financial assets and financial liabilities held at the period end remains unchanged, and does not take changes in customer behaviour, basis risk or any prepayment options on debt securities into consideration. This analysis assumes that interest rates of all maturities move by the same amount, and does not reflect the potential impact of unparallel yield curve movements.

The Group believes that above assumption does not represent the Group's policy on the use of funds and interest rate risk management, so the impact of sensitivity analysis may vary according to the actual situation.

In addition, the above analysis of the impact of changes in interest rate is only an illustrative example, showing the estimated changes in net profit and other comprehensive income under various expected situations and the current interest rate risk position of the Group. However, the impact did not consider the risk management activities that the management might take to reduce interest rate risk.



56. Financial Risk Management – continued

56.3 Market risk – continued

56.3.2 Exchange rate risk

Exchange rate risk refers to the possibility of loss of the Group's assets or liabilities due to exchange rate changes. The Group operates principally in the PRC. Except the subsidiaries in Hong Kong, the majority of recognised assets and liabilities are denominated in RMB and the majority of transactions are settled in RMB. The Group does not hold or issue any derivative financial instruments to manage its exposure to exchange rate risk.

As at 31 December 2025, assuming other variables remain unchanged, if foreign currencies appreciate or depreciate by 1% against RMB, the Group's net profit after tax in 2025 will decrease or increase by RMB1,620 thousand (2024: RMB533 thousand).

56.3.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's price risk exposure mainly relates to investments in equity securities, investment funds, convertible bonds, exchangeable bonds, derivatives and collective asset management scheme whose values will fluctuate as a result of changes in market prices. These investments are all investments in the domestic capital markets. The Group is subject to relatively high market risk due to the high volatility of the domestic stock markets.

The Group's price risk management policy requires setting and managing investment objectives. The directors of the Company manage price risk by holding an appropriately diversified investment portfolio, setting limits for investments in different securities and closely monitoring the portfolio of investments to reduce the risk of concentration in any one specific industry or issuer. The Group uses derivatives contracts to economically hedge against certain exposures arising from its investment portfolio.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.3 Market risk – continued

56.3.3 Price risk – continued

Sensitivity analysis

The analysis below shows the impact on profit after income tax and equity due to change in the prices of financial assets, including stocks, funds, derivatives and collective asset management schemes by 10%, assuming all other variables remain unchanged. A positive result indicates an increase in profit after income tax and shareholders' equity, while a negative result indicates otherwise.

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Profit after income tax		
Increase by 10%	544,942	154,047
Decrease by 10%	(544,942)	(154,047)

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Other comprehensive income after income tax		
Increase by 10%	966,840	390,064
Decrease by 10%	(966,840)	(390,064)



56. Financial Risk Management – continued

56.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities due to lack of capital or funds. The rapid development of the Company's proprietary trading, asset management, margin financing business and etc all put forward higher requirements for liquidity risk management.

The Group manages and controls its funds in a centralised manner. The Company's liquidity risk management principles are comprehensiveness, prudence and foreseeability and its overall objective is to build a sound liquidity risk management system so that it can effectively recognise, measure, monitor and control liquidity risk and ensure that its liquidity needs can be met timely with a reasonable cost.

The Group annually prepares the fund budget, and formulates a financing plan based on the fund budget to manage the funding requirements and relevant costs. Through careful analysis of the Group's business scale, total liabilities, financing capacity and asset-liability structure, the Group will determine the scale of high-liquid asset reserves to improve liquidity and risk resistance.

The Group invests surplus cash in negotiable bank deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. As at 31 December 2025, the Group held cash and cash equivalents of approximately RMB22,317,725 thousand (31 December 2024: RMB14,612,717 thousand) that is expected to readily generate cash inflows for managing liquidity risk. In addition, the Group held financial assets at fair value through profit or loss amounted to RMB74,917,594 thousand which was presented as current assets as at 31 December 2025 (31 December 2024: RMB36,813,350 thousand), and could be realised within one year to provide a further source of cash if the need arose.

The tables below present the cash flows payable by the Group for non-derivative financial assets and liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the tables are the contractual undiscounted cash flows, including both interest and principal cash flows. For items with floating interest rates, the undiscounted amounts are derived using interest rates at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

56. Financial Risk Management – continued

56.4 Liquidity risk – continued

As at 31 December 2025	On demand	Within 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Overdue/Undated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-derivative financial liabilities								
Other liabilities	257,853	954,296	562,336	1,257,528	4,108,733	2,292	47,531	7,190,569
Bonds in issue	-	1,082,101	1,585,406	14,095,512	20,558,317	2,097,841	-	39,419,177
Financial assets sold								
under repurchase agreements	293,517	24,832,228	103,409	471	-	-	-	25,229,625
Financial liabilities at FVTPL	-	9,410,191	1,636,047	411,311	-	-	-	11,457,549
Lease liabilities	-	17,967	14,519	117,947	222,364	243,982	-	616,779
Accounts payable to brokerage clients	40,341,436	-	190	-	-	-	-	40,341,626
Due to financial institutions	-	20,950,198	908,327	2,222,320	-	-	-	24,080,845
	40,892,806	57,246,981	4,810,234	18,105,089	24,889,414	2,344,115	47,531	148,336,170
Derivative financial liabilities								
Net outflow	-	17,324	26,478	152,352	112,281	-	31,352	339,787
	40,892,806	57,264,305	4,836,712	18,257,441	25,001,695	2,344,115	78,883	148,675,957

As at 31 December 2024	On demand	Within 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Overdue/Undated	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-derivative financial liabilities								
Other liabilities	-	165,643	1,355,349	1,820,538	5,559,976	163	19,785	8,921,454
Bonds in issue	-	1,102,821	1,185,446	4,151,613	18,000,626	2,153,641	-	26,594,147
Financial assets sold								
under repurchase agreements	254,022	15,821,485	718,909	560,574	-	-	-	17,354,990
Financial liabilities at FVTPL	-	604,687	43,712	115,949	70,321	-	-	834,669
Lease liabilities	-	19,222	16,055	82,450	131,109	2,278	-	251,114
Accounts payable to brokerage clients	14,312,492	252,675	-	-	-	-	-	14,565,167
Due to financial institutions	-	9,973,708	-	-	-	-	-	9,973,708
	14,566,514	27,940,241	3,319,471	6,731,124	23,762,032	2,156,082	19,785	78,495,249
Derivative financial liabilities								
Net outflow	-	52,974	73,432	156,899	66,283	370	16,307	366,265
	14,566,514	27,993,215	3,392,903	6,888,023	23,828,315	2,156,452	36,092	78,861,514



56. Financial Risk Management – continued

56.5 Capital management

The Group's objectives of capital management are:

- To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth;
- To maintain a strong capital base to support the development of their business; and
- To comply with the capital requirements under the regulations.

In accordance with Administrative Measures for Risk Control Indicators of Securities Companies (Revised edition 2024) (the "Administrative Measures") issued by the CSRC, the Company is required to meet the following standards for risk control indicators on a continual basis:

- The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;
- The ratio of core net capital divided by total assets (on and off-balance sheet) shall be no less than 8%;
- The ratio of quality current assets divided by net cash used in next thirty days shall be no less than 100%;
- The ratio of stable funding available divided by stable funding required shall be no less than 100%.

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Administrative Measures.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

57. Fair Value of Financial Assets and Liabilities

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 participations at the measurement date.

57.1 Financial instruments not measured at fair value

The Group's fair value of the bonds in issue as at 31 December 2025 was amounted to RMB38,421,134 thousand (31 December 2024: RMB25,224,530 thousand), and the carrying amount was RMB38,141,596 thousand (December 31, 2024: RMB24,802,473 thousand). The Group uses the China Bond Valuation to evaluate the fair value of the bonds in issue.

Except above bonds in issue, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement approximate their fair values.



57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value

As at 31 December 2025	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at FVTPL				
– Debt instruments	1,287,142	54,616,481	1,038,081	56,941,704
– Equity instruments	2,484,829	–	140,878	2,625,707
– Investment funds	1,891,934	3,659,344	–	5,551,278
– Private equity funds	–	1,017,155	1,457,629	2,474,784
– Collective asset management schemes	–	1,020,347	105,488	1,125,835
– Wealth management products	–	6,157,556	–	6,157,556
– Investments in unlisted companies	–	–	1,355,066	1,355,066
– Trust schemes	–	1,385,302	20,389	1,405,691
– Assets backed securities	–	53,704	307,003	360,707
Debt instruments at FVTOCI	–	608,570	1,388	609,958
Equity instruments at fair value through other comprehensive income	12,891,206	–	1,400	12,892,606
Derivative financial assets	23,380	183,413	88,874	295,667
Total	18,578,491	68,701,872	4,516,196	91,796,559
Liabilities				
Financial liabilities at FVTPL				
– Interests of other holders of consolidated structured entities	–	–	(29,166)	(29,166)
– Income certificates with variable interests	–	–	(2,904,893)	(2,904,893)
– Bond lending	–	(7,399,491)	–	(7,399,491)
– Debt securities repurchase	–	(1,122,833)	–	(1,122,833)
Derivative financial liabilities	(31,352)	(216,937)	(91,498)	(339,787)
Total	(31,352)	(8,739,261)	(3,025,557)	(11,796,170)



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

As at 31 December 2024	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Financial assets at FVTPL				
– Debt securities	134,951	22,936,332	176,403	23,247,686
– Commercial papers	–	556,473	–	556,473
– Equity securities	1,954,182	6,118	15,796	1,976,096
– Investment funds	1,014,770	3,478,965	–	4,493,735
– Private equity funds	–	862,580	20,443	883,023
– Collective asset management schemes	–	1,090,216	–	1,090,216
– Wealth management products	–	1,990,107	–	1,990,107
– Trust schemes	–	873,990	–	873,990
– Investments in unlisted companies	–	–	862,291	862,291
– Assets backed securities	–	380,120	1,566,914	1,947,034
Debt instruments at FVTOCI	–	5,559,208	1,828	5,561,036
Equity instruments at FVTOCI	5,035,890	164,963	–	5,200,853
Derivative financial assets	17,619	221,373	684,198	923,190
Total	8,157,412	38,120,445	3,327,873	49,605,730
Liabilities				
Financial liabilities at FVTPL				
– Interest of other holders of consolidated structured entities	–	–	(56,792)	(56,792)
– Income certificates with variable interests	–	–	(777,877)	(777,877)
Derivative financial liabilities	(16,307)	(293,792)	(56,166)	(366,265)
Total	(16,307)	(293,792)	(890,835)	(1,200,934)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 2

The following table presents the Group's financial assets and liabilities that are measured at fair value by the level 2 in the fair value hierarchy into which the fair value measurement is categorised at 31 December 2025 and 2024.

Financial assets/liabilities	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key inputs
Financial assets at FVTPL			
– Bonds	54,616,481	22,936,332	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bonds which are estimated by dealers or independent pricing service vendors.
– Asset backed securities	53,704	380,120	Discounted future cash flows estimated based on expected recoverable amounts at rates that reflect credit risk of securities which are estimated by dealers or independent pricing service vendors.
– Commercial papers	–	556,473	Discounted cash flows estimated based on contracts amounts and interests that reflect the risk credit of commercial commitments.
– Equity securities listed on National Equities Exchange and Quotation	–	6,117	Recent transaction prices.
– Investment funds	3,659,344	3,478,965	Net asset value as published by the fund managers.
– Collective asset management schemes	1,020,347	1,090,216	Calculated by the managers of the collective asset management schemes based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.
– Wealth management products	6,157,556	1,990,107	Discounted future cash flows estimated based on expected return that reflect the credit risk of the products which are estimated by the managers of wealth management products.
– Private equity funds	1,017,155	862,581	Calculated by the fund managers based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.
– Trust schemes	1,385,302	873,990	Calculated by the trustees based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.
Debt instruments at FVTOCI			
– Bonds	608,570	5,559,208	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bond which are estimated by dealers or independent pricing service vendors.
Equity instruments at fair value through other comprehensive income			
– Perpetual bonds	–	164,963	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bond which are estimated by dealers or independent pricing service vendors.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 2 – continued

Financial assets/liabilities	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key inputs
Derivative financial assets			
– Credit default swap	24,203	26,257	Calculated based on the difference between the equity return of underlying equity securities based on quoted price from stock exchanges and the fixed income agreed in the swap agreements.
– Return swaps	158,416	194,380	Calculated based on the difference between the equity return of underlying equity securities based on quoted price from stock exchanges and the fixed income agreed in the swap agreements.
– Foreign exchange forward	171	736	Calculated based on the quoted price by counterparty.
– Interest rate swap	190	–	Discounted cash flows with future cash flows that are estimated based on contractual terms, discounted at a rate that reflects the credit risk which are estimated by dealers or independent pricing service vendors.
– Foreign exchange swaps	433	–	Calculated based on the quoted price by counterparty.
Financial liabilities at FVTPL			
– Bonds	(8,522,324)	–	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bond which are estimated by dealers or independent pricing service vendors.
Derivative financial liabilities			
– Interest rate swaps	(31,759)	(30,226)	Discounted cash flows with future cash flows that are estimated based on contractual terms, discounted at a rate that reflects the credit risk which are estimated by dealers or independent pricing service vendors.
– Return swaps	(184,640)	(259,476)	Calculated based on the difference between the equity return of underlying equity securities based on quoted prices from stock exchanges and the fixed income agreed in the swap agreements.
– Foreign exchange forward	(131)	(4,091)	Calculated based on the quoted price by counterparty.
– Foreign exchange swap	(407)	–	Calculated based on the quoted price by counterparty.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 3

The following table presents the Group's financial assets and liabilities that are measured at fair value by the level 3 in the fair value hierarchy into which the fair value measurement is categorised at 31 December 2025 and 2024.

Financial assets/liabilities	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key inputs
Financial assets at FVTPL			
– Bonds	1,038,081	176,403	Discounted cash flow method. The future cash flows are estimated based on the expected recoverable amount and discounted at rates that reflect the credit risk of the bond.
– Asset backed securities	307,003	1,566,914	Discounted cash flow method. The future cash flows are estimated based on the expected recoverable amount and discounted at rates that reflect the credit risk of the bond.
– Collective asset management schemes	105,488	–	Calculated based on the fair value of the underlying investments which invest in listed shares with lock up periods in which the fair value is determined with reference to the quoted market prices with an adjustment or discount for lack of marketability.
– Private equity funds	1,457,629	20,443	Calculated based on the fair value of the underlying investments which invest in listed shares with lock up periods in which the fair value is determined with reference to the quoted market prices with an adjustment or discount for lack of marketability.
– Unlisted equity investments	1,355,066	862,291	Calculated by using asset-based approach or market approach, with an adjustment or discount for lack of marketability. The key inputs are the value of the assets and liabilities or main financial indicators of target companies, indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.
– Restricted stocks	57,065	15,796	The fair value is determined with reference to the quoted market prices with an adjustment or discount for lack of marketability.
– Equity securities listed on National Equities Exchange and Quotation	83,813	–	Calculated by using asset-based approach or market approach, with an adjustment or discount for lack of marketability. The key inputs are the value of the assets and liabilities or main financial indicators of target companies, indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.
– Trust schemes	20,389	–	Present value of cash flows is calculated by discounting future amounts using the yield to maturity formula.
Debt instruments at FVTOCI			
– Bonds	1,388	1,828	Discounted cash flow method. The future cash flows are estimated based on the expected recoverable amount and discounted at rates that reflect the credit risk of the bond.
Equity instruments at FVTOCI			
– Investments in other equity instruments	1,400	–	Calculated based on the fair value of the underlying investments and other inputs management considers to be appropriate.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 3 – continued

Financial assets/liabilities	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key inputs
Derivative financial assets			
– OTC options	88,874	684,198	The option pricing model is used which is calculated based on the option exercise price, the price and volatility of the underlying equity instrument, the option exercise time, and the risk-free interest rate.
Financial liabilities at FVTPL			
– Interests of other holders of consolidated structured entities	(29,166)	(56,792)	Calculated based on the fair value of the underlying investments and other inputs management considers to be appropriate.
– Income certificates with variable interests	(2,904,893)	(777,876)	The fair value of the income certificate is the sum of the fair value of embedded option and the discounted future cash flows from the host contract of the debt instrument. The fair value of option is calculated using option pricing model with major inputs including the option exercise price, the price and volatility of the underlying equity instrument, the option exercise time and the risk-free interest rate, etc. The fair value of host contract of debt instrument is calculated based on expected future cash flow discounted by the discount rate reflecting the Company's own credit risk.
Derivative financial liabilities			
– OTC options	(91,498)	(56,166)	The option pricing model is used which is calculated based on the option exercise price, the price and volatility of the underlying equity instrument, the option exercise time, and the risk-free interest rate.



57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 3 – continued

As at 31 December 2025 and 2024

Financial assets/liabilities	Fair value hierarchy	Significant unobservable inputs	Relationship to unobservable input(s) to fair value
Financial assets at FVTPL/Debt instruments at FVTOCI/Equity instruments at FVTOCI			
– Bonds	Level 3	– Estimated future cash flows. – Discount rates reflecting the credit risk of the bond.	– The higher the estimated future cash flows, the higher the fair value. – The lower the discount rate, the higher the fair value.
– Asset backed securities	Level 3	– Estimated future cash flows – Discount rates reflecting the credit risk of the bond.	– The higher the estimated future cash flows, the higher the fair value. – The lower the discount rate, the higher the fair value.
– Collective asset management schemes	Level 3	– The portfolio contains restricted stocks, whose fair value is determined with reference to the quoted market prices with an adjustment or discount for lack of marketability	– The lower the discount rate, the higher the fair value.
– Equity securities listed on National Equities Exchange and Quotation	Level 3	– Valuation multiples e.g. P/E, P/B or P/S – Discount rates that correspond to lack of marketability	– The higher the valuation multiples, the higher the fair value. – The lower the discount rate, the higher the fair value.
– Trust schemes	Level 3	– Discount rates reflecting the credit risk of the scheme	– The lower the discount rate, the higher the fair value.
– Private equity funds	Level 3	– The portfolio contains restricted stocks, whose fair value is determined with reference to the quoted market price with an adjustment or discount for lack of marketability.	– The lower the discount rate, the higher the fair value.
– Unlisted equity investments	Level 3	– Valuation multiples e.g. P/E, P/B or P/S – Discount rates that correspond to lack of marketability	– The higher the valuation multiples, the higher the fair value. – The lower the discount rate, the higher the fair value.
– Restricted stocks	Level 3	– An adjustment or discount for lack of marketability	– The lower the discount rate, the higher the fair value.
Derivative financial instruments			
– OTC options	Level 3	– The volatility of the underlying equity instrument for option	– The higher the volatility of the underlying equity instrument, the higher the fair value.
– Return swaps	Level 3	– An adjustment or discount for lack of marketability	– The lower the discount rate, the higher the fair value.
Equity instruments at FVTOCI			
– Investments in other equity instruments	Level 3	– Other adjustments based on the fair value of underlying assets	– The higher the adjusted value, the lower the fair value.
Financial liabilities at FVTPL			
– Interests of other holders of consolidated structured entities	Level 3	– Other adjustments based on the fair value of underlying assets	– The higher the adjusted value, the lower the fair value.
– Income certificates with variable interests	Level 3	– The volatility of the underlying equity instrument for options	– The higher the volatility of the underlying equity instrument, the higher the fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 3 – continued

The following table presents the changes in Level 3 instruments for the year ended 31 December 2025 and 2024.

	Financial assets at FVTPL – Collective asset management scheme	Financial assets at FVTPL – Bonds	Financial assets at FVTPL – Asset backed securities	Financial assets at FVTPL – Private equity funds	Financial assets at FVTPL – Unlisted equity investments	Financial assets at FVTPL – Restricted stocks	Financial assets at FVTPL – Equity securities listed on National Equities Exchange and Quotations	Financial assets at FVTPL – Trust Schemes	Debt instrument at FVTOCI – Bonds	Financial assets at FVTOCI – Investments in other equity investments	Derivative financial assets – OTC options	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	-	176,403	1,566,914	20,443	862,291	15,796	-	-	1,828	-	684,198	3,327,873
Addition through acquisition of a subsidiary	-	284,001	-	1,477,296	881,127	226,533	55,518	19,876	-	1,400	-	2,945,751
Fair value changes through profit or loss	5,537	(29,591)	23,008	(38,983)	(244,678)	59,126	24,760	-	-	-	(595,324)	(796,145)
Fair value changes through other comprehensive income	-	-	-	-	-	-	-	-	(4,667)	-	-	(4,667)
Increase	99,951	731,205	10,026	441,238	263,792	27,800	52,422	720	5,227	-	-	1,632,381
Decrease	-	(123,937)	(1,292,945)	(442,365)	(407,466)	(272,190)	(48,887)	(207)	(1,000)	-	-	(2,588,997)
Balance at 31 December 2025	105,488	1,038,081	307,003	1,457,629	1,355,066	57,065	83,813	20,389	1,388	1,400	88,874	4,516,196

	Financial assets at FVTPL – Collective asset management scheme	Financial assets at FVTPL – Bonds	Financial assets at FVTPL – Asset backed securities	Financial assets at FVTPL – Private equity funds	Financial assets at FVTPL – Unlisted equity investments	Financial assets at FVTPL – Restricted stocks	Financial assets at FVTPL – Debt instrument at FVTOCI – Bonds	Derivative financial assets – OTC options	Derivative financial assets – Interest rate & return swaps	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	83,081	383,570	1,154,947	3,109,689	722,466	90,283	-	1,604,522	133	7,148,691
Fair value changes through profit or loss	13,091	(15,677)	(58,676)	(273,055)	17,188	39,438	-	(920,324)	(133)	(1,198,148)
Fair value changes through other comprehensive income	-	-	-	-	-	-	(14,072)	-	-	(14,072)
Increase	-	84,152	1,147,041	39,683	146,758	953	15,900	-	-	1,434,487
Decrease	(96,172)	(275,642)	(676,398)	(2,865,874)	(24,121)	(114,878)	-	-	-	(4,043,085)
Balance at 31 December 2024	-	176,403	1,566,914	20,443	862,291	15,796	1,828	684,198	-	3,327,873

The Group used Level 3 valuation techniques to evaluate certain financial instruments whose marketability had been significantly changed, and fair value hierarchy of these financial instruments transferred from Level 3 to Level 1.



57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 3 – continued

For the year ended 31 December 2025, the Group's investments in restricted stocks measured at fair value through profit or loss of RMB203,128 thousand (2024: RMB66,469 thousand) were transferred from Level 3 to Level 1, as the fair values of these securities were determined with the use of quoted prices instead of valuation techniques, due to expiration of lock-up period.

For the year ended 31 December 2024, the Group's investments in collective asset management scheme and private equity funds measured at fair value through profit or loss of RMB83,081 thousand and RMB3,109,689 thousand were transferred from Level 3 to Level 2, as the fair value of these investments were determined with the use of fair values calculated by the investment managers instead of valuation techniques, due to expiration of lock-up period.

	Financial liabilities at FVTPL – Interest of other holders of consolidated structured entities	Financial liabilities at FVTPL – Income certificates with variable interests	Derivative financial liabilities – OTC options	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	56,792	777,876	56,166	890,834
Addition through acquisition of a subsidiary	150	–	–	150
Fair value change through profit or loss	(52,918)	33,465	35,332	15,879
Increase	25,707	2,873,304	–	2,899,011
Decrease	(565)	(779,752)	–	(780,317)
Balance at 31 December 2025	29,166	2,904,893	91,498	3,025,557



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

57. Fair Value of Financial Assets and Liabilities – continued

57.2 Financial instruments measured at fair value – continued

Financial instruments in Level 3 – continued

	Financial liabilities at FVTPL – Interest of other holders of consolidated structured entities	Financial liabilities at FVTPL – Income certificates with variable interests	Derivative financial liabilities – OTC options	Derivative financial liabilities – Interest rate & return swaps	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	75,203	1,087,549	173,905	166	1,336,823
Fair value change through profit or loss	9,250	64,286	(117,739)	(166)	(44,369)
Increase	–	682,178	–	–	682,178
Decrease	(27,661)	(1,056,137)	–	–	(1,083,798)
Balance at 31 December 2024	56,792	777,876	56,166	–	890,834

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



58. Offsetting Financial Assets and Financial Liabilities

Financial assets subjects to offsetting, enforceable master netting agreements:

	As at 31 December 2025				Net amount of financial assets/ (liabilities) presented in the statements of financial position RMB'000
	Gross amounts of recognised financial assets RMB'000	Gross amounts of recognised financial liabilities RMB'000	Net amounts of financial assets/ (liabilities) RMB'000	Cash paid as settlement RMB'000	
	Derivative financial instruments	34,478	(4,294)	(30,184)	

	As at 31 December 2024				Net amount of financial assets/ (liabilities) presented in the statements of financial position RMB'000
	Gross amounts of recognised financial assets RMB'000	Gross amounts of recognised financial liabilities RMB'000	Net amounts of financial assets/ (liabilities) RMB'000	Cash paid as settlement RMB'000	
	Derivative financial instruments	30,976	(218,167)	(187,191)	

The Group has entered into master netting arrangements with counterparties for the future contracts and also with clearing house for un-settled trades. As at years ended 31 December 2025 and 2024, there is no outstanding future contracts held by the Group.

Except for the enforceable master netting arrangements and the offset-right of the financial assets under the similar agreements disclosed above, the collateral of which, such as financial assets held under resale agreement, financial assets sold under repurchase agreements, margin accounts receivable and etc., are disclosed in the corresponding notes, which are generally not on the net basis in financial position.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

59. Unconsolidated Structured Entities

Unconsolidated structured entities of the Group mainly include asset management schemes managed by the Group, asset management schemes, investment funds, wealth management products, private equity funds and etc. which the Group invests in but does not act as a manager.

Except for the structured entities that the Group has consolidated, in the opinion of the directors of the Company, the variable returns the Group exposed to the structured entities that the Group has interests in are not significant. The Group did not consider itself being the principal and consequently did not consolidate these structured entities.

The total assets of unconsolidated structured entities managed by the Group amounted to RMB361,235 million as at 31 December 2025 (31 December 2024: RMB344,576 million).

As at 31 December 2025 and 2024, the interests in unconsolidated structured entities held by the Group which are classified as financial assets at FVTPL included asset management schemes, wealth management products, investment funds, trust schemes, private equity fund, asset backed securities and limited partnership.

The related carrying amounts and the maximum exposure of interests in unconsolidated structured entities managed by the Group classified as financial assets at FVTPL were as follows:

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Asset management schemes	10,642	10,011
Asset backed securities	24,947	–
Publicly offered funds	628,158	600,092
Limited partnerships	787,064	693,239
Total	1,450,811	1,303,342



59. Unconsolidated Structured Entities – continued

The related carrying amounts and the maximum exposure of interests in unconsolidated structured entities for which the Group did not act as the investment manager were as follows:

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Investment funds	4,923,120	3,893,643
Wealth management products	6,157,556	1,990,107
Asset management products	1,115,193	1,080,205
Asset backed securities	335,760	1,947,034
Private equity funds	2,474,784	883,023
Trust schemes	1,405,691	873,990
	16,412,104	10,668,002

For the years ended 31 December 2025 and 2024, the income from these unconsolidated structured entities held and/or managed by the Group was as follows:

	2025	2024
	RMB'000	RMB'000
Net investment gains	341,698	506,960
Fee and commission income	782,898	660,195
	1,124,596	1,167,155



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

60. Acquisition of Subsidiaries

In January 2025, the registration with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the new A Shares in respect of the acquisition of the Minsheng Securities Co., Ltd. by issuing shares has been completed. The acquisition has been completed and held 11,288,911,130 shares of Minsheng Securities (representing 99.26% of the total share capital of Minsheng Securities).

According to the Certificate of Change in Registration of Securities (《證券變更登記證明》) issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited in January 2025, the Company has completed the registration of the new A Shares in respect of the Acquisition of Assets by Issuing Shares, with an aggregate of 2,640,269,065 new A Shares, and the total number of shares after the registration is 5,472,042,233 shares.

Minsheng Securities Co., Ltd., is a nationwide comprehensive securities company approved by the CSRC, with brokerage branches in nearly 30 provinces (including municipalities directly under the Central Government and autonomous regions) and has an investment banking business with significant competitive advantages. Upon completion of the Acquisition, the business layout of the Company will become more reasonable, and the strength of each business line will improve comprehensively.

60.1 Consideration transferred

	RMB'000
Fair value of shares issued	29,491,806



60. Acquisition of Subsidiaries – continued

60.2 Assets acquired and liabilities at the date of acquisition

	RMB'000
Assets	
Cash and bank balances	2,282,086
Cash held for brokerage clients	14,806,251
Clearing settlement funds	1,697,296
Margin accounts receivable	5,480,862
Refundable deposits	2,169,100
Financial assets held under resale agreements	4,073,679
Financial assets at fair value through profit or loss	26,704,794
Equity instruments at fair value through other comprehensive income	4,149,422
Interest in a joint venture	4,193
Property and equipment	396,553
Construction in progress	30,110
Right-of-use assets	146,004
Intangible assets	158,139
Deferred tax assets	845,366
Other assets	548,086
Liabilities	
Bonds in issue	6,855,035
Due to financial institutions	8,978,503
Financial liabilities at fair value through profit or loss	4,175,796
Derivative financial liabilities	13,035
Financial assets sold under repurchase agreements	6,546,720
Accounts payable to brokerage clients	17,889,541
Current income tax liabilities	91,772
Contract liabilities	54,094
Lease liabilities	166,347
Deferred tax liabilities	71,250
Other liabilities	1,963,908
Net assets	16,685,940



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

60. Acquisition of Subsidiaries – continued

60.3 Non-controlling interests

Non-controlling interests of 0.74% in Minsheng Securities Co., Ltd. recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Minsheng Securities Co., Ltd. and amounted to RMB123,477 thousand.

60.4 Goodwill arising on acquisition

	RMB'000
Consideration transferred	29,491,806
Plus: non-controlling interests	123,477
Less: recognised amounts of net assets acquired	16,685,940
<hr/>	
Goodwill	12,929,343

The goodwill generated from the acquisition of Minsheng Securities Co., Ltd. arises from its overall business value. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

60.5 Net cash outflow on acquisition of subsidiaries

	RMB'000
Cash and cash equivalents acquired	5,948,943



60. Acquisition of Subsidiaries – continued

60.6 Impact of acquisition on the results of the Group

From the acquisition date to the year ended 31 December 2025, Minsheng achieved an revenue of RMB3,305,599 thousand and a net profit of RMB987,931 thousand. Considering the impact of identifiable assets and liabilities on the date of acquisition, the Group's financial results included revenue generated by Minsheng amounted to RMB3,302,330 thousand and net profit amounted to RMB951,849 thousand.

60.7 Changes in shareholding percentage of subsidiary

On 29 December 2025, the Group acquired an additional 81,543,019 shares of Minsheng Securities Co., Ltd, from non-controlling shareholders Oceanwide Holdings Co., Ltd. With a total consideration amounted to RMB171,241 thousand, there by increasing the ownership from 99.26% to 99.98%. This transaction resulted in a decrease in other reserve of RMB39,835 thousand in the Group's consolidated financial statements, while the non-controlling interests decreased by RMB131,406 thousand.

61. Subsequent Events

(1) Debt issuance issues

On 12 February, 2026, the Company completed the issuance of Guolian Minsheng Securities Company Limited's 2026 public issuance of subordinated bonds (first phase) to professional investors, with an issuance scale of RMB1.5 billion, a coupon rate of 2%, and a term of 3 years.

On 23 March 2026, the Company completed the issuance of Guolian Minsheng Securities Company Limited's 2026 public issuance of subordinated bonds (second phase) to professional investors, with an issuance scale of RMB1.5 billion, a coupon rate of 2%, and a term of 3 years.

(2) Capital injection to a subsidiary

The Board Meeting of the Company held on 7 February 2026 approved to inject RMB200 million to Minsheng Securities Co., Ltd. using proceeds raised from fund raising. Minsheng Securities Co., Ltd. completed the industrial and commercial registration change of registered capital on 2 March 2026.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

62. Statement of Financial Position and Equity Movement of the Company

Statement of financial position of the Company

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Assets		
Non-current assets		
Property and equipment	84,453	90,871
Right-of-use assets	97,891	160,981
Intangible assets	89,793	65,285
Investments in subsidiaries	33,850,675	4,187,629
Investments in consolidated structured entities	790,421	3,561,000
Interest in an associate	72,930	77,370
Equity instruments at fair value through other comprehensive income	8,024,405	5,200,853
Debt instruments at fair value through other comprehensive income	451,311	3,178,389
Financial assets at fair value through profit or loss	186,022	81,805
Financial assets held under resale agreements	30,040	–
Derivative financial assets	123,747	492,501
Refundable deposits	729,924	367,867
Construction in process	30,096	13,825
Other-non-current assets	1,778,019	702,841
Total non-current assets	46,339,727	18,181,217
Current assets		
Other current assets	4,904,234	2,052,507
Margin accounts receivable	16,063,891	11,551,337
Financial assets held under resale agreement	10,487,712	10,473,607
Debt instruments at fair value through other comprehensive income	158,647	2,382,647
Financial assets at fair value through profit or loss	40,424,633	31,022,305
Derivative financial assets	160,868	429,953
Clearing settlement funds	4,418,859	5,216,128
Cash held for brokerage clients	14,211,940	10,830,746
Cash and bank balances	3,988,904	2,997,623
Total current assets	94,819,688	76,956,853
Total assets	141,159,415	95,138,070

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



62. Statement of Financial Position and Equity Movement of the Company – continued

Statement of financial position of the Company – continued

	2025/12/31	2024/12/31
	RMB'000	RMB'000
Equity and liabilities		
Share capital	5,680,593	2,831,773
Share premium	36,728,559	8,169,041
Reserves	4,612,954	3,956,506
Retained earnings	3,751,878	3,132,881
Total equity	50,773,984	18,090,201
Liabilities		
Non-current liabilities		
Deferred tax liabilities	536,093	480,942
Bond in issue	20,273,041	18,787,789
Lease liabilities	30,652	88,422
Derivative financial liabilities	112,281	66,654
Financial liabilities at fair value through profit or loss	–	14,245
Other non-current liabilities	3,456,359	5,333,240
Total non-current liabilities	24,408,426	24,771,292
Current liabilities		
Other current liabilities	3,845,840	3,780,837
Current income tax liabilities	89,121	–
Bonds in issue	8,541,869	6,001,782
Lease liabilities	62,190	68,558
Due to financial institutions	12,998,290	9,972,283
Derivative financial liabilities	226,043	295,338
Financial assets sold under repurchase agreements	13,458,102	17,095,402
Financial liabilities at fair value through profit or loss	7,556,357	763,632
Accounts payable to brokerage clients	19,199,193	14,298,745
Total current liabilities	65,977,005	52,276,577
Total liabilities	90,385,431	77,047,869
Total equity and liabilities	141,159,415	95,138,070

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

62. Statement of Financial Position and Equity Movement of the Company – continued

Statement of changes in equity of the Company

	Share capital	Share premium	Surplus reserve	General reserve	Revaluation reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	2,831,773	8,169,041	847,080	1,967,771	1,141,655	3,132,881	18,090,201
Profit for the year	-	-	-	-	-	1,350,319	1,350,319
Other comprehensive income for the year	-	-	-	-	243,238	-	243,238
Total comprehensive income for the year	-	-	-	-	243,238	1,350,319	1,593,557
Dividend paid	-	-	-	-	-	(318,113)	(318,113)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	8,114	(8,114)	-
Shares issued	208,551	1,762,344	-	-	-	-	1,970,895
Acquisition of a subsidiary	2,640,269	26,803,769	-	-	-	-	29,444,038
Appropriation to surplus reserve	-	-	135,032	-	-	(135,032)	-
Appropriation to general reserve	-	-	-	270,064	-	(270,064)	-
Other	-	(471)	-	-	-	-	(471)
Other equity movement of an associate	-	(6,123)	-	-	-	-	(6,123)
Balance at 31 December 2025	5,680,593	36,728,560	982,112	2,237,835	1,393,007	3,751,877	50,773,984
Balance at 1 January 2024	2,831,773	8,169,041	822,080	1,934,458	324,521	3,362,601	17,444,474
Profit for the year	-	-	-	-	-	249,997	249,997
Other comprehensive income for the year	-	-	-	-	816,412	-	816,412
Total comprehensive income for the year	-	-	-	-	816,412	249,997	1,066,409
Dividend paid	-	-	-	-	-	(402,112)	(402,112)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	722	(722)	-
Appropriation to surplus reserve	-	-	25,000	-	-	(25,000)	-
Appropriation to general reserve	-	-	-	51,883	-	(51,883)	-
Other	-	-	-	(18,570)	-	-	(18,570)
Balance at 31 December 2024	2,831,773	8,169,041	847,080	1,967,771	1,141,655	3,132,881	18,090,201